

Fulham Stadium Limited

Annual Report and Financial Statements

30 June 2016



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Fulham Stadium Limited Offices and Advisors

For the year ended 30 June 2016

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 Stadium Limited

Directors' Report

For the year ended 30 June 2016

The Directors present their report and the accounts for the year ended 30 June 2016.

Principal activities

The Company's principal activity during the period was to own and develop Craven Cottage football stadium as an investment property.

Review of the business

During the year the Company continued to develop plans for the redevelopment of the Riverside stand and other areas of the stadium, exploring options to maximize the potential of the site as the home of Fulham Football Club and as a valuable non-matchday attraction and facility. Work was also commenced on the refurbishment of the listed Craven Cottage building and turnstile structures.

Results and dividends

The profit for the year amounted to £4,781,000 (2015: £1,996,000) which has been transferred to reserves. The Directors do not recommend the payment of a dividend (2015: £Nil).

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.

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

23 March 2017.



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

For the year ended 30 June 2016

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 financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 judgements 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; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Independent Auditor's Report to the Members of Fulham Stadium Limited

We have audited the financial statements of Fulham Stadium Limited for the year ended 30 June 2016 set out on pages 6 to 21. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 4, 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 company's affairs as at 30 June 2016 and of its profit 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 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Andrew Turner (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

29 March 2017.



Fulham Stadium Limited

Profit and Loss Account and Other Comprehensive Income

For the year ended 30 June 2016

	Notes	2016 £'000	2015 £'000
Turnover	2	2,000	2,000
Other operating income	3	2,785	-
		4,785	2,000
Operating expenses	4	(4)	(4)
Operating profit		4,781	1,996
Profit on disposal of investment property		-	-
Profit on ordinary activities before taxation		4,781	1,996
Taxation of profit on ordinary activities	6	-	-
Profit for the year		4,781	1,996
Total comprehensive Income		4,781	1,996

All amounts relate to continuing operations.

The Company has no other comprehensive income besides the profit for the year.

The notes on pages 9 to 21 form part of these financial statements.



Fulham Stadium Limited

Balance Sheet

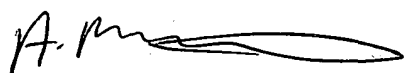
Company number: 3375418

As at 30 June 2016

	Notes	2016 £'000	2015 £'000
Fixed assets			
Investment Property	7	107,852	101,385
Investments	8	<u>4,137</u>	<u>4,137</u>
		111,989	105,522
Current assets			
Debtors	9	2,302	182
Cash at bank and in hand		<u>1</u>	<u>2</u>
		2,303	184
Creditors: amounts falling due within one year	10	<u>(4,524)</u>	<u>(719)</u>
Net current liabilities		<u>(2,221)</u>	<u>(535)</u>
 Total assets less current liabilities		 109,768	 104,987
Net Assets		<u><u>109,768</u></u>	<u><u>104,987</u></u>
 Capital and reserves			
Called up share capital	11	32,305	32,305
Profit and loss account	12	<u>77,463</u>	<u>72,682</u>
Shareholders' funds		<u><u>109,768</u></u>	<u><u>104,987</u></u>

The notes on pages 9 to 21 form part of these financial statements.

These financial statements were approved by the board of directors on 23 March 2017 and signed on its behalf by:



A J Mackintosh
Director



For the year ended 30 June 2016

	Called up share capital	Profit & loss account	Total equity
	£'000	£'000	£'000
Balance at 1 July 2014	32,305	(13,890)	18,415
Effect of changes in accounting policy (see note 17)	-	84,576	84,576
Balance at 1 July 2014 restated	<u>32,305</u>	<u>70,686</u>	<u>102,991</u>
Total comprehensive income for the period			
Profit or loss	-	1,996	1,996
	<u>-</u>	<u>1,996</u>	<u>1,996</u>
Balance at 30 June 2015	<u>32,305</u>	<u>72,682</u>	<u>104,987</u>

	Called up share capital	Profit & loss account	Total equity
	£'000	£'000	£'000
Balance at 1 July 2015	<u>32,305</u>	<u>72,682</u>	<u>104,987</u>
Total comprehensive income for the period			
Profit or loss	<u>-</u>	<u>4,781</u>	<u>4,781</u>
	<u>-</u>	<u>4,781</u>	<u>4,781</u>
Balance at 30 June 2016	32,305	77,463	109,768

The notes on pages 9 to 21 form part of these financial statements.



