

Fulham Football Club Limited

Annual Report and Financial Statements

30 June 2020



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Fulham Football Club Limited Offices and Advisors

For the year ended 30 June 2020

Registered Office:

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

Auditor:

KPMG LLP
15 Canada Square
London
E14 5GL

Bankers:

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

Solicitor:

Squire Patton Boggs (UK) LLP
7 Devonshire Square
Cutlers Gardens
London
EC2M 4YH



Fulham Football Club Limited

Strategic Report

For the year ended 30 June 2020

Review of the business

During the 2019/20 financial year the Club participated in the Football League Championship ending with promotion back to the Premier League. The season was suspended in March 2020 due to the worldwide Covid-19 pandemic. Although the season recommenced in late June 2020, the end of the 2019/20 season was concluded in the following financial year, with the Championship Play-Off Final held on 4 August 2020.

Financially, the company recorded a loss for the year of £49.0m (2019: £20.4m). During the year revenue decreased to £58.0m compared to £137.7m in 2018/19 due to the Club competing in the Championship, as well as the impact of Covid-19.

During the year, the company, in conjunction with Fulham Stadium Limited, continued to redevelop the Riverside Stand which will create a unique Thameside destination with first class facilities for supporters and partners on match day as well as for the wider community year round. Planning permission was received in late 2018. The planned works commenced following the final game of the 2018/19 season in May 2019.

The Club's parent company, Fulham Football Leisure Limited, continued to develop plans for the BBC sports ground purchased in May 2017. Plans are being drawn up to develop this into a second elite training facility to benefit the Club and Academy for many years to come.

During the year to 30 June 2020, the Company saw the following changes in the key indicators of financial and non-financial performance:

Indicator	2020	Year to 30 June		
		2019	+/- change	%
Turnover (£m)	58.0	137.7	(79.7)	(57.9)
Total staff costs (£m)	72.6	92.6	(20.0)	(21.6)
Staff costs as % of revenues	125.2%	67.2%	58.0%	86.3
Net operating (loss)/profit before depreciation, amortisation & impairment (£m)	(33.2)	21.6	(54.8)	(253.7)
Final position in Championship*/Premier League	4 th	19 th	-	-
Total Championship**/Premier League attendance	346,540	463,051	(116,511)	(25.2)
Average Championship**/Premier League attendance per game	18,239	24,371	(6,132)	(25.2)

* As at year end the season was still ongoing. The final league position for 2019/20 was only known after the end the financial year.

** Attendances are based on the 19 home league games where fans were in attendance prior to the restrictions due to Covid-19.

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

Impact of Covid-19

The 2019/20 season was majorly disrupted by the worldwide Covid-19 pandemic. The season was paused on 13 March 2020 and then resumed on 20 June 2020. The remaining nine league games of the season, the two Play-Off Semi Finals and the Play-Off Final at Wembley Stadium were all played without the attendance of fans in the stadiums. This has continued into the 2020/21 season, with return of fans still an actively discussed topic.

A total of nine games of the 2019/20 season were played during the 2020/21 financial year. Any central revenues, broadcasting revenues and commercial revenues relevant to these 2019/20 fixtures were deferred into the 2020/21 financial year, as well as any relevant costs associated with these fixtures. This has had an impact on the 2019/20 financial year revenues and loss for the year.

The impact of the Covid-19 pandemic is still being felt in the 2020/21 season, and up to the date of signing these accounts, only one game during the 2020/21 season was played in front of fans in the stadium and at a much reduced capacity.



Fulham Football Club Limited

Strategic Report (continued)

For the year ended 30 June 2020

Principal risks and uncertainties

The principal risk affecting the Group is its exposure to the financial impacts of changes in on the pitch performance of the Club. As experienced over recent seasons, the Club's league status has a significant impact on its revenue generating capacity, with broadcasting, sponsorship and other revenues being significantly reduced whilst playing in the Football League Championship as compared to the Premier League.

To mitigate this risk, the Directors have taken steps to control the Group's cost base, although, the total staff costs as a percentage of turnover have significantly increased due to the reduced revenues from competing in the Football League Championship. The Directors continue to monitor financial and footballing performance so that adjustments can be made as necessary.

