

Fulham Football Club (1987) Limited

Annual Report 30 June 2009

Registered number: 2114486



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Fulham Football Club (1987) Limited

Offices and Advisors

For the year ended 30 June 2009

Registered Office:

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

Auditors:

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

Bankers:

National Westminster Bank Plc
City of London Office
1 Princes Street
London
EC2R 8PA

Solicitors:

Hammonds
7 Devonshire Square
Cutlers Gardens
London
EC2M 4YH

Fulham Football Club (1987) Limited

Chairman's Statement

For the year ended 30 June 2009

The build up to the league campaign for 08/09 in the Barclays Premier League was a busy one, and one filled with optimism following the extremely narrow escape from relegation on the final day of the 07/08 season, under the guidance of Roy Hodgson. Therefore, significant funds were invested over the summer months to ensure the Club did not find itself in the same position at the end of the new campaign.

Gross revenues increased by 25% to £67m, in the year to 30 June 2009. Broadcasting revenues increased by 4% and non-broadcasting revenues (gate receipts, sponsorship and commercial activities) grew by an encouraging 10%. Central awards improved by 32% year on year as a result of our final league finishing position of 7th against the previous season's 17th. The operating expenses of the business increased by £7.4m (including player trading), largely due to player wage costs rising due to incentive based bonuses, rewarding them for the league finishing position. This resulted in an operating profit (before player trading and amortisation) of £5.8m compared to a loss of £2.1m the previous year.

The season's trading saw the transfer of Ricardo Batista, Lee Cook, Steven Davis, David Healy, Antti Niemi, Alexey Smertin, Dejan Stefanovich, Gabriel Zakuani and, most notable in terms of revenue, Jimmy Bullard for £5m in January 2009.

Acquisitions during the same period saw many new faces arrive including, amongst others, Fredrik Stoor, Dickson Etuhu, Zoltan Gera, plus both Bobby Zamora and John Pantsil from West Ham and Mark Schwarzer on a free transfer from Middlesbrough. The most eagerly anticipated transfer of the summer period came in the form of Andrew Johnson from Everton whose final signature of the summer led to a net outflow from player trading of approximately £6.6 million.

Overall the Club posted a loss of £6.9m for the season 2008/2009. Improvements were yet again made to the stadium to continue to consistently enhance the supporter experience year on year and most importantly to the pitch, to enable us to continue to play the football that we had become accustomed to watching over the final months of the season.

Clearly, as is evident, I remain committed to making investment funds available to achieve our goals both on and off the pitch. The continued success of Fulham and its eventual financial self-sustainability is my priority and there have been significant improvements over the course of the season to enhance our ability to deliver great customer service throughout all areas of the business. Our on-line ticketing operation has been vastly improved to offer a fully integrated service that vastly improves the processing of internet sales, and the introduction of a new membership scheme has seen an increase in the number of our season ticket holders and members.

The Club's community scheme has recently been re-branded, and the newly named Fulham Foundation enables us to deliver initiatives that not only help build better lives through sport, but in turn helps grow our supporter base for the long term. The Academy is also an area of supreme importance to me, ensuring that we have the best possible infrastructure in place to enable us to develop the players of the future.

These are exciting times and I will ensure that we continue to work hard to deliver our goals and objectives, but most of all that we remain dedicated to supporting both our football team and our supporters.

Fulham Football Club (1987) Limited

Directors' Report

For the year ended 30 June 2009

Financial statements

The directors' present their report and financial statements for the year ended 30 June 2009

Review of the business

During the year to 30 June 2009, the company saw the following changes in the key indicators of financial and non-financial performance

<u>Indicator</u>	<u>Year to 30 June</u>		<u>+/- change</u>	<u>%</u>
	<u>2009</u>	<u>2008</u>		
Gross revenues (£m)	67 0	53 7	13 3	25
Turnover (£m)	63 1	52 0	11 1	21
Total staff costs (£m)	46 2	39 3	6 9	18
Staff costs as % of revenues	69 1%	73 3%		4
Net operating (loss) (£m)	(11 7)	(18 2)	6 5	(36)
Final position in Premier League (PL)	7th	17th	10	
Total PL attendances	462,534	451,714	10,820	2
Average PL attendance per game	24,344	23,774	570	2

