

Fulham Football Club (1987) Limited

Annual Report 30 June 2010

Registered number 2114486



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Fulham Football Club (1987) Limited

Offices and Advisors

For the year ended 30 June 2010

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 2010

The build up to the league campaign for '09/10 in the Barclays Premier League was a busy one, filled with optimism following the excellent final position of 7th in the '08/09 season. In one of the most dramatic seasons in the club's history, we would be finalists in the UEFA Europa League, losing 2-1 to Atletico Madrid in extra time, reach the quarter final of the FA Cup, and ultimately finish 12th in the Premier League.

All of this helped us deliver excellent revenue growth. Our gross revenues increased by 15.1% to £77.1m in the year to 30 June 2010, more specifically non-broadcasting revenues (gate receipts, sponsorship and commercial activities) grew by an exceptional 23%, bolstered by UEFA revenue of £12.5m and broadcasting revenues increasing by 5%. Central awards decreased by 4.5% year-on-year as a result of our final league position of 12th against the previous season's 7th. The operating expenses of the business increased by £10.8m largely as a result of the additional games through the Europa League and the level of player trading. This resulted in an operating profit (before player trading and amortisation) of £6.2m compared to £5.8m the previous year. Overall, the Club posted a loss of £16.9m for the season 2009/2010.

Acquisitions after year-end saw the addition of 7 players – Mousa Dembélé, Rafik Halliche, Carlos Salcido, Philippe Senderos, Alex Kacaniklic, Lauri Dalla Valle and Steve Sidwell. Transfers out were Paul Konchesky, David Elm, Frederick Stoor and Rob Milsom.

Improvements were made to the stadium to continue to consistently enhance the supporter experience year-on-year and, notably, installing under soil heating 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.

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 online ticketing operation has been vastly improved to offer a fully integrated service that greatly enhances the processing of internet sales. The introduction of a new membership scheme has proved very popular with our fans as it has provided them with greater access to tickets. In addition, our season ticket holders have also increased alongside these new innovations.

The Club's community scheme has recently been re-branded, and the newly named Fulham FC Foundation enables us to deliver initiatives that not only help build better lives through sport, but in turn help 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 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.

M Al-Fayed



Fulham Football Club (1987) Limited

Directors' Report

For the year ended 30 June 2010

Financial statements

The Directors present their report and financial statements for the year ended 30 June 2010

Review of the business

During the year to 30 June 2010, the Company saw the following changes in the key indicators of financial and non-financial performance

<u>Indicator</u>	<u>2010</u>	<u>Year to 30 June</u>		<u>%</u>
		<u>2009</u>	<u>+/-</u> <u>change</u>	
Gross revenues (£m)	77.1	67.0	10.1	15.1
Turnover (£m)	76.4	63.1	13.3	21.0
Total staff costs (£m)	49.3	46.2	3.1	6.6
Staff costs as % of gross revenues	63.9%	69.1%	-	5.2
Net operating (loss) (£m)	(17.9)	(11.7)	(6.2)	52.6
Final position in Premier League (PL)	12th	7th	(5)	-
Total PL attendances	455,276	462,534	(7,258)	(1.6)
Average PL attendance per game	23,962	24,344	(382)	(1.6)

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

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

Principal activity

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

Results and dividends

The Company made a loss after tax of £16,942,261 (2009 £6,877,417) which has been transferred to reserves. The Directors are unable to recommend the payment of a dividend (2009 £nil)

Future developments

The Company continues to seek to develop the match-day experience for spectators to promote the long-term aim of growing and retaining a large and loyal fan base. Our sister-company, Fulham Stadium Limited, has a rolling programme of increasing and improving facilities at the Craven Cottage stadium, 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 results achieved during the playing season.