The Covid-19 pandemic has led to further uncertainties in the 2020/21 season. The UK Government introduced a Tiered system to control the pandemic in the country with differing rules on fan attendance in different parts of the UK. To the date of signing these accounts, Fulham Football Club has been able to play one match in the presence of a crowd at Craven Cottage, at a much reduced capacity of near 2,000. At the date of signing these accounts, there is no known date for the partial or full return of fans to stadiums in the UK.

The Directors are also mindful of profit and sustainability rules imposed by the Football League and other footballing bodies when preparing future operating budgets. Penalties for breaching these profit and sustainability rules vary between the Football League and Premier League, and could include fines, transfer embargoes and points deductions.

From time to time the Club engages in transactions in foreign currencies. This includes significant player transfer agreements denominated in Euros which may include provisions for deferred settlements. 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 Group use hedging instruments.

The Directors are aware of the uncertainty created by the departure of the United Kingdom from the European Union and will continue to monitor developments in this area over the coming year to ensure that the Company is able to mitigate any negative impacts whilst maximising any opportunities arising.

Stakeholders and our engagement

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders and other matters in their decision making. The Directors recognise their responsibility with regards to these interests and invite representatives from various stakeholders to attend meetings to express their views. The Directors describe below how they have engaged with various key stakeholders during the year.

(a) Supporters

One of the key stakeholders are the supporters who are represented by the Fulham Supporters' Trust ("FST"). The Club and FST meet once a month to ensure that the opinions of the supporters are considered in the decision making of the Directors. The Club are proud of this relationship and at the 2018 Football Business Awards, the Club and FST were the winners of the 'Best Club & Supporters Group Relationship' category, underlining the commitment in the relationship.

(b) Employees

During the Covid-19 pandemic, the Directors have made a conscientious effort to enhance the engagement with employees. Weekly Club updates are circulated by the Chief Executive Officer to ensure all employees are regularly updated with Club news and strategic updates, with increased and over communication between employees and the Directors actively encouraged. The Club's values are consistently reinforced by the Directors, who encourage an open and inclusive workplace.



Fulham Football Club Limited

Strategic Report (continued)

For the year ended 30 June 2020

Stakeholders and our engagement (continued)

(c) Fulham Football Club Foundation / Community

The Club continues to have a close working relationship with the Fulham Football Club Foundation and in turn the wider community. The Chief Executive Officer of the Fulham Football Club Foundation is a member of the management team at the Club and is involved in all the key decisions taken by the Directors. Ongoing support from the Club to the Fulham Football Club Foundation in all areas and capacities continued during the year.

Key decisions made in the year and the consideration of key stakeholders are as follows:

(a) Closure of Motspur Park Training Ground and Craven Cottage due to Covid-19 pandemic

The Directors made the decision to close the Motspur Park Training Ground and Craven Cottage stadium to employees, suppliers, customers and other stakeholders who would have been on either site. The safety of these groups were paramount to the decision, which was made before the UK went into a nationwide lockdown in March. A few key employees were exempt from in order to keep the sites secure, with necessary working precautions put in place to ensure these employees safety while on site.

(b) Season ticket holder refunds

Once the football season recommenced in June 2020, fans were not allowed to be present. The Directors took the decision that all season ticket holders should receive refunds for those games that they would not be able to attend due to Covid-19. Supporters were notified via various outlets and were given four options for how they would like their refund to be processed. It had been decided that giving the supporters options was in their best interests as one option would not fit all supporter requirements.

(c) Continuation of Riverside Stand development

Various decisions during the year were made with regards to the Riverside Stand development. All decisions were made with the focus on all stakeholders involved, whether that be suppliers, customers, employees, the community, or the Shareholder. The Directors recognise that this development is key for all stakeholders.

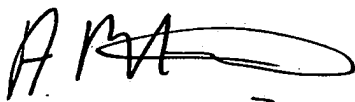
(d) Intranet development

The Directors took the decision to develop a new intranet for the Club's employees. It was important that development in the Club's internal resources takes place with different groups of employees having input in this project. The site came live in December 2020 and looks to encourage communication, ideas and feedback from all employees.

Post balance sheet events

Since the year-end the Company has acquired and disposed of a number of player registrations. The cost of acquiring new player registrations post year end amounted to £51.8m (2019: £8.8m) and the profit on the disposal of player registrations post year end was £0.1m (2019: £23.0m).