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

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

Principal activity

The company's principal activity is the operation of a professional Football Club

Results and dividends

The company made a loss after tax of £6,877,417 (2008 £7,536,262) which has been transferred to reserves. The directors are unable to recommend the payment of a dividend (2008 £nil)

Future developments

The Company continues to seek to develop the match-day experience for spectators to promote the long-term aim of growing and retaining a large and loyal fan base. Our sister-company, Fulham Stadium Limited, has a rolling program of increasing and improving facilities at the Craven Cottage stadium, which enable the Company to plan for steady increases in attendances and an increase in total premium seating areas and lounge facilities, which support premium-priced match-day packages.

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

Fulham Football Club (1987) Limited

Directors' Report (continued)

For the year ended 30 June 2009

Financial instruments and risks

Most of the company's transactions are in sterling, although from time to time certain transactions involving the acquisition of overseas players may be in Euros. In these cases, the company's policy is to accept the risk of a movement in the exchange rate to sterling. No forward purchases of currency are made, nor does the company use hedging instruments.

The company's main sources of finance, for operating losses, working capital and capital expenditure (including player transfers), in excess of funds generated internally, are interest-free loans from its immediate parent company together with loans from third party lenders. The company has received assurances from the directors of the parent company that no repayment demand will be made which would either cause the repayments to be a preference of a creditor or which would cause the company to become technically insolvent. The parent company has also provided comfort that if further funds are needed to meet creditors as they fall due, these will be made available.

The Company's main commercial risk is that associated with potential failure to retain membership of the Football Association Premier League. Of the company's total revenues in the year to 30 June 2009, 68% came from sources controlled by the Premier League (2008 65 %). In the event of relegation from the Premier League, the company's revenues would fall the company would therefore have to take action to significantly reduce operating costs. Such action could prevent the maintenance of a playing squad capable of gaining promotion back to the Premier League. Therefore the Company's main aim is to prevent this risk becoming a reality.

The environment

The company has continued to adopt policies and procedures which take account of the need to preserve and protect the environment. The directors are committed to compliance with environmental best practice in all aspects of the business.

Policy on payment of creditors

It is the company's policy to agree payment terms as part of any formal contract with a supplier and to make every endeavour to abide by the agreed terms. Where a purchase is not covered by a formal contract, and no agreement is reached in advance of raising an order, the policy is that any valid invoice will be paid in full. The company is sympathetic to, and pays particular attention to, the cash flow needs of its smaller suppliers.

The company takes an average of 39 days to pay its creditors (2008 39 days)

Fulham Football Club (1987) Limited

Directors' Report (continued)

For the year ended 30 June 2009

Policy on disabled persons

It is the company's policy to provide opportunities for disabled persons to have meaningful employment in the business and to make our facilities available to disabled supporters as far as is possible within the constraints of a concern for the health and safety of all of our staff and customers

Policy on employee involvement

It is the company's policy to keep all staff informed as to the development of the business and to encourage them to contribute their ideas, criticisms and comments through a management process which recognises and rewards genuine involvement in the success of the company

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

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

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

Disclosure of information to auditors

Each of the directors has confirmed that

- (a) so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Fulham Football Club (1987) Limited

Directors' Report (continued)

For the year ended 30 June 2009

Post balance sheet events

Since the year end, the company has acquired the registrations of Bjorn Helge Riise, Damian Duff, Kagisho Dikgacoi, David Elm Jonathan Greening also joined the squad on a season-long loan. In addition, the company has disposed of the registrations of Leon Andreasen, Collins John, Hamuer Bouazza, Moritz Volz, Adrian Leijer and Karim Laribi. The net outflow from player trading is approximately £ 7.04 million.