Fulham Football Club (1987) Limited

Directors' Report (continued)

For the year ended 30 June 2010

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 2010, 54% came from sources controlled by the Premier League (2009: 68%). Additional revenue of £12.5m in 2010 from the UEFA Europa League is the main factor accounting for the reduced percentage of FAPL income. In the event of relegation from the Premier League, the Company's revenues would fall and the Company would therefore have to take action to significantly reduce operating costs. Such action could prevent the maintenance of a playing squad capable of gaining promotion back to the Premier League. Therefore the Company's main aim is to prevent this risk becoming a reality.

The environment

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

Policy on payment of creditors

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

The Company takes an average of 35 days to pay its creditors (2009: 39 days).



Fulham Football Club (1987) Limited

Directors' Report (continued)

For the year ended 30 June 2010

Policy on disabled persons

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

Policy on employee involvement

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

Directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts,
- 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 2010

Post balance sheet events

Since the year-end the Company has acquired the registrations of Mousa Dembélé, Philippe Senderos, Rafik Halliche, Carlos Salcido and Steve Sidwell. The outlay for these players and other non first team players will amount to £8,589,000. In the same period, the Company sold Paul Konchesky (plus the acquisition of Lauri Dalla Valle and Alexander Kacaniklic), David Elm, Fredrik Stoor and Rob Milsom for total fees of £3,750,000. Transfer fees of £3,000,000 are receivable in respect of Chris Smalling (from total transfer fee £10,000,000), £2,000,000 of which is receivable in 2011/12.

Directors

The Directors who served during the year were as follows

M Al Fayed (Chairman)

K Fayed

O A Fayed (Appointed 9 April 2010)

M A E Collins

C R Bailey (Resigned 18 February 2010)

M D Cole

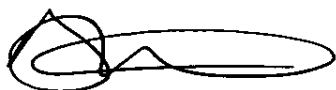
D Turner

A J Mackintosh

Since the year end, B F Leuken (13 July 2010) and S E O'Loughlin (24 December 2010) have been appointed as Directors of the Company. B F Leuken resigned (24 January 2011) with an effective termination date of 24 April 2011.

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

January 2011

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 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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 2010 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 (Continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

PKF(UK)LLP

Stuart Barnsdall, Senior Statutory Auditor

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

London, UK

3 February 2011



Fulham Football Club (1987) Limited

Profit and Loss Account

For the year ended 30 June 2010

		2010			2009
		Operations excluding player trading	Player trading	Total	Total
	Notes	£	£	£	£
Turnover	3	76,397,970	-	76,397,970	63,144,565
Other operating income		672,474	-	672,474	3,808,047
		<u>77,070,444</u>	<u>-</u>	<u>77,070,444</u>	66,952,612
Operating expenses	4	(70,850,476)	(15,999,777)	(86,850,253)	(76,060,963)
Exceptional item	6	-	(8,085,277)	(8,085,277)	(2,601,563)
		<u>6,219,968</u>	<u>(24,085,054)</u>	<u>(17,865,086)</u>	(11,709,914)
Operating profit/(loss)					
Profit on disposal of players' registrations		-	963,178	963,178	5,274,667
		<u>6,219,968</u>	<u>(23,121,876)</u>	<u>(16,901,908)</u>	(6,435,247)
Loss before interest and taxation					
Net interest payable	7			(2,084,248)	(1,463,008)
				<u>(18,986,156)</u>	(7,898,255)
Loss on ordinary activities before taxation					
Taxation of loss on ordinary activities	8			2,043,895	1,020,838
				<u>2,043,895</u>	
Loss for the year	16			<u>(16,942,261)</u>	(6,877,417)