Subsequent to the year end The Professional Football Compensation Committee ("PFCC") gave its decision with regards to the compensation payable by Liverpool Football Club ("Liverpool") to Fulham Football Club ("Fulham") following the move of Harvey Elliott from Fulham to Liverpool in 2019. After a full hearing, the PFCC decided that Fulham should be entitled to an element of guaranteed compensation, with various add-ons that shall be recognised as and when the triggers are met. As at 30 June 2020, Fulham has recognised an amount of guaranteed compensation that at the time was considered reasonable. There has been no adjustment to this amount following this decision.



By order of the Board

A J Mackintosh

Chief Executive

25 February 2021

5 Fulham Football Club Limited



Fulham Football Club Limited

Directors' Report

For the year ended 30 June 2020

The Directors present their report and the accounts for the year ended 30 June 2020.

Principal activities

The Company's principal activity during the period was the operation of a professional football club.

Financial Instruments

The Company does not routinely engage in complex financial instruments in the operation of its business. The Company receives funding from its parent entity under undocumented loan facilities that are deemed to be repayable on demand and do not bear interest.

From time to time, the Company issues new equity shares to its parent entity which are offset against loan balances outstanding in order to improve the financial position of the Company. However, there is no pre-existing right or obligation to do so attached to any of the loan facilities in place. During the year, £53.1m of loans were converted into equity shares, taking the total called up share capital of the Company to £432.5m.

The Company enters into contracts for the purchase and sale of player registrations which may provide for the deferred payment or receipt of transfer fee installments. Such installments are measured at amortised cost using the effective interest rate method where this value is materially different to the transaction price.

Further explanation of the accounting for financial instruments is included in the accounting policies from page 14 of these financial statements.

Directors

The Directors who served during the year and up to the signing date of these financial statements are as follows:-

S R Khan

M Lamping

A J Mackintosh

A R Khan

D Daly

Charitable donations

During the year, the Company donated £28,600 (2019: £81,300) to various charities, including £27,300 (2019: £39,200) to the Fulham Football Club Foundation.

Political donations

The Company made no political donations and did not incur any political expenditure during the year (2019: £Nil).

Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons. The Company meets its day to day working capital requirements from shareholder loans that are subsequently converted to equity. During the year ended 30 June 2020, amounts due to shareholders of £53,125,000 were converted to equity (see note 14).

The Directors have prepared base and sensitised cash flow forecasts for a period over 12 months from the date of approval of these financial statements, to the end of the year ended 30 June 2022. Those forecasts build in various scenarios around the potential downside but realistic outcomes from Covid-19, including assumptions on the return of fans and the related matcday income and costs, assumptions on the league status of the Club, and key assumptions on central distributions and possible rebates due.

All forecasts indicate that, even taking account of controllable mitigating actions, the Company will require significant additional funding. The amount of additional funding is increased in the downside scenarios. The Directors are confident that the additional funding will be available from its ultimate owner and immediate parent company, Mr Shahid Khan and Fulham Football Leisure Limited, to meet its liabilities as they fall due.



Fulham Football Club Limited

Directors' Report (continued)

For the year ended 30 June 2020

Going concern (continued)

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

Employees

The Directors believe that all persons, regardless of age, race, religion, sex, sexuality or disability should have equal opportunities to work and are committed to the promotion of equal opportunities within the Company. It is the Company's policy to keep all staff informed as to the development of the business and 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.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report from page 3.

Dividends

The Directors do not recommend the payment of a dividend (2019: £nil).

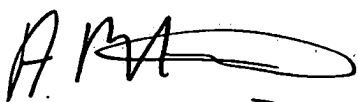
Disclosure of information to auditor

Each of the Directors has confirmed that:

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

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.



By order of the Board

A J Mackintosh

Chief Executive

25 February 2021



Fulham Football Club Limited

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

For the year ended 30 June 2020

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Independent Auditor's Report to the Members of Fulham Football Club Limited

Opinion

We have audited the financial statements of Fulham Football Club Limited ("the company") for the year ended 30 June 2020 which comprise the the profit and loss account and other comprehensive income, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

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

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

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

Strategic report and directors' report

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

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

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.