Since the year end the Company has secured additional funding from third parties of £24.98 million, of which £7 million has been repaid and £2.85 million is repayable before 30 June 2010. Part of this funding is secured on future receipts from certain broadcasting rights, and a second charge over the assets of Fulham Stadium Limited. Part is derived from the forward sale of certain season tickets.

All loans due to Harrods (UK) were repaid by the 25th August 2009. The existing bank loan was repaid on the 6th August 2009 and the Company was released from the related charge.

Directors

The directors who served during the year were as follows:

M Al Fayed (Chairman)
K Fayed
O Fayed (Resigned 3 March 2009)
M A E Collins
I J W McLeod (Resigned 14 May 2009)
S H Benson (Resigned 25th June 2009)
C R Bailey
M D Cole (Appointed 3 June 2009)
D Turner (Appointed 14 April 2009)
D P McNally (Resigned 25 July 2008)
A Mackintosh (Appointed 31 March 2009)

Directors' shareholdings in Fulham Football Leisure Limited, the parent undertaking, are shown in that company's accounts.

By order of the Board



D Preston
Secretary
26th January 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FULHAM FOOTBALL CLUB (1987) LIMITED

We have audited the financial statements of Fulham Football Club (1987) Limited for the year ended 30 June 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 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 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 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 auditors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

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 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FULHAM FOOTBALL CLUB (1987) LIMITED

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

London, UK



Stuart Barnsdall

Senior Statutory Auditor

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

 January 2010

Fulham Football Club (1987) Limited

Profit and Loss account

For the year ended 30 June 2009

	Notes	2009			2008
		Operations excluding player trading	Player trading	Total	Total
		£	£	£	£
Turnover	3	63,144,565	-	63,144,565	52,031,417
Other operating income		3,808,047	-	3,808,047	1,623,550
		<u>66,952,612</u>	<u>-</u>	<u>66,952,612</u>	<u>53,654,967</u>
Operating expenses	4	(61,161,590)	(14,899,373)	(76,060,963)	(68,674,100)
Exceptional item	6	-	(2,601,563)	(2,601,563)	(3,176,530)
		<u>5,791,022</u>	<u>(17,500,936)</u>	<u>(11,709,914)</u>	<u>(18,195,663)</u>
Operating loss					
Profit on disposal of players' registrations		-	5,274,667	5,274,667	11,681,572
		<u>5,791,022</u>	<u>(12,226,269)</u>	<u>(6,435,247)</u>	<u>(6,514,091)</u>
Loss before interest and taxation					
Net interest payable	7			(1,463,008)	(1,029,393)
				<u>(7,898,255)</u>	<u>(7,543,484)</u>
Loss on ordinary activities before taxation					
Taxation of loss on ordinary activities	8			1,020,838	7,222
				<u>(6,877,417)</u>	<u>(7,536,262)</u>
Loss for the year	16				

Statement of total recognised gains and losses

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

Continuing operations

All of the above results derive from continuing activities

The notes on pages 13 to 26 form a part of these financial statements

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

As at 30 June 2009

Company number 2114486

	Notes	2009 £	2008 £
Fixed assets			
Intangible assets	9	31,007,588	32,109,524
Tangible assets	10	<u>1,840,731</u>	<u>1,865,583</u>
		32,848,319	33,975,107
Current assets			
Stocks		139,768	18,923
Debtors	11	6,547,325	9,376,406
Cash at bank and in hand		<u>6,312,533</u>	<u>4,065,582</u>
		12,999,626	13,460,911
Creditors: amounts falling due within one year	12	<u>(36,139,462)</u>	<u>(36,475,479)</u>
Net current liabilities		<u>(23,139,836)</u>	<u>(23,014,568)</u>
Total assets less current liabilities		9,708,483	10,960,539
Creditors, amounts falling due after more than one year	13	(167,638,914)	(164,860,588)
Deferred income	14	<u>(6,131,280)</u>	<u>(3,284,245)</u>
Net Liabilities		<u>(164,061,711)</u>	<u>(157,184,294)</u>
Capital and reserves			
Called up share capital	15	2	2
Profit and loss account	16	<u>(164,061,713)</u>	<u>(157,184,296)</u>
Shareholders' funds	17	<u>(164,061,711)</u>	<u>(157,184,294)</u>

