

**Fulham Stadium Limited**  
Annual Report and Financial Statements  
30 June 2021



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# **Fulham Stadium Limited Offices and Advisors**

For the year ended 30 June 2021

## **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	Santander UK Plc
One Southampton Row	Bridle Road
London	Bootle
WC1B 5HA	L30 4GB

## **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 2021

The Directors present their report and the accounts for the year ended 30 June 2021.

### 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 Group continued the redevelopment of the Riverside stand which will create a unique Thameside destination with first class facilities for supporters and partners on match day as well as for the wider community year round. The planned works commenced following the final game of the 2018/19 season in May 2019.

### Results and dividends

The profit for the year amounted to £2,370,000 (2020: £17,001,000) which has been transferred to reserves. The Directors do not recommend the payment of a dividend (2020: £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

A J Mackintosh

M Lamping

### Charitable and political donations

The Company did not make any charitable or political donations during the year (2020: £Nil).

### Going concern

Notwithstanding net current liabilities of £4,656k, the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

Fulham Stadium Limited is a wholly owned subsidiary of Cougar Holdco London Limited, the principal activity of the Group being the operation of a professional football club. The ongoing operations of Fulham Stadium Limited are therefore intrinsically linked to the going concern status of that Group. Cougar Holdco London Limited includes the following disclosures in respect of going concern in its financial statements.

*Notwithstanding the Group's net current liabilities of £41,791k as at 30 June 2021, a loss for the year then ended of £93,010k and operating cash outflows for the year of £17,673k, the Consolidated and Company financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.*

*The Company and Group meet their day to day working capital requirements from shareholder loans that are subsequently converted to equity. During the year ended 30 June 2021, amounts due to shareholders of £151,000,000 were converted to equity (see note 16). Subsequent to 30 June 2021, the Group and Company has received further financial support amounting to £93,000,000 from its ultimate owner and immediate parent company, Mr S R Khan and K2TR Family Holdings 2, Corporation.*

*The Directors have prepared base and sensitised cash flow forecasts for a period over 12 months from the date of approval of these financial statements. Those forecasts assume the continued development of the Riverside Stand, utilising additional funds that the Company expects to be made available by the Company's shareholder for that purpose. Those forecasts build in various scenarios around the potential but realistic outcomes from the Covid-19 pandemic, including assumptions on attendances and the related matchday income and costs, assumptions on the league status of the Club and key assumptions on central distributions and possible rebates.*

*All forecasts indicate that, even taking account of controllable mitigating actions, the Group and Company will require significant additional funding in addition to that required to complete the Riverside Stand development. In a downside scenario the Group and Company's forecast cash requirements may increase by 1% over the base case in the forecast period as the majority of the Group's costs are not sensitive to downside variations from Covid-19 or other factors in the short term.*



## Fulham Stadium Limited Directors' Report (continued)

For the year ended 30 June 2021

### Going concern (continued)

*The Directors are confident that any additional required funding will be available from its ultimate owner and immediate parent company, Mr S R Khan and K2TR Family Holdings 2, Corporation, to meet its liabilities as they fall due for that period. K2TR Family Holdings 2, Corporation has expressed this intention to the Directors in writing.*

*As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue, although, at the date of the approval of these financial statements, they have no reason to believe that it will not do so. Consequently, the Directors are confident that the Group and Company will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.*

Fulham Stadium Limited is dependent on continued financial support from Cougar Holdco London Limited, provided via its intermediate holding companies in the Group. At the date of approval of these financial statements the Directors have considered the forecasts of its Cougar Holdco London Limited group, the disclosure in the Group accounts and the committed support between Group companies and have assessed that the conclusions reached by the Directors of Cougar Holdco London Limited regarding the going concern status of the Group are appropriate and as such that, through support to be provided, this Company will be in a position to meet its liabilities as they fall due.

As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

### 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

22 February 2022



## **Fulham Stadium Limited**

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

For the year ended 30 June 2021

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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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

## Opinion

We have audited the financial statements of Fulham Stadium Limited ("the company") for the year ended 30 June 2021 which comprise the profit and loss account and other comprehensive income, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

## Fraud and breaches of laws and regulations – ability to detect

### *Identifying and responding to risks of material misstatements due to fraud*

To identify risks of material misstatements due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- reading Board minutes;
- using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition due to limited incentive or opportunity to manipulate revenue.

We did not identify any additional fraud risks.

# **Independent Auditor's Report to the Members of Fulham Stadium Limited (continued)**

## **Fraud and breaches of laws and regulations – ability to detect (continued)**

We performed procedures including:

- identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts;
- assessing significant accounting estimates for bias.

### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards) and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance through the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines and litigation or the loss of the Group's license to operate. We identified the following areas as those most likely to have such an effect; health and safety and certain aspects of company legislation recognizing the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

## **Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.



## **Independent Auditor's Report to the Members of Fulham Stadium Limited (continued)**

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



**Liam Finnigan (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
One St Peter's Square  
Manchester  
M2 3AE  
23 February 2022

# **Fulham Stadium Limited**

## **Profit and Loss Account and Other Comprehensive Income**

For the year ended 30 June 2021

	Notes	2021 £'000	2020 £'000
<b>Turnover</b>	<b>2</b>	<b>2,000</b>	2,000
Operating expenses	<b>3</b>	<b>(5)</b>	(12)
Gain on revaluation of investment property		<u>375</u>	<u>15,013</u>
<b>Operating profit and profit before taxation</b>		<b>2,370</b>	17,001
Taxation on profit	<b>5</b>	<u>-</u>	<u>-</u>
<b>Profit for the year</b>		<b>2,370</b>	17,001
<b>Total comprehensive income</b>		<b>2,370</b>	17,001

All amounts relate to continuing operations.

The notes on pages 12 to 20 form part of these financial statements.



# Fulham Stadium Limited

## Balance Sheet

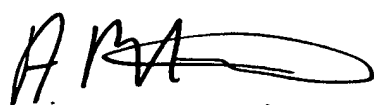
Company number: 3375418

As at 30 June 2021

	Notes	2021 £'000	2020 £'000
<b>Fixed assets</b>			
Investment property	6	197,173	138,662
Investments	7	11,762	11,762
		<u>208,935</u>	<u>150,424</u>
<b>Current assets</b>			
Debtors	8	2,746	1,654
		<u>2,746</u>	<u>1,654</u>
<b>Creditors: amounts falling due within one year</b>	9	(7,402)	(4,084)
<b>Net current (liabilities)</b>		<u>(4,656)</u>	<u>(2,430)</u>
<b>Total assets less current liabilities</b>		<u>204,279</u>	<u>147,994</u>
<b>Net Assets</b>		<u>204,279</u>	<u>147,994</u>
<b>Capital and reserves</b>			
Called up share capital	10	130,774	76,859
Profit and loss account		73,505	71,135
<b>Shareholders' funds</b>		<u>204,279</u>	<u>147,994</u>

The notes on pages 12 to 20 form part of these financial statements.

These financial statements were approved by the Board of Directors on 22 February 2022 and signed on its behalf by:



A J Mackintosh  
Director



# Fulham Stadium Limited

## Statement of Changes in Equity

For the year ended 30 June 2021

	Called up share capital	Profit & loss account	Total equity
	£'000	£'000	£'000
<b>Balance at 1 July 2019</b>	<u>52,502</u>	<u>54,134</u>	<u>106,636</u>
<b>Total comprehensive income for the period</b>			
Profit for the year	-	17,001	17,001
	<u>-</u>	<u>17,001</u>	<u>17,001</u>
<b>Transactions with owners</b>			
Share issue	24,357	-	24,357
	<u>24,357</u>	<u>-</u>	<u>24,357</u>
<b>Balance at 30 June 2020</b>	<u><b>76,859</b></u>	<u><b>71,135</b></u>	<u><b>147,994</b></u>
	Called up share capital	Profit & loss account	Total equity
	£'000	£'000	£'000
<b>Balance at 1 July 2020</b>	<u>76,859</u>	<u>71,135</u>	<u>147,994</u>
<b>Total comprehensive income for the period</b>			
Profit for the year	-	2,370	2,370
	<u>-</u>	<u>2,370</u>	<u>2,370</u>
<b>Transactions with owners</b>			
Share issue	53,915	-	53,915
	<u>53,915</u>	<u>-</u>	<u>53,915</u>
<b>Balance at 30 June 2021</b>	<u><b>130,774</b></u>	<u><b>73,505</b></u>	<u><b>204,279</b></u>

The notes on pages 12 to 20 form part of these financial statements.



# **Fulham Stadium Limited**

## **Accompanying Notes to the Financial Statements**

For the year ended 30 June 2021

### **1 Accounting policies**

Fulham Stadium Limited (the "Company") is a company limited by shares and incorporated and domiciled in England, 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 amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

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 15.