Independent Auditor's Report to the Members of Fulham Football Club Limited (continued)

Directors' responsibilities

As explained more fully in their statement set out on page 8, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

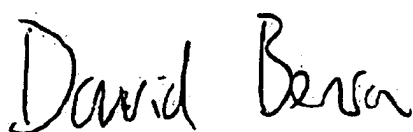
Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



David Benson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
1 March 2021



Fulham Football Club Limited
Profit and Loss Account and Other Comprehensive Income

For the year ended 30 June 2020

		<u>2020</u>	<u>2019</u>
	Notes	£'000	£'000
Turnover	2	58,035	137,748
Operating expenses before depreciation, amortisation & impairment	3	<u>(91,193)</u>	<u>(116,187)</u>
Operating (loss)/profit before depreciation, amortisation & impairment		(33,158)	21,561
Depreciation and amortisation	3	<u>(40,656)</u>	<u>(43,296)</u>
Impairment	4	<u>(533)</u>	<u>(1,254)</u>
Operating loss after depreciation, amortisation and impairment		(74,347)	(22,989)
Profit on disposal of players' registrations		25,310	2,548
Loss on disposal of other assets		<u>(1)</u>	<u>(7)</u>
Loss before interest and taxation		(49,038)	(20,448)
Net interest receivable	7	<u>-</u>	<u>12</u>
Loss before taxation		(49,038)	(20,436)
Taxation on loss	8	<u>60</u>	<u>-</u>
Loss for the year		(48,978)	(20,436)
 Total comprehensive (loss) for the year		 (48,978)	 (20,436)

All amounts relate to continuing operations.

The notes on pages 14 to 29 form part of these financial statements.



Fulham Football Club Limited**Balance Sheet**

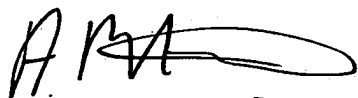
Company number: 2114486

As at 30 June 2020

	Notes	2020 £'000	2019 £'000
Fixed assets			
Intangible assets	9	103,980	93,850
Tangible assets	10	<u>1,985</u>	<u>1,694</u>
		105,965	95,544
Current assets			
Stocks		420	893
Debtors (includes £12,000 (2019: £1,020) due after more than one year)	11	22,549	10,774
Cash at bank and in hand		<u>19,180</u>	<u>17,478</u>
		42,149	29,145
Creditors: amounts falling due within one year	12	<u>(77,888)</u>	<u>(49,497)</u>
Net current liabilities		<u>(35,739)</u>	<u>(20,352)</u>
Total assets less current liabilities		70,226	75,192
Creditors: amounts falling due after more than one year	12	(32,086)	(44,862)
Deferred income	13	<u>(7,966)</u>	<u>(4,303)</u>
Net assets		<u>30,174</u>	<u>26,027</u>
Capital and reserves			
Called up share capital	14	432,548	379,423
Profit and loss account		<u>(402,374)</u>	<u>(353,396)</u>
Shareholders' funds		<u>30,174</u>	<u>26,027</u>

The notes on pages 14 to 29 form part of these financial statements.

These financial statements were approved by the Board of Directors on 25 February 2021 and signed on its behalf by:



A J Mackintosh
Director



Fulham Football Club Limited

Statement of Changes in Equity

For the year ended 30 June 2020

	Called up share capital	Profit & loss account	Total equity
	£'000	£'000	£'000
Balance at 1 July 2018	<u>336,210</u>	<u>(332,960)</u>	<u>3,250</u>
Total comprehensive income for the period			
Loss for the year	-	(20,436)	(20,436)
	<u>-</u>	<u>(20,436)</u>	<u>(20,436)</u>
Transactions with owners			
Share issue	43,213	-	43,213
	<u>43,213</u>	<u>-</u>	<u>43,213</u>
Balance at 30 June 2019	<u>379,423</u>	<u>(353,396)</u>	<u>26,027</u>

	Called up share capital	Profit & loss account	Total equity
	£'000	£'000	£'000
Balance at 1 July 2019	<u>379,423</u>	<u>(353,396)</u>	<u>26,027</u>
Total comprehensive income for the period			
Loss for the year	-	(48,978)	(48,978)
	<u>-</u>	<u>(48,978)</u>	<u>(48,978)</u>
Transactions with owners			
Share issue	53,125	-	53,125
	<u>53,125</u>	<u>-</u>	<u>53,125</u>
Balance at 30 June 2020	<u>432,548</u>	<u>(402,374)</u>	<u>30,174</u>

The notes on pages 14 to 29 form part of these financial statements.