The notes on pages 13 to 26 form part of these financial statements

The financial statements on pages 11 to 26 were approved and authorised for issue by the Board and were signed on its behalf on 26th January 2010M A E Collins
DirectorA Mackintosh
Director

Fulham Football Club (1987) Limited

Notes to the financial statements

For the year ended 30 June 2009

1 Basis of preparation of financial statements and going concern

The company has a deficit of shareholders' funds at 30 June 2009 and has operated at a loss in recent years. The financial statements have been prepared on the going concern basis, which assumes that the company will continue in operational existence for the foreseeable future. The Directors are aware of their duty to present a balanced assessment of the company's financial position and prospects and in concluding that it is appropriate to adopt the going concern basis they have had regard to the trading performance and cashflows since the year end. They continue to take action to improve the cashflow position of the company.

They have also had regard to the written indications received from Fulham Football Leisure Limited, AIT Leisure Limited, both of which are parent companies, Mr M Al Fayed and the trust company that controls the Al Fayed family trusts and their corporate interests, that continued funding will be made available to finance the group's working capital requirements for the foreseeable future, if required, irrespective as to whether Fulham Football Club retains membership of the Premier League at the end of the 2009/10 season or not. Although there is no legal obligation for AIT Leisure Limited, Mr M Al Fayed and the trust company to provide this continued financial support, the Directors are confident that such funding, if required, will be forthcoming.

In addition, in respect of the third party funding received since the year end, more fully described in note 22 to the financial statements, the directors, having made enquiries believe that, whilst remaining a member of the Premier League, this funding should be renewable at a similar level.

Should the Club be relegated at the end of the 2009/10 season, then the company's revenues would fall and the third party funding referred to above may not continue to be available. The company would therefore have to take action to significantly reduce operating costs, which the Directors are confident could be achieved, such that parent company additional funding would not be required.

2 Accounting policies

a) Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards and the Financial Reporting Guidance for Football Clubs (Issued February 2003).

b) Turnover

Turnover represents match receipts and all other income associated with the principal activity of running a professional football club and excludes value added tax. Season ticket and other revenues relating to future periods are recognised in the period to which they relate.

c) Grants

Grants receivable in respect of ground safety and maintenance are credited to the profit and loss account in the same period as the expenditure is incurred.

Grants receivable in respect of fixed assets are credited to deferred income and released to the profit and loss account over the asset's useful economic life.

Fulham Football Club (1987) Limited
Notes to the financial statements (continued)
For the year ended 30 June 2009

2 Accounting policies (continued)

d) Signing on fees

Signing on fees relating to players' contracts are charged to the profit and loss account in the period in which they become due. Signing on fees are considered to be part of players' emoluments packages and are included in these financial statements as part of staff costs.

e) Transfer fees

Fees payable to other football clubs on the transfer of players' registrations, including agents' fees and league levies, are recorded as intangible fixed assets. Any other associated costs are dealt with through the profit and loss account in the year in which the transfer takes place.

Fees payable which are contingent on a future event are recorded as intangible fixed assets, if in the opinion of the Directors, the future event is more likely than not to occur during the life of the player's contract. Fees contingent on a future event which has a material uncertainty are only brought into intangible fixed assets when the event actually occurs. Player registration costs are amortised over the life of the players' contract with the club. These intangible assets are written down for impairment when the carrying amount exceeds the amount recoverable through use or sale.

Fees receivable which are contingent on certain performance criteria are not recognised as revenue until the relevant criteria have been met.

Player trading comprises amortisation of players' registrations and profit/losses on sales of players' registrations.

f) Tangible fixed assets and depreciation

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

Ground equipment and furniture	- 10% - 25% per annum
Motor vehicles	- 25% per annum
Computer equipment	- 25% per annum
Leasehold improvements	- Over period of lease

g) Leases and hire purchase contracts

Assets acquired under finance leases and hire purchase contracts are capitalised and depreciated over their useful lives. The interest element of the rental obligations is charged to profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Rentals paid under operating leases are charged to the profit and loss account as incurred.