Fulham Stadium Limited

Accompanying Notes to the Financial Statements

For the year ended 30 June 2016

1 Accounting policies

Fulham Stadium Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These Company financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

In the transition to FRS 102 from old UK GAAP, the Company has made measurement and recognition adjustments. An explanation of how the transition to FRS 102 has affected financial position and financial performance of the Company is provided in note 17.

The Company's immediate and ultimate parent undertakings, Fulham Football Leisure Limited and Cougar Holdco London Limited include the Company in their consolidated financial statements. The consolidated financial statements of these entities are prepared in accordance with FRS 102 and are available to the public and may be obtained from Companies House. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Cougar Holdco London Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 16.



Fulham Stadium Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2016

1 Accounting policies (continued)

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value:

- Investment property is carried at fair value calculated using a depreciated replacement cost valuation basis.

1.2 Going concern

The Company financial statements have been prepared on the going concern basis, notwithstanding net current liabilities of £2,221,000 (2015: £535,000). The Directors believe the use of the going concern basis to be appropriate, having received written indications from Mr Shahid Khan and Fulham Football Leisure Limited that continued funding will be made available to finance the Company's working capital requirements throughout the 2016/17 & 2017/18 football seasons and for the foreseeable future, if required, irrespective as to which league Fulham Football Club is competing in during the 2017/18 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.

1.3 Foreign currency

Transactions in foreign currencies are translated to the companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. The Company does not hold any non-monetary asset or liabilities that are recorded in foreign currencies. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.5 Financial instruments

All of the entities financial instruments are classified as 'Basic Financial Instruments' as defined by FRS 102 Section 11.



Fulham Stadium Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2016

1. Accounting policies (continued)

1.5 Financial Instruments (continued)

1.5.1 Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

1.5.2 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and current accounts.

1.6 Investment property

Investment property is comprised of freehold land and buildings and assets under construction that relate to stadium improvement projects in the planning and design phase. Investment properties are properties which are held either to earn rental income or for capital appreciation or for both.

Investment properties are recognised initially at cost. Subsequent to initial recognition, investment property is valued by an independent external surveyor at least every 3 years. In intervening periods, the Directors make an assessment of any movement in valuation. Gains or losses on the revaluation of investment property are recognised in profit and loss.

Investment property and assets under construction are not depreciated.

The Company does not hold any assets under leasing arrangements.

1.7 Impairment excluding investment property and deferred tax assets

1.7.1 Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.



Fulham Stadium Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2016

1 Accounting policies (continued)

1.7 Impairment excluding investment property and deferred tax assets (continued)

1.7.1 Financial assets (including trade and other debtors) (continued)

For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1.7.2 Non-financial assets

The carrying amounts of the entity's non-financial assets, other than investment property and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.8 Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

1.9 Turnover

Turnover represents rental income from investment property

1.10 Other operating income

Other operating income represents revaluation gains and losses on investment property.



Fulham Stadium Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2016

1 Accounting policies (continued)

1.11 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.12 Group accounts

Group accounts are not prepared because the Company is exempt from doing so under s400 of the Companies Act 2006. The results of the company and its subsidiary are included in the consolidated accounts of Fulham Football Leisure Limited and Cougar Holdco London Limited. The financial information in these accounts is presented about the Company as an individual undertaking and not about its group.