Fulham Football Club Limited

Accompanying Notes to the Financial Statements

For the year ended 30 June 2020

1 Accounting policies

Fulham Football Club Limited (the "Company") is a company limited by shares and incorporated and domiciled in England, the UK.

These Company financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's parent undertaking, Fulham Football Leisure Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Fulham Football Leisure Limited are available to the public and may be obtained from Companies House, Crown Way, Cardiff CF14 3UZ. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosure:

- Cash Flow Statement and related notes

The Company is also included in the consolidated financial statements of Cougar Holdco London Limited. As these financial statements include the equivalent disclosures, the Company has also taken the exemption under FRS 102 available in respect of the following disclosures:

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

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

Judgements made by the Directors in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 21.

1.1 Measurement convention

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

- Player registrations are carried at cost less impairment based on Directors' assessment of net realisable value, taking into account current conditions in the transfer market.
- Deferred installments payable / receivable on player transfer contracts are carried at amortised cost using the effective interest rate method, where the difference between this measurement convention and the transaction price is material.
- Trade debtors are carried at transaction value less impairment provision where there is an indication that the debt may not be recoverable.



Fulham Football Club Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2020

1.2 Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons. The Company meets its day to day working capital requirements from shareholder loans that are subsequently converted to equity. During the year ended 30 June 2020, amounts due to shareholders of £53,125,000 were converted to equity (see note 14).

The Directors have prepared base and sensitised cash flow forecasts for a period over 12 months from the date of approval of these financial statements, to the end of the year ended 30 June 2022. Those forecasts build in various scenarios around the potential downside but realistic outcomes from Covid-19, including assumptions on the return of fans and the related matchday income and costs, assumptions on the league status of the Club, and key assumptions on central distributions and possible rebates due.

All forecasts indicate that, even taking account of controllable mitigating actions, the Company will require significant additional funding. The amount of additional funding is increased in the downside scenarios. The Directors are confident that the additional funding will be available from its ultimate owner and immediate parent company, Mr Shahid Khan and Fulham Football Leisure Limited, to meet its liabilities as they fall due.

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

1.3 Foreign currency

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

1.4 Classification of financial instruments issued by the Company

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

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

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

1.5 Financial instruments

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

1.5.1 Trade and other debtors / creditors

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



Fulham Football Club Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2020

1.5 Financial instruments (continued)

1.5.1 Trade and other debtors / creditors (continued)

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

1.5.2 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, current accounts and call deposits.

1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described at note 1.13 below.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. The estimated useful lives are as follows:

Leasehold improvements	Over the period of the lease
Plant, equipment, fixtures & fittings	3-25 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.7 Intangible assets

1.7.1 Player registrations

Fees payable in connection with the transfer of players' registrations, including transfer fees and compensation payable to other clubs, agents' fees and league levies, are recorded as intangible fixed assets and stated at cost less any accumulated amortisation and accumulated impairment losses. Fees payable which are contingent on a future event are recognised at fair value, taking into account the Director's assessment of the likelihood of that event occurring during the life of the players' employment contract. Subsequently, if a future event does occur which was not deemed probable at the time of the transfer, the related additional transfer fees are recognised as an addition to the intangible asset at the point at which it becomes probable that an additional transfer fee will be payable.

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.



Fulham Football Club Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2020

1.7 Intangible assets (continued)

1.7.2 Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Player registrations Over the life of the related contract

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date. Intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that an intangible asset may be impaired.

1.7.3 Impairment of Intangibles

These intangible assets are reviewed for impairment, and subsequently impaired where necessary, when the carrying amount exceeds the amount recoverable through use or sale. This is based on the Directors' valuation of the intangible assets along with market data where appropriate.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

1.9 Impairment excluding stocks and deferred tax assets

1.9.1 Financial assets (including trade and other debtors)

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

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

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

1.9.2 Non-financial assets

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

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



Fulham Football Club Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2020

1.9 Impairment excluding stocks and deferred tax assets (continued)

1.9.2 Non-financial assets (continued)

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

1.10 Employee benefits

1.10.1 Defined contribution plans and other long term employee benefits

The Company operates an optional contributory defined contribution pension plan for its employees. The Company pays fixed contributions on behalf of member employees to an external pension provider and has no legal or constructive obligation to pay further amounts. Obligations for contributions to the scheme are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees. Professional football players employed by the Company are also members of the Professional Footballers Association pension scheme which is a non-contributory scheme funded out of transfer levy payments.