Fulham Football Club (1987) Limited
Notes to the financial statements (continued)
For the year ended 30 June 2009

2 Accounting policies (continued)

h) Stocks

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

i) Pensions

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

j) Deferred taxation

Deferred taxation is provided on material timing differences between the incidence of income and expenditure for taxation and accounts purposes using a full provision basis in accordance with the provisions set out in Financial Reporting Standard No 19 "Deferred Tax" Deferred tax assets are only recognised when they arise from timing differences where their recoverability is regarded as more likely than not Deferred tax balances are not discounted

k) Foreign Currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, the forward contract rate Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account

3 Turnover

	2009	2008
	£	£
Gate Receipts	11,205,443	9,554,313
Sponsorship	3,325,647	3,610,978
Central Awards	37,397,552	28,307,744
Broadcasting	5,932,782	5,692,686
Commercial activities	5,283,141	4,865,696
	<u>63,144,565</u>	<u>52,031,417</u>

Fulham Football Club (1987) Limited
Notes to the financial statement (continued)

For the year ended 30 June 2009

4 Operating expenses

	2009	2008
	£	£
Auditors' remuneration for audit services	44,249	31,064
Auditors' remuneration for non-audit services	10,000	6,791
Staff costs (Note 5)	46,232,420	39,344,213
Depreciation		
- Owned fixed assets	780,485	595,620
- Assets under finance leases	32,069	153,511
- Amortisation of player registrations	14,899,373	12,882,886
- Impairment Loss	2,601,563	3,176,530
Amounts paid under operating leases		
- Land and Buildings	2,208,690	2,193,147
- Other	84,012	82,486
Other external charges	9,168,102	10,207,852
	<u>76,060,963</u>	<u>68,674,100</u>

5 Staff numbers and costs

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

	2009	2008
	£	£
Wages and salaries	41,376,104	35,193,444
Social security costs	4,652,331	3,993,588
Pension costs	203,985	157,181
	<u>46,232,420</u>	<u>39,344,213</u>

The average monthly number of employees during the year was 741 (2008 654) made up as follows

	2009	2008
	Number	Number
Administrative and ground staff	147	137
Players	<u>59</u>	<u>60</u>
	206	197
Part-time staff	<u>535</u>	<u>457</u>
	<u>741</u>	<u>654</u>

Aggregate directors emoluments during the year totalled £260,131 (2008 £361,124) including pension contributions of £24,230 (2008 £37,453) The highest paid director's emoluments totalled £137,035 (2008 £228,083) including pension contributions of £11,385 (2008 £28,000)

Fulham Football Club (1987) Limited
Notes to the financial statement (continued)
For the year ended 30 June 2009

6 Exceptional item

	2009	2008
	£	£
Impairment Loss	<u>2,601,563</u>	<u>3,176,530</u>

The impairment losses arose from a write down of certain players' registrations to reflect their estimated net realisable value

7 Interest

	2009	2008
	£	£
Interest receivable on deposits:		
Bank interest	<u>55,122</u>	<u>161,833</u>
Interest payable on borrowings repayable within five years:		
Bank interest payable	(611,029)	(617,244)
Hire and lease purchase obligations	(11,781)	(31,643)
Amounts payable to related parties	<u>(895,320)</u>	<u>(542,339)</u>
	<u>(1,518,130)</u>	<u>(1,191,226)</u>
Net interest payable	<u>(1,463,008)</u>	<u>(1,029,393)</u>

Fulham Football Club (1987) Limited
Notes to the financial statements (continued)
For the year ended 30 June 2009

8 Taxation

(a) The tax for the year comprises:

	2009	2008
	£	£
<i>Corporation tax</i>		
Current year,		
Adjustments in respect of prior years	(44,241)	-
Current year - group relief	(976,597)	(7,222)
Total current tax (note 8 (b))	<u>(1,020,838)</u>	<u>(7,222)</u>
<i>Deferred tax</i>		
Current year,		
Adjustments in respect of prior years	-	-
Total deferred tax (credit)/charge for year	<u>-</u>	<u>-</u>
Taxation on loss on ordinary activities	<u>(1,020,838)</u>	<u>(7,222)</u>

(b) Factors affecting tax charge for the year

	2009	2008
	£	£
The tax assessed for the year differs from the standard rate of corporation tax (28%) in the UK. The difference is explained below		
Loss on ordinary activities before tax	<u>(7,898,255)</u>	<u>(7,543,484)</u>
Loss on ordinary activities at standard rate of corporation tax in the UK of 28% (2008 29.5%)	(2,211,511)	(2,225,532)
Effects of		
Depreciation in the year less than capital allowances	(63,853)	235,548
Expenses not deductible for tax purposes - non qualifying depreciation	4,616	6,732
Expenses not deductible for tax purposes	12,721	957,020
Other short term timing differences	(118,122)	44
Losses group relieved	2,376,149	-
Receipt (credit) for group relief	(976,597)	-
Adjustments in respect of prior periods	(44,241)	-
Losses in year carried forward	-	1,018,966
Current tax credit for the year (note 8 (a))	<u>(1,020,838)</u>	<u>(7,222)</u>

Fulham Football Club (1987) Limited
Notes to the financial statements (continued)
For the year ended 30 June 2009

8 Taxation (continued)

(c) Factors that may affect future tax charges

At the year end the company has an un-provided deferred tax asset of £43.6m (2008 £47.4m), as analysed below. This asset has not been recognised as recoverability is dependent on there being future taxable trading profits against which to offset the asset.

The potential deferred tax asset is analysed below

	2009 £	2008 £
Depreciation in excess of capital allowances	624,436	263,452
Tax losses carried forward	42,991,744	47,180,967
	<u>43,616,180</u>	<u>47,444,419</u>

9 Intangible fixed assets

Player registrations

Cost	£
01 July 2008	53,045,334
Additions	22,185,030
Disposals	(14,946,850)
30 June 2009	<u>60,283,514</u>
Amortisation	
01 July 2008	20,935,810
Disposals	(9,160,819)
Impairment loss	2,601,563
Charge for the year	14,899,373
30 June 2009	<u>29,275,927</u>
Net Book Amount	
30 June 2009	<u>31,007,587</u>
30 June 2008	<u>32,109,524</u>

Fulham Football Club (1987) Limited
Notes to the financial statements (continued)
For the year ended 30 June 2009

10 Tangible fixed assets

	Leasehold improvements	Motor vehicles	Equipment	Total
	£	£	£	£
Cost				
01 July 2008	893,808	38,798	4,512,855	5,445,461
Additions	-	-	807,246	807,246
Disposals	-	-	(20,569)	(20,569)
30 June 2009	<u>893,808</u>	<u>38,798</u>	<u>5,299,532</u>	<u>6,232,138</u>
Depreciation				
01 July 2008	802,010	33,290	2,744,579	3,579,879
Charge for the year	16,485	5,508	790,561	812,554
Disposals	-	-	(1,026)	(1,026)
30 June 2009	<u>818,495</u>	<u>38,798</u>	<u>3,534,114</u>	<u>4,391,407</u>
Net book amount				
30 June 2009	<u>75,313</u>	<u>-</u>	<u>1,765,418</u>	<u>1,840,731</u>
30 June 2008	<u>91,798</u>	<u>5,508</u>	<u>1,768,276</u>	<u>1,865,582</u>

The net book amount of fixed assets includes an amount of £102,224 (2008 £507,044) in respect of Equipment assets held under hire and lease purchase contracts

Fulham Football Club (1987) Limited
Notes to the financial statements (continued)
For the year ended 30 June 2009