Statement of total recognised gains and losses

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

Continuing operations

All of the above results derive from continuing activities

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



Fulham Football Club (1987) Limited

Balance Sheet

As at 30 June 2010

Company number 2114486

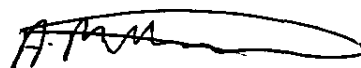
	Notes	2010 £	2009 £
Fixed assets			
Intangible assets	9	16,489,228	31,007,588
Tangible assets	10	<u>1,596,503</u>	<u>1,840,731</u>
		18,085,731	32,848,319
Current assets			
Stocks		204,134	139,768
Debtors	11	4,206,406	6,547,325
Cash at bank and in hand		<u>13,123,347</u>	<u>6,312,533</u>
		17,533,887	12,999,626
Creditors: amounts falling due within one year	12	<u>(32,844,291)</u>	<u>(36,139,462)</u>
Net current liabilities		<u>(15,310,404)</u>	<u>(23,139,836)</u>
Total assets less current liabilities		2,775,327	9,708,483
Creditors' amounts falling due after more than one year	13	(169,721,278)	(167,638,914)
Deferred income	14	<u>(14,058,021)</u>	<u>(6,131,280)</u>
Net Liabilities		<u>(181,003,972)</u>	<u>(164,061,711)</u>
Capital and reserves			
Called up share capital	15	2	2
Profit and loss account	16	<u>(181,003,974)</u>	<u>(164,061,713)</u>
Shareholders' funds	17	<u>(181,003,972)</u>	<u>(164,061,711)</u>

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

The financial statements on pages 10 to 24 were approved and authorised for issue by the Board and were signed on its behalf on January 2011



M A E Collins
Director



A J Mackintosh
Director



Fulham Football Club (1987) Limited

Accompanying Notes to the Financial Statements

For the year ended 30 June 2010

1 Basis of preparation of financial statements and going concern

The Company has a deficit of shareholders' funds at 30 June 2010 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 2010/11 season or not. Although there is no legal obligation for Fulham Football Leisure Limited, 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.

Should the Club be relegated at the end of the 2010/11 season, then the Company's revenues would fall. The Company would therefore have to take action to significantly reduce operating costs, which the Directors are confident could be achieved, such that 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.

c) Grants

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

d) Deferred Income

Income from season tickets, sponsorship and other commercial contracts which have been received prior to the year end in respect of future football seasons is treated as deferred income.



Fulham Football Club (1987) Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2010

2 Accounting policies (continued)

e) Signing on fees

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

f) Transfer fees

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

Fees payable which are contingent on a future event are recorded as intangible fixed assets, if in the opinion of the Directors, the future event is more likely than not to occur during the life of the player's contract. Fees contingent on a future event which has a material uncertainty are only brought into intangible fixed assets when the event actually occurs. Player registration costs are amortised over the life of the 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.

h) Tangible fixed assets and depreciation

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

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

i) Leases and hire purchase contracts

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



Fulham Football Club (1987) Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2010

2 Accounting policies (continued)

j) Stocks

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

k) Pensions

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

l) Deferred taxation

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

m) Foreign Currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction 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

	2010	2009
	£	£
Gate Receipts	11,069,065	11,205,443
Europa League	12,482,983	-
Sponsorship	3,987,269	3,325,647
Central Awards	35,722,774	37,397,552
Broadcasting	6,227,410	5,932,782
Commercial activities	6,908,469	5,283,141
	<u>76,397,970</u>	<u>63,144,565</u>

Europa League covers ticketing, prize money and broadcast revenue associated with the club's participation in the 2009/10 Europa League



Fulham Football Club (1987) Limited**Accompanying Notes to the Financial Statements (continued)**

For the year ended 30 June 2010

4 Operating expenses

	2010	2009
	£	£
Auditors' remuneration for audit services	35,724	44,249
Auditors' remuneration for non-audit services	12,000	10,000
Staff costs (Note 5)	49,284,954	46,232,420
Depreciation		
- Owned fixed assets	871,711	780,485
- Assets under finance leases	40,389	32,069
- Amortisation of player registrations	15,999,777	14,899,373
Amounts paid under operating leases		
- Land and Buildings	2,229,544	2,208,690
- Other	49,398	84,012
Other external charges	18,326,756	11,769,665
	<u>86,850,253</u>	<u>76,060,963</u>