1.10.2 Termination benefits

Termination benefits are recognised as an expense when the entity is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the entity has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

1.11 Provisions

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

1.12 Turnover

Turnover represents broadcasting, sponsorship, gate receipts, catering and hospitality and all other income associated with the principal activity of running a professional football club.

- Gate receipts are inclusive of season ticket income, and are all recognised as revenue once the match has been completed;
- Central awards are recognised equally over the number of months in the football season to which they relate, including where the football season may cover two financial years;
- Broadcasting revenue can be recognised in two parts. Any minimum award for the season is recognised as revenue equally over the number of months in the football season to which it relates. Any broadcasting revenue that is earned once a televised match has taken place is recognised once that match has been completed;
- Compensation revenue is comprised of sums from collaboration agreements with other Clubs, and is recognised as revenue over the period of the agreement;
- Sponsorship and other commercial revenue comprises of sponsorship revenue, marketing revenue, catering income, hospitality income and any other event related income. These are recognised evenly over life of the contract (if multi-year contract), the season to which they relate (if seasonal) or after the event to which they relate has been completed.

Where the Company receives income on behalf of players who have been loaned out to other Clubs, the treatment of this income is as follows. Where a loan fee is received in exchange for the loan, this is recognised as a credit within the profit on disposal of player registrations. Where contributions towards a players' salary cost is received, these are credited against the associated cost within staff costs, and any excess contribution over and above that players' salary is recognised as other income.



Fulham Football Club Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2020

1.12 Turnover (continued)

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

1.13 Expenses

1.13.1 Operating leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

1.13.2 Finance leases

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

1.13.3 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.

1.13.4 Performance related bonuses

Performance related bonuses are charged to the profit and loss account evenly over the period in which they become due. Where these costs are earned over more than one financial year, they are recognised based on the number of months in each financial year that is relevant to the footballing season that the bonus was earned. Performance related bonuses are considered to be part of the players' emoluments packages and are included in these financial statements as part of staff costs.

1.13.5 Interest receivable and interest payable

Interest payable and similar charges include interest payable, finance charges on finance leases recognised in profit or loss using the effective interest method and the unwinding of the discount on provisions.

Interest receivable represents the return from on-demand deposit accounts and interest charges on the late payment of transfer fees receivable and other trade debtors.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

1.14 Taxation

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

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



Fulham Football Club Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2020

1.14 Taxation (continued)

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

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

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

Included within Taxation on Loss are Research and Development (R&D) tax credits. These are recognised in the period in which they are received.

2 Turnover

	2020 £'000	2019 £'000
Gate Receipts	5,559	10,681
Central Awards	42,548	93,369
Broadcasting	1,232	15,614
Compensation	158	356
Sponsorship and other Commercial Activities	8,538	17,728
	<u>58,035</u>	<u>137,748</u>

All income is derived from operations within the UK.



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

For the year ended 30 June 2020

3 Loss before taxation

The loss before taxation is stated after charging the following:

	2020	2019
	£'000	£'000
Auditors' remuneration for audit services	27	25
Auditor's remuneration for audit related assurance services	6	5
Staff costs	72,626	92,591
Amounts paid under operating leases		
- Plant and machinery	143	143
- Land and buildings	2,224	2,259
	<u>2,367</u>	<u>2,402</u>
Profit on disposal of players' registrations	25,310	2,548
Depreciation		
- Owned fixed assets	511	485
- Assets under finance leases	2	3
Amortisation of player registrations	40,143	42,808
	<u>40,656</u>	<u>43,296</u>

4 Impairment

	2020	2019
	£'000	£'000
Impairment loss	<u>533</u>	<u>1,254</u>

The impairment loss arose from a write down of certain players' registrations to reflect their estimated net realisable value. The revised carrying amounts are based on the Directors' assessments of achievable sale values, taking into account current conditions in the transfer market