11 Debtors

	2009	2008
	£	£
Trade debtors	491,303	257,440
Player Transfer debtors	3,484,713	6,000,000
Other debtors	16,653	18,005
Group relief receivable	1,020,838	-
Amounts due from related parties	13,594	36,536
Prepayments and accrued income	520,224	1,364,425
	<u>5,547,325</u>	<u>7,676,406</u>
Player Transfer debtors due after more than one year	1,000,000	1,700,000
	<u>6,547,325</u>	<u>9,376,406</u>

12 Creditors: amounts falling due within one year

	2009	2008
	£	£
Hire and lease purchase obligations (note 18)	50,624	136,786
Bank Loan	4,825,877	4,500,000
Trade creditors	2,731,878	6,089,527
Player Transfer creditors	7,490,863	13,475,812
Amounts due to related parties (note 21)	12,572,747	7,760,149
Amounts due to group undertaking	458,238	297,310
Other taxes and social security	6,580,511	2,381,453
Accruals	1,428,724	1,834,442
	<u>36,139,462</u>	<u>36,475,479</u>

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

£4,825,877 of the bank loan is repayable within one year. The bank loan is secured on certain broadcasting rights and interest is payable at a rate linked to LIBOR.

At the balance sheet date amounts due to Harrods (UK) Limited, included within amounts due to related parties, were secured by a fixed and floating third charge over the company's rights to and title of the whole of its property, assets, rights and revenues. Similar charges were granted by Fulham Stadium Limited and Fulham Property Management Limited. The loan bears interest at a rate of 7.11% per annum.

All loans due to Harrods (UK) were repaid by the 25th August 2009.

The bank loan was repaid on the 6th August 2009, and the company was released from the related charge.

Fulham Football Club (1987) Limited
Notes to the financial statements (continued)
For the year ended 30 June 2009

13 Creditors: amounts falling due after more than one year

	2009	2008
	£	£
Player Transfer creditors	1,000,000	685,000
Hire and lease purchase obligations (note 18)	41,611	68,693
Bank Loan	-	4,215,342
Amounts due to Fulham Football Leisure Limited	<u>166,597,303</u>	<u>159,891,553</u>
	<u><u>167,638,914</u></u>	<u><u>164,860,588</u></u>

Amounts due to Fulham Football Leisure Limited are un-secured, interest free and there is no fixed repayment timetable

14 Deferred income

	2009	2008
	£	£
Season ticket sales in advance	4,594,018	2,977,807
Commercial income and sponsorship	<u>1,537,262</u>	<u>306,438</u>
	<u><u>6,131,280</u></u>	<u><u>3,284,245</u></u>

15 Share Capital

	2009	2008
	Number	Number
Authorised	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid	£	£
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

16 Profit and loss account

	2009	2008
	£	£
01 July 2008	(157,184,296)	(149,648,034)
Loss for the year	<u>(6,877,417)</u>	<u>(7,536,262)</u>
30 June 2009	<u><u>(164,061,713)</u></u>	<u><u>(157,184,296)</u></u>

17 Reconciliation of movements in shareholders' funds

	2009	2008
	£	£
Opening shareholders' funds	(157,184,294)	(149,648,032)
Loss for the financial year	<u>(6,877,417)</u>	<u>(7,536,262)</u>
Closing shareholders' funds	<u><u>(164,061,711)</u></u>	<u><u>(157,184,294)</u></u>

Fulham Football Club (1987) Limited
Notes to the financial statements (continued)
For the year ended 30 June 2009

18 Loans and hire and lease purchase obligations

i) Obligations under finance leases and hire purchase contracts are as follows

	2009	2008
	£	£
Amounts payable		
In one year or less, or on demand	50,624	136,786
In the second to fifth years inclusive	41,611	68,693
	<u>92,235</u>	<u>205,479</u>

19 Financial commitments

a) *Annual commitments under non-cancellable operating leases*

	2009		2008	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Operating leases which expire				
Within one year	-	-	2,000,000	-
In the second to fifth years inclusive	2,040,000	68,223	-	83,969
Over five years	208,643	-	194,824	-
	<u>2,248,643</u>	<u>68,223</u>	<u>2,194,824</u>	<u>83,969</u>

b) *Other commitments*

The maximum commitment for additional transfer fees payable in respect of future possible appearances amounts to £7,390,000 (2008 £2,732,000)

c) *Future receipts*

In the course of normal business the company enters into contracts that include clauses contingent upon future events. The directors have assessed such contracts and Fulham Football Club (1987) Ltd can receive additional transfer fees in respect of future events in relation to those contracts up to a maximum of £1,180,000 (2008 £1,000,000). Additionally, in consideration of a temporary transfer, a sum of £5,000 will be payable to the Club at a future date.