#### **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**

Notwithstanding net current liabilities of £4,656k, the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

Fulham Stadium Limited is a wholly owned subsidiary of Cougar Holdco London Limited, the principal activity of the Group being the operation of a professional football club. The ongoing operations of Fulham Stadium Limited are therefore intrinsically linked to the going concern status of that Group. Cougar Holdco London Limited includes the following disclosures in respect of going concern in its financial statements.



# Fulham Stadium Limited

## Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2021

### 1.2 Going concern (continued)

*Notwithstanding the Group's net current liabilities of £41,791k as at 30 June 2021, a loss for the year then ended of £93,010k and operating cash outflows for the year of £17,673k, the Consolidated and Company financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.*

*The Company and Group meet their day to day working capital requirements from shareholder loans that are subsequently converted to equity. During the year ended 30 June 2021, amounts due to shareholders of £151,000,000 were converted to equity (see note 16). Subsequent to 30 June 2021, the Group and Company has received further financial support amounting to £93,000,000 from its ultimate owner and immediate parent company, Mr S R Khan and K2TR Family Holdings 2, Corporation.*

*The Directors have prepared base and sensitised cash flow forecasts for a period over 12 months from the date of approval of these financial statements. Those forecasts assume the continued development of the Riverside Stand, utilising additional funds that the Company expects to be made available by the Company's shareholder for that purpose. Those forecasts build in various scenarios around the potential but realistic outcomes from the Covid-19 pandemic, including assumptions on attendances and the related matchday income and costs, assumptions on the league status of the Club and key assumptions on central distributions and possible rebates.*

*All forecasts indicate that, even taking account of controllable mitigating actions, the Group and Company will require significant additional funding in addition to that required to complete the Riverside Stand development. In a downside scenario the Group and Company's forecast cash requirements may increase by 1% over the base case in the forecast period as the majority of the Group's costs are not sensitive to downside variations from Covid-19 or other factors in the short term.*

*The Directors are confident that any additional required funding will be available from its ultimate owner and immediate parent company, Mr S R Khan and K2TR Family Holdings 2, Corporation, to meet its liabilities as they fall due for that period. K2TR Family Holdings 2, Corporation has expressed this intention to the Directors in writing.*

*As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue, although, at the date of the approval of these financial statements, they have no reason to believe that it will not do so. Consequently, the Directors are confident that the Group and Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.*

Fulham Stadium Limited is dependent on continued financial support from Cougar Holdco London Limited, provided via its intermediate holding companies in the Group. At the date of approval of these financial statements the Directors have considered the forecasts of its Cougar Holdco London Limited group, the disclosure in the Group accounts and the committed support between Group companies and have assessed that the conclusions reached by the Directors of Cougar Holdco London Limited regarding the going concern status of the Group are appropriate and as such that, through support to be provided, this Company will be in a position to meet its liabilities as they fall due.

As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

### 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 assets or liabilities that are recorded in foreign currencies. Foreign exchange differences arising on translation are recognised in the profit and loss account.



# **Fulham Stadium Limited**

## **Accompanying Notes to the Financial Statements (continued)**

For the year ended 30 June 2021

### **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.

#### **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, design and construction phases. Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. The investment property is currently leased to another group entity.

Investment properties are recognised initially at cost. Subsequent to initial recognition, investment property is valued by an independent external surveyor at regular intervals. 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.



# **Fulham Stadium Limited**

## **Accompanying Notes to the Financial Statements (continued)**

For the year ended 30 June 2021

### **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.

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 leasehold properties. Rental income is recognised equally over the rental period.

#### **1.10 Other operating income**

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





# Fulham Stadium Limited

## Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2021

### 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.

## 2 Turnover

	2021 £'000	2020 £'000
Rental income	<u>2,000</u>	<u>2,000</u>

In 2021 and 2020 all income was derived in the UK.

## 3 Profit before taxation

Profit before taxation is stated after charging:

	2021 £'000	2020 £'000
Auditors' remuneration for audit services	3	3
Auditors' remuneration for audit related assurance services	<u>1</u>	<u>1</u>

## 4 Staff costs

The Company has no employees. The Directors are remunerated by other companies within the Group.



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

For the year ended 30 June 2021

**5 Tax on profit**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
(a) The tax for the year comprises:		
Current tax charge	-	-
Total tax charge (note 5 (b))	<u>-</u>	<u>-</u>

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
(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 before tax	<u>2,370</u>	<u>17,001</u>
Profit at standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	450	3,230
Effects of:		
Fixed asset differences	(71)	(2,852)
Remeasurement of recognised and unrecognised deferred tax for changes in tax rate	(73)	-
Group relief claimed	(379)	(378)
Deferred tax not recognised	73	-
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 £305,000 (2020: £232,000), as analysed below. This asset has not been recognised as there is uncertainty over the company's ability to generate taxable profits against which it would be utilised.