Fulham Stadium Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2016

2 Turnover

	2016 £'000	2015 £'000
Rental income	<u>2,000</u>	<u>2,000</u>

3 Other operating income

	2016 £'000	2015 £'000
Revaluation gains on investment property	<u>2,785</u>	<u>-</u>

4 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:	2016 £'000	2015 £'000
Auditor's remuneration for audit services	3	3
Auditor's remuneration for audit related assurance services	<u>1</u>	<u>1</u>

5 Staff costs

The Company has no employees. The directors are remunerated by other companies within the Group. The amount attributable for services provided to the Company in the year is £128,000 (2015: £121,000).



6 Tax on loss on ordinary activities

	2016	2015
	£'000	£'000
(a) The tax for the year comprises:		
Current tax charge	-	-
Total current tax (note 6 (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 on ordinary activities before tax	<u>4,781</u>	<u>1,996</u>
(Loss) on ordinary activities at standard rate of corporation tax in the UK of 20.00% (2015: 20.75%)	956	414
Effects of:		
Group relief claimed	(942)	(414)
Tax losses utilised	<u>(14)</u>	<u>-</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

(c) Factors that may affect future tax charges

At the year end, the Company has an unrecognised deferred tax asset of approximately £128,000 (2015: £142,000), as analysed overleaf. 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.

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016.



Fulham Stadium Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2016

6 Tax on loss on ordinary activities (continued)

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

The unrecognised deferred tax asset is analysed below:

	2016 £'000	2015 £'000
Fixed asset timing differences	128	142
	<u>128</u>	<u>142</u>

7 Investment Property

	Investment property £'000	Assets in the course of construction £'000	Total £'000
Cost / Valuation			
01 July 2015	95,631	5,754	101,385
Additions	424	3,258	3,682
Revaluations	2,785	-	2,785
30 June 2016	<u>98,840</u>	<u>9,012</u>	<u>107,852</u>

The investment property was valued as at 30 June 2016 by Bilfinger GVA, RICS registered valuers and chartered surveyors, using a depreciated replacement cost methodology. Valuations will be performed every three years and the carrying amount will be reviewed by the Directors in the intervening periods for any indication of material change.



Fulham Stadium Limited
Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2016

8 Fixed asset investments

	Shares in group undertakings £'000
Cost	
01 July 2015 and 30 June 2016	4,137

At 30 June 2016, the Company owned 100% of the share capital of FL Property Management Limited, a Company incorporated in the United Kingdom.

9 Debtors

	2016 £'000	2015 £'000
Other taxes and social security	358	182
Amounts due from group undertakings	1,944	-
	<u>2,302</u>	<u>182</u>

Amounts due from immediate parent company are repayable on demand and bear no interest.



Fulham Stadium Limited
Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2016

10 Creditors

	2016	2015
	£'000	£'000
Due within one year:		
Trade creditors	264	-
Accruals	98	397
Amounts due to immediate parent entity	4,162	322
	4,524	719

Amounts due to the Company's immediate parent undertaking (Fulham Football Leisure Limited) represent unsecured loans which are repayable on demand. No interest is payable.

11 Share capital

Ordinary shares of £1 each	2016	2015
	'000	'000
Allotted, called up and fully paid		
1 July and 30 June	32,305	32,305

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

12 Profit and loss account

	2016	2015
	£'000	£'000
1 July	72,682	70,686
Profit for the year	4,781	1,996
30 June	77,463	72,682



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Fulham Stadium Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2016

13 Capital commitments

Amounts contracted for by the Company but not provided for in the accounts in respect of tangible fixed assets amounted to £Nil (2015: £Nil).

14 Related party transactions

No disclosure has been made of any transactions within these financial statements with the Company's subsidiary, immediate parent company or fellow subsidiaries in accordance with the exemptions allowed under FRS 102 Section 33. There were no transactions with any other related parties during the period.

15 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Fulham Football Leisure Limited. The ultimate controlling party is Mr Shahid Khan.

The largest group in which the results of the Company are consolidated is that headed by Cougar Holdco London Limited, incorporated in the United Kingdom. The smallest group in which the results of the Company are consolidated is that headed by Fulham Football Leisure Limited. The consolidated financial statements of these groups are available to the public and may be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.