5 Staff numbers and costs

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

	2010	2009
	£	£
Wages and salaries	43,788,185	41,376,104
Social security costs	5,201,457	4,652,331
Pension costs	295,312	203,985
	<u>49,284,954</u>	<u>46,232,420</u>

The average monthly number of employees during the year was 796 (2009 741) made up as follows

	2010	2009
	Number	Number
Administrative and ground staff	164	147
Players	60	59
	<u>224</u>	<u>206</u>
Part-time staff for match days	<u>572</u>	<u>535</u>

Aggregate Directors emoluments during the year totalled £650,427 (2009 £235,901) excluding pension contributions of £49,113 (2009 £24,230) The highest paid Director's emoluments totalled £512,500 (2009 3 months £125,650) excluding pension contributions of £37,500 (2009 £11,385)



Fulham Football Club (1987) Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2010

6 Exceptional item

	Note	2010 £	2009 £
Impairment Loss	9	<u>8,085,277</u>	<u>2,601,563</u>

The impairment losses arose from a write down of certain players' registrations to reflect their estimated net realisable value. This is based on management's estimates taking into account current conditions in the transfer market.

7 Interest

	2010 £	2009 £
Interest receivable on deposits.		
Bank interest	<u>4,138</u>	<u>55,122</u>
Interest payable on borrowings repayable within five years:		
Bank interest payable	(67,567)	(611,029)
Term Loan interest	(1,380,707)	-
Other charges	(510,494)	-
Hire and lease purchase obligations	(7,714)	(11,781)
Amounts payable to related parties	<u>(121,904)</u>	<u>(895,320)</u>
	<u>(2,088,386)</u>	<u>(1,518,130)</u>
Net interest payable	<u>(2,084,248)</u>	<u>(1,463,008)</u>



Fulham Football Club (1987) Limited**Accompanying Notes to the Financial Statements (continued)**

For the year ended 30 June 2010

8 Taxation

(a) The tax for the year comprises

	2010	2009
	£	£
<i>Corporation tax</i>		
Current year,		
Adjustments in respect of prior years	(4,977)	(44,241)
Current year - group relief	<u>(2,038,918)</u>	<u>(976,597)</u>
Total current tax (note 8 (b))	<u>(2,043,895)</u>	<u>(1,020,838)</u>

(b) Factors affecting tax charge for the year

	2010	2009
	£	£
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>(18,986,156)</u>	<u>(7,898,255)</u>
Loss on ordinary activities at standard rate of corporation tax in the UK of 28% (2009 28%)	(5,316,123)	(2,211,511)
Effects of		
Depreciation in the year less than capital allowances	228,817	(63,853)
Expenses not deductible for tax purposes - non qualifying depreciation	42,633	4,616
Expenses not deductible for tax purposes	33,062	12,721
Other short term timing differences	400,499	(118,122)
Losses group relieved	411,290	2,376,149
Receipt (credit) for group relief	-	(976,597)
Adjustments in respect of prior periods	(4,977)	(44,241)
Unrelieved losses	<u>2,160,904</u>	<u>-</u>
Current tax credit for the year (note 8 (a))	<u>(2,043,895)</u>	<u>(1,020,838)</u>



Fulham Football Club (1987) Limited
Accompanying Notes to the Financial Statements (continued)
For the year ended 30 June 2010

8 Taxation (continued)

(c) Factors that may affect future tax charges

At the year end the Company has an unrecognised deferred tax asset of £46.7m (2009 £43.6m), 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:

	2010 £	2009 £
Depreciation in excess of capital allowances	1,988,258	624,436
Tax losses carried forward	<u>44,698,772</u>	<u>42,991,744</u>
	<u>46,687,030</u>	<u>43,616,180</u>

