


SUPERSTADIUM MANAGEMENT  
COMPANY LIMITED

Abbreviated Accounts

31 July 2009

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# **SUPERSTADIUM MANAGEMENT COMPANY LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2009**

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# **INDEPENDENT AUDITORS' REPORT TO SUPERSTADIUM MANAGEMENT COMPANY LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts set out on pages 3 to 8, together with the financial statements of Superstadium Management Company Limited for the year ended 31 July 2009 prepared under section 396 of the Companies Act 2006

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters that we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions that we have formed.

## **Respective responsibilities of the directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

## **Basis of opinion**

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purposes of this report does not include examining events occurring after the date of our auditors report on the full annual financial statements.

## **Opinion**

In our opinion, the company is entitled to deliver annual abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

## **Emphasis of matter – going concern**

On 1 March 2009, we reported as the auditor to the member of the company on the financial statements prepared under section 396 of the Companies Act 2006 and our report included the following paragraphs:

Without qualifying our opinion, we draw your attention to the disclosure in Note 1 to the financial statements concerning the company's ability to continue as a going concern.

Superstadium Management Company Limited derives approximately 50% of its income from The Hull City Association Football Club (Tigers) Limited. As disclosed in The Hull City Association Football Club (Tigers) Limited accounts, there is a material uncertainty which may cast significant doubt over that company's ability to continue as a going concern.

In assessing the appropriateness of the going concern assumption the directors of The Hull City Association Football Club (Tigers) Limited have prepared forecasts covering a period of at least 12 months from the signing date of these accounts and have prudently considered any uncertainties in relation to income and costs, along with the requirement to fully repay the current bank loan in instalments by July 2010. These forecasts have been prepared employing a worst case scenario and show a shortfall of £21m in the current level of facilities in the event of relegation at the end of the 2009/10 season which will be satisfied through player trading, match day and commercial income and/or raising finance. In the event that the Club retains Premier League status for the 2010/11 season, the shortfall in the current level of facilities for the 12 month period will be in the region of £16m. This is reduced as a result of the guaranteed level of Premier League distributions that will be received.

The Hull City Association Football Club (Tigers) Limited are currently in advanced discussions with finance providers for the acceleration of known Premier League distributions for amounts of £7m. These discussions are expected to be concluded in the near future and would reduce the surplus funds required (as noted above) by £7m. The directors of The Hull City Association Football Club (Tigers) Limited are confident of raising the additional funds required.

**INDEPENDENT AUDITORS' REPORT TO SUPERSTADIUM MANAGEMENT  
COMPANY LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006  
(Continued)**

As is common with all football clubs, Hull City AFC will make player purchases and sales during the course of the season. The directors of The Hull City Association Football Club (Tigers) Limited acknowledge that player purchases and sales are uncertain in terms of timing and quantum and uncertainty exists over the availability and quantum of additional finance facilities should such be required.

The existence of these material uncertainties may cast significant doubt about the company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

In view of the significance of the fact that the preparation of the financial statements on the going concern basis depends upon Superstadium Management Company Limited's continued trading with The Hull City Association Football Club (Tigers) Limited, we consider that this disclosure should be brought to your attention.

The directors have prepared these financial statements on the going concern basis. If the adoption of the going concern basis was inappropriate, adjustments, which it is not practicable to quantify, would be required, including those to write down assets to their recoverable value, to reclassify fixed assets as current assets and to provide for any further liabilities that may arise.