16 Accounting estimates and judgements

The valuation of investment property is a significant judgement affecting these financial statements. To mitigate the risk of misstatement, the Directors have engaged a professional independent valuer to undertake periodic inspections and revaluations of this category of asset.



Fulham Stadium Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2016

17 Explanation of transition to FRS 102 from old UK GAAP

As stated in Note 1, these are the Company's first financial statements prepared in accordance with FRS 102. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 30 June 2016 and the comparative information presented in these financial statements for the year ended 30 June 2015. In preparing its FRS 102 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting, UK GAAP. An explanation of how the transition from UK GAAP to FRS 102 has affected the Group's financial position and financial performance is set out in the following tables.

17.1 Reconciliation of equity

	1 July 2014			30 June 2015		
	UK GAAP	Effect of transition to FRS 102	FRS 102	UK GAAP	Effect of transition to FRS 102	FRS 102
	£'000	£'000	£'000	£'000		£'000
Fixed assets						
Tangible Fixed Assets (a)	15,222	(15,222)	-	16,188	(16,188)	-
Investment property (a)	-	99,302	99,302	-	101,385	101,385
Investments (b)	3,660	477	4,137	3,589	548	4,137
	18,882	84,557	103,439	19,777	85,745	105,522
Current assets						
Debtors (b)	27	19	46	182	-	182
Cash at bank and in hand	7	-	7	2	-	2
	34	19	53	184	-	184
Creditors: amounts falling due within one year	(501)	-	(501)	(719)	-	(719)
Net current liabilities	(467)	19	(448)	(535)	-	(535)
Total assets less current liabilities	18,415	84,576	102,991	19,242	85,745	104,987
Net Assets	18,415	84,576	102,991	19,242	85,745	104,987
Capital and reserves						
Called up share capital	32,305	-	32,305	32,305	-	32,305
Profit and loss account	(13,890)	84,576	70,686	(13,063)	85,745	72,682
Shareholders' funds	18,415	84,576	102,991	19,242	85,745	104,987



Fulham Stadium Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2016

17.2 Notes to the reconciliation of equity

17.2.1 Revaluation of investment property

(a) In accordance with FRS102, Craven Cottage Stadium has been reclassified as investment property and restated at valuation. The effect of this change in accounting policy is to increase the carrying value of the freehold to the site by £84,080,000 at the transition date of 1 July 2014 (30 June 2015: £85,197,000).

(b) As a result of a similar reclassification and revaluation of the Motspur Park Training Ground by the Company's subsidiary, FL Property Management Limited, the carrying value of the Company's investment and loans to that subsidiary has been reassessed and previously recognised impairments and provisions have been reversed. This has increased the carrying value of fixed asset investments by £477,000 and debtors due within one year by £19,000 at the transition date of 1 July 2014 (30 June 2015: £548,000 and £Nil respectively).

17.3 Reconciliation of loss for the year ending 30 June 2015

		Year ended 30 June 2015		
		UK GAAP	Effect of	FRS 102
		£'000	transition to	£'000
			FRS 102	
Turnover		2,000	-	2,000
Other operating income		-	-	-
		2,000	-	2,000
Operating expenses	(b)	(56)	52	(4)
Depreciation	(a)	(1,117)	1,117	-
Operating profit		827	1,169	1,996
Profit on disposal of tangible fixed assets		-	-	-
Profit on ordinary activities before taxation		827	1,169	1,996
Taxation of profit on ordinary activities		-	-	-
Profit for the year		827	1,169	1,996

17.4 Notes to the reconciliation of loss for the year ending 30 June 2015

17.4.1 Reclassification of investment property

(a) Following the reclassification of Craven Cottage Stadium as investment property, as detailed at note 17.2.1 above, there is no longer a depreciation charge for the year ended 30 June 2015, which has increased the profit for the year by £1,117,000.

(b) The reversal of the previous impairment of the Company's investment in FL Property Management Limited following a similar reclassification and revaluation in that company has reduced operating expenses by £52,000 in the period.