Fulham Football Club (1987) Limited
Notes to the financial statements (continued)
For the year ended 30 June 2009

20 Pension scheme

Payments are made into a number of defined contribution schemes. Total contributions charged during the year amounted to £203,985 (2008 £157,181)

21 Related party information

At the balance sheet date there were arm's length agreements between the company and various related companies to provide management, security and maintenance services. These companies are under the control of the company's ultimate controlling party. The value of these transactions during the year to 30 June 2009 is as follows:

	2009	2009	2008	2008
	Purchases	Sales	Purchases	Sales
	£	£	£	£
Genavco Insurance Ltd	165,049	-	105,052	-
Harrods Estates Ltd	1,404	-	45,124	4,882
Harrods (UK) Ltd	34,780	-	40,431	-
Harrods Ltd	120,691	-	102,644	-
Liberty Publishing Ltd	7,610	-	1,801	-
Hyde Park Residence	-	698	-	297
Total	329,534	698	295,052	5,179

During the year to 30 June 2009, Harrods (UK) Ltd recharged payroll services and payroll costs of £28,219,077 (2008 £23,517,609) and settled on behalf of the company external charges of £1,038,674 (2008 £570,255). These costs are included within staff costs in note 5 and within other external charges in note 4, respectively.

Balances with related parties as at 30th June 2009 are as follows:

Falling due within 1 year

	2009	2009	2008	2008
	Due To	Due From	Due To	Due From
	£	£	£	£
Harrods (UK) Ltd	12,483,727	-	7,708,490	-
Harrods Ltd	57,966	323	30,767	-
Genavco Insurance Ltd	31,054	-	20,032	-
Fulham FC Community Trust	-	13,271	-	36,536
Liberty Publishing Ltd	-	-	860	-
Total	12,572,747	13,594	7,760,149	36,536

Fulham Football Club (1987) Limited
Notes to the financial statements (continued)
For the year ended 30 June 2009

21 Related party information (continued)

Interest receivable and payable during the year from related parties is as follows

	Paid To	Received From	Paid To	Received From
	£	£	£	£
Harrods (UK) Ltd	895,320	-	541,010	-
Harrods Ltd	-	-	1,329	-
Total	895,320	-	542,339	-

During the year, the company also donated £92,546 (2008 £81,108) to Fulham FC Foundation

No disclosure has been made of any transactions within these financial statements with the immediate parent company or fellow subsidiaries in accordance with the exemptions allowed under Financial Reporting Standard No 8

22 Post Balance Sheet Events

Since the year end, the company has acquired the registrations of Bjorn Helge Riise, Damian Duff, Kagisho Dikgacoi, David Elm Jonathan Greening also joined the squad on a season-long loan. In addition, the company has disposed of the registrations of Leon Andreasen, Collins John, Hamuer Bouazza, Moritz Volz, Adrian Leijer and Karim Laribi. The net outflow from player trading is approximately £7.04 million.

Since the year end the Company has secured additional funding from third parties of £24.98 million, of which £7 million has been repaid and £2.85 million is repayable before 30 June 2010. Part of this funding is secured on future receipts from certain broadcasting rights. Part is derived from the forward sale of certain season tickets.

All loans due to Harrods (UK) were repaid by the 25th August 2009.

The bank loan was repaid on the 6th August 2009, and the company was released from the related charge.

Fulham Football Club (1987) Limited
Notes to the financial statements (continued)
For the year ended 30 June 2009

23 Parent Undertaking

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

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