A UK corporation tax rate of 19% (effective from 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This will increase the company's future current tax charge accordingly. A further increase to the tax rate to 25% will come into force from 1 April 2023. The unrecognised deferred tax asset at 30 June 2021 has been calculated using 25% (2020: 19%).



# Fulham Stadium Limited

## Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2021

### 5 Tax on profit (continued)

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

The unrecognised deferred tax asset is analysed below:

	2021 £'000	2020 £'000
Fixed asset timing differences	305	232
	<u>305</u>	<u>232</u>

### 6 Investment Property

	Investment property £'000	Assets in the course of construction £'000	Total £'000
<b>Cost / Valuation</b>			
1 July 2020	97,937	40,725	138,662
Additions	78	58,058	58,136
Revaluation	375	-	375
<b>30 June 2021</b>	<u><b>98,390</b></u>	<u><b>98,783</b></u>	<u><b>197,173</b></u>

The investment property was last valued as at 30 June 2020 by Avison Young (UK) Limited, RICS registered valuers and chartered surveyors, using a depreciated replacement cost methodology ("DRC"). The DRC basis of valuation aims to produce a valuation of the actual property and its actual location, and the estimation of the gross replacement cost has to reflect the cost of a site suitable for a modern equivalent facility. There is an assumption in this regard of a site of a similar size and location to meet the operational use requirements of the football club facility. There are also assumptions made around the life expectancy and historic depreciation of capitalised assets. The valuers use a broad range of similar transactions to aide in this valuation. This revaluation resulted in an uplift in the prior year of £15,013,000.

Valuations are performed periodically, with the next valuation due for the year ended 30 June 2023, and the carrying amount is reviewed by the Directors in the intervening periods for any indication of material change. For the current year (period ended 30 June 2021) the Directors engaged Avison Young (UK) Limited to perform a desktop review of the valuation to assess any indications of a material change in value. The result of this desktop review was that a revaluation gain was recognised in the current year of £375,000.



# Fulham Stadium Limited

## Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2021

### 7 Fixed asset investments

	Shares in group undertakings £'000
<b>Cost</b>	
01 July 2020	11,762
Additions	-
<b>30 June 2021</b>	<b>11,762</b>

At 30 June 2021, the Company owned 100% of the share capital of FL Property Management Limited, a Company incorporated in the United Kingdom and registered at the same address as Fulham Stadium Limited. The Company is a property holding company.

The Director's have performed an impairment review on the investment as at 30 June 2021, with the conclusion that there were no indications that an impairment was necessary (2020: £nil).

### 8 Debtors

	2021 £'000	2020 £'000
Other taxes and social security	2,746	1,654
	<b>2,746</b>	<b>1,654</b>

### 9 Creditors

	2021 £'000	2020 £'000
<b>Due within one year:</b>		
Trade creditors	4,870	3,115
Accruals	2,349	805
Amounts due to immediate parent entity	167	164
Amounts due to subsidiary undertaking	16	-
	<b>7,402</b>	<b>4,084</b>

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. Amounts due to the subsidiary undertaking (FL Property Management Limited) represent unsecured loans which are repayable on demand and are not interest bearing.



# Fulham Stadium Limited

## Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2021

### 10 Share capital

Ordinary shares of £1 each	2021 '000	2020 '000
<b>Allotted, called up and fully paid</b>		
1 July	76,859	52,502
Issued in the year	53,915	24,357
<b>30 June</b>	<b>130,774</b>	<b>76,859</b>

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.

On 30 June 2021 the company issued 53,915,000 new ordinary shares to its immediate parent company, Fulham Football Leisure Limited. There was no change in the control of the company as a result of this transaction.

In consideration for these share issues, the debt owing by the company to Fulham Football Leisure Limited was offset.

### 11 Capital commitments

Amounts contracted for by the Company but not provided for in the accounts in respect of tangible fixed assets amounted to £25,485,000 (2020: £77,515,000).

### 12 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.

### 13 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.

### 14 Accounting estimates and judgements

The only significant accounting estimate and judgement included in these financial statements is the valuation of the land and buildings. A professional valuation is undertaken at regular intervals with land and buildings revalued at that date. In the interim periods, the Directors undertake their own assessment of the valuation based on factors that they deem appropriate, and will impair the assets where necessary. Where there is a change in the valuation of, the relevant change is accounted through the profit and loss account.

### 15 Post balance sheet events

There have been no major post balance sheet events.