9 Intangible fixed assets

Player registrations

Cost	Note	£
1 July 2009		60,283,514
Additions		11,378,881
Disposals		(10,912,774)
30 June 2010		<u>60,749,621</u>
Amortisation		
1 July 2009		29,275,927
Disposals		(9,100,588)
Impairment loss	6	8,085,277
Charge for the year		<u>15,999,777</u>
30 June 2010		<u>44,260,393</u>
Net Book Amount		
30 June 2010		<u>16,489,228</u>
30 June 2009		<u>31,007,588</u>



Fulham Football Club (1987) Limited
Accompanying Notes to the Financial Statements (continued)
For the year ended 30 June 2010

10 Tangible fixed assets

	Leasehold improvements	Motor vehicles	Equipment	Total
	£	£	£	£
Cost				
1 July 2009	893,808	38,798	5,299,532	6,232,138
Additions	-	-	667,872	667,872
30 June 2010	893,808	38,798	5,967,404	6,900,010
Depreciation				
1 July 2009	818,495	38,798	3,534,114	4,391,407
Charge for the year	16,485	-	895,615	912,100
30 June 2010	834,980	38,798	4,429,729	5,303,507
Net book amount				
30 June 2010	58,828	-	1,537,675	1,596,503
30 June 2009	75,313	-	1,765,418	1,840,731

The net book amount of fixed assets includes an amount of £61,835 (2009 £102,224) in respect of equipment assets held under hire and lease purchase contracts



Fulham Football Club (1987) Limited
Accompanying Notes to the Financial Statements (continued)
For the year ended 30 June 2010

11 Debtors

	2010	2009
	£	£
Trade debtors	2,041,985	491,303
Player Transfer debtors	1,037,895	3,484,713
Other debtors	39,167	16,653
Group relief receivable	-	1,020,838
Amounts due from related parties	-	13,594
Prepayments and accrued income	1,087,359	520,224
	<u>4,206,406</u>	<u>5,547,325</u>
Player Transfer debtors due after more than one year	-	1,000,000
	<u>4,206,406</u>	<u>6,547,325</u>

12 Creditors: amounts falling due within one year

	2010	2009
	£	£
Hire and lease purchase obligations (note 18)	41,887	50,624
Term Loan - secured	12,871,217	-
Bank Loan - secured	-	4,825,877
Trade creditors	2,433,074	2,731,878
Player Transfer creditors	5,590,753	7,490,863
Amounts due to related parties (note 21)	11,648	12,572,747
Amounts due to group undertaking	-	458,238
Other taxes and social security	4,616,982	5,546,791
Other creditors	2,152,331	-
Accruals	5,126,399	2,462,444
	<u>32,844,291</u>	<u>36,139,462</u>

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

The term loan was secured over match revenue, and was fully repaid in August 2010. Interest was payable at a rate of 9.45% per annum.

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

All loans due to Harrods (UK) a former related party, were repaid by 25 August 2009.



Fulham Football Club (1987) Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2010

13 Creditors: amounts falling due after more than one year

	2010	2009
	£	£
Player Transfer creditors	2,798,228	1,000,000
Hire and lease purchase obligations (note 18)	7,437	41,611
Other creditors	3,014,532	-
Amounts due to Fulham Football Leisure Limited	<u>163,901,081</u>	<u>166,597,303</u>
	<u>169,721,278</u>	<u>167,638,914</u>

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

14 Deferred income

	2010	2009
	£	£
Season ticket sales in advance	5,193,732	4,594,018
Commercial income and sponsorship	<u>8,864,289</u>	<u>1,537,262</u>
	<u>14,058,021</u>	<u>6,131,280</u>

15 Share Capital

	2010	2009
	£	£
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

	2010	2009
	£	£
01 July 2009	(164,061,713)	(157,184,296)
Loss for the year	<u>(16,942,261)</u>	<u>(6,877,417)</u>
30 June 2010	<u>(181,003,974)</u>	<u>(164,061,713)</u>