*D Johnson*

**David Johnson B.A A.C.A (Senior Statutory Auditor)**  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
Leeds, United Kingdom

*19 March 2010*

# SUPERSTADIUM MANAGEMENT COMPANY LIMITED

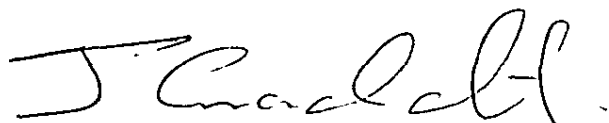
## ABBREVIATED BALANCE SHEET 31 July 2009

	Note	2009 £	2008 £
<b>FIXED ASSETS</b>			
Tangible assets	2	1,643,906	1,250,694
		<u>1,643,906</u>	<u>1,250,694</u>
<b>CURRENT ASSETS</b>			
Stocks		7,867	5,546
Debtors		2,211,880	1,758,146
Cash at bank and in hand		285,118	480,031
		<u>2,504,865</u>	<u>2,243,723</u>
<b>CREDITORS: amounts falling due within one year</b>	3	(3,370,148)	(2,649,162)
<b>NET CURRENT LIABILITIES</b>		<u>(865,283)</u>	<u>(405,439)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		778,623	845,255
<b>CREDITORS: amounts falling due after more than one year</b>	4	(713,569)	(802 700)
<b>PROVISIONS FOR LIABILITES</b>		<u>(41,577)</u>	<u>(20,675)</u>
<b>NET ASSETS</b>		<u>23,477</u>	<u>21 880</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	6	100	100
Profit and loss reserve		23,377	21,780
<b>TOTAL EQUITY FUNDS</b>		<u>23,477</u>	<u>21,880</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the *small companies regime*

The financial statements of Superstadium Management Company Limited, registered number 04179402, were approved by the directors on 11 March 2010

Signed on behalf of the Board of Directors



Director

(JAMES P CRADDOCK)

# SUPERSTADIUM MANAGEMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2009

### 1 ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

#### **Basis of preparation – going concern**

Superstadium Management Company Limited derives approximately 50% of its income from The Hull City Association Football Club (Tigers) Limited. As disclosed in The Hull City Association Football Club (Tigers) Limited accounts, there is a material uncertainty which may cast significant doubt over that company's ability to continue as a going concern.

*In assessing the appropriateness of the going concern assumption* the directors of The Hull City Association Football Club (Tigers) Limited have prepared forecasts covering a period of at least 12 months from the signing date of these accounts and have prudently considered any uncertainties in relation to income and costs, along with the requirement to fully repay the current bank loan in instalments by July 2010. These forecasts have been prepared employing a worst case scenario and show a shortfall of £21m in the current level of facilities in the event of relegation at the end of the 2009/10 season which will be satisfied through player trading, match day and commercial income and/or raising finance. In the event that the Club retains Premier League status for the 2010/11 season, the shortfall in the current level of facilities for the 12 month period will be in the region of £16m. This is reduced as a result of the guaranteed level of Premier League distributions that will be received.

The Hull City Association Football Club (Tigers) Limited are currently in advanced discussions with finance providers for the acceleration of known Premier League distributions for amounts of £7m. These discussions are expected to be concluded in the near future and would reduce the surplus funds required (as noted above) by £7m. The directors of The Hull City Association Football Club (Tigers) Limited are confident of raising the additional funds required.

As is common with all football clubs, Hull City AFC will make player purchases and sales during the course of the season. The directors of The Hull City Association Football Club (Tigers) Limited acknowledge that player purchases and sales are uncertain in terms of timing and quantum and uncertainty exists over the availability and quantum of additional finance facilities should such be required. These matters therefore represent a material uncertainty that may cast significant doubt over the company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Nevertheless, after making enquiries and considering the uncertainties described above the directors have concluded that the going concern basis is appropriate. If the adoption of the going concern basis was inappropriate, adjustments, which it is not practicable to quantify, would be required, including those to write down assets to their recoverable value, to reclassify fixed assets as current assets and to provide for further liabilities that may arise.

#### **Tangible fixed assets**

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Freehold buildings	2% per annum
Fixtures and fittings	10% per annum
Equipment	10% per annum
Computer equipment	25% per annum
Motor vehicles	25% per annum

Freehold land is not depreciated.

# **SUPERSTADIUM MANAGEMENT COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 July 2009**

### **1 ACCOUNTING POLICIES (continued)**

#### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date

*Deferred tax is measured on a non discounted basis*

#### **Leases**

Assets obtained under finance leases and hire purchase contracts are capitalised at their fair value on acquisition and depreciated over their estimated useful lives. The capital elements of future lease and hire purchase obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the contracts to produce a constant rate of charge on the balance of capital repayments outstanding

#### **Bank loans**

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement are accounted for on an accruals basis in the profit and loss account using the effective interest method and are added to the carrying value of the instrument to the extent that they are not settled in the period in which they arise

#### **Deferred income**

Fees paid by Premier club members which give them benefits over a five year period or, for an additional fee, over their lifetimes, are deferred to the balance sheet and released to the profit and loss account in equal annual instalments over a five year period in respect of five year memberships and a ten year period in respect of lifetime memberships

#### **Pension costs**

The company contributes to a defined contribution scheme on behalf of qualifying employees. Contributions are charged to the profit and loss account as incurred

# SUPERSTADIUM MANAGEMENT COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2009

### 2. TANGIBLE FIXED ASSETS

	Total £
<b>Cost</b>	
At 1 August 2008	1,812,138
Additions	585,604
	<u>2,397,742</u>
At 31 July 2009	
<b>Accumulated depreciation</b>	
At 1 August 2008	561,444
Charge for the year	192,392
	<u>753,836</u>
At 31 July 2009	
<b>Net book value</b>	
At 31 July 2009	<u>1,643,906</u>
At 31 July 2008	<u>1,250,694</u>

The net book value of tangible fixed assets includes £29,584 (2008 £31,026) relating to assets held under hire purchase agreements

Included in freehold land and buildings is land with a book value of £341,913 (2008 £341,913) which is not depreciated

### 3. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
These include		
Bank loan (note 5)	27,918	26,736
Hire purchase creditor (note 5)	8,786	14,763
	<u>36,704</u>	<u>41,500</u>

### 4. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2009 £	2008 £
These include		
Bank loan (note 5)	396,639	412,759
Hire purchase creditor (note 5)	8,312	7,513
	<u>404,951</u>	<u>420,272</u>



**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 July 2009**

**5 MATURITY OF CREDITORS**

<b>Bank Loans</b>	<b>2009 £</b>	<b>2008 £</b>
Between one and two years	27,918	26,736
Between two and five years	83,754	80,208
After five years	284,967	305,815
	<u>396,639</u>	<u>412,759</u>
On demand or within one year	27,918	26,736
	<u>424,557</u>	<u>439,495</u>

There are two bank loans which are secured by fixed charges over the company's land and buildings, shown within land and buildings at the year end. They bear interest at 1.75% above the bank base rate.

The first loan is repayable in 240 equal monthly instalments commencing March 2004. The second loan is repayable in 240 equal monthly instalments commencing June 2006.

<b>Hire purchase creditor</b>	<b>2009 £</b>	<b>2008 £</b>
Between one and two years	8,312	5,314
Between two and five years	-	2,199
	<u>8,312</u>	<u>7,513</u>
On demand or within one year	8,786	14,763
	<u>17,098</u>	<u>22,276</u>

**6. CALLED UP SHARE CAPITAL**

	<b>2009 £</b>	<b>2008 £</b>
<b>Authorised</b>		
<b>Called up, allotted and fully paid</b>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

# **SUPERSTADIUM MANAGEMENT COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 July 2009**

### **7 RELATED PARTY TRANSACTIONS**

The directors consider The Hull City Association Football Club (Tigers) Limited to be a related party by virtue of common control. A summary of the aggregate transactions, which have been undertaken by Superstadium Management Company Limited and the related party, is as follows

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Sales	24,915	61,254
Rental income received	1,532,766	1,254,047
Amount included in creditors	<u>1,701,657</u>	<u>1,036,894</u>

The directors consider Fortis Property Investment LLP to be a related party by virtue of the fact that Mr R D Bartlett and Mr M N Walker are members of Fortis Property Investment LLP. A summary of the aggregate transactions, which have been undertaken by Superstadium Management Company Limited and the related party, is as follows

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Management fee paid	74,286	171,481
Amount included in accruals and deferred income	<u>15,867</u>	<u>66,507</u>