17 Reconciliation of movements in share holders' funds

	2010	2009
	£	£
Opening shareholders' funds	(164,061,711)	(157,184,294)
Loss for the financial year	<u>(16,942,261)</u>	<u>(6,877,417)</u>
Closing shareholders' funds	<u>(181,003,972)</u>	<u>(164,061,711)</u>



Fulham Football Club (1987) Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2010

18 Loans and hire and lease purchase obligations

Obligations under finance leases and hire purchase contracts are as follows

	2010 £	2009 £
Amounts payable		
In one year or less, or on demand	41,887	50,624
In the second to fifth years inclusive	7,437	41,611
	<u>49,324</u>	<u>92,235</u>

19 Financial commitments

a) Annual commitments under non-cancellable operating leases

	2010		2009	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire				
Within one year	-	-	-	-
In the second to fifth years inclusive	2,042,000	49,398	2,040,000	68,223
Over five years	184,762	-	208,643	-
	<u>2,226,762</u>	<u>49,398</u>	<u>2,248,643</u>	<u>68,223</u>

b) Other commitments

The maximum commitment for additional transfer fees payable in respect of future possible appearances amounts to £8,000,000 (2009 £7,390,000)

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 £4,013,000 (2009 £1,180,000)

d) Capital commitments

Amounts contracted for but not provided for in the accounts amounted to £284,000 (2009 £nil)

20 Pension scheme

Payments are made into a number of defined contribution schemes. Total contributions charged during the year amounted to £295,312 (2009 £203,985)



Fulham Football Club (1987) Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2010

21 Related party information

During the year 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 2010 is as follows:

	2010 Purchases £	2010 Sales £	2009 Purchases £	2009 Sales £
Genavco Insurance Ltd	152,962	-	165,049	-
Harrods Estates Ltd	-	-	1,404	-
Harrods (UK) Ltd	49,422	-	34,780	-
Harrods Ltd	104,580	-	120,691	-
Liberty Publishing and Media Ltd	9,320	-	7,610	-
Hyde Park Residence	-	297	-	698
Total	316,284	297	329,534	698

Balances with related parties as at 30 June 2010 are as follows:

Falling due within 1 year

	2010 Due To £	2010 Due From £	2009 Due To £	2009 Due From £
Harrods Estates Ltd	-	-	-	-
Harrods (UK) Ltd	-	-	12,483,727	-
Harrods Ltd	-	-	57,966	323
Genavco Insurance Ltd	-	-	31,054	-
Fulham FC Community Trust	11,648	-	-	13,271
Liberty Publishing Media Ltd	-	-	-	-
Total	11,648	-	12,572,747	13,594

Following the sale of the Harrods group of companies on 7 May 2010, all of the above listed companies except for Liberty Publishing and Media Ltd and Hyde Park Residence Ltd ceased to be under the control of the company's ultimate controlling party and therefore ceased to be related parties from that date.



Fulham Football Club (1987) Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2010

21 Related party information (continued)

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

	2010	2010	2009	2009
	Paid To	Received From	Paid To	Received From
	£	£	£	£
Harrods (UK) Ltd	121,904	-	895,320	-
Harrods Ltd	-	-	-	-
Total	121,904	-	895,320	-

During the year, the Company also donated £91,506 (2009 £92,546) to the Fulham FC Community Trust (now 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 Mousa Dembelé, Philippe Senderos, Rafik Halliche, Carlos Salcido and Steve Sidwell. The outlay for these players and other non first team players will amount to £8,589,000. In the same period, the Company sold Paul Konchesky (plus the acquisition of Lauri Dalla Valle and Alexander Kacaniklic), David Elm, Fredrik Stoor and Rob Milsom for total fees of £3,750,000. Transfer fees of £3,000,000 are receivable in respect of Chris Smalling (from total transfer fee £10,000,000), £2,000,000 of which is receivable in 2011/12.

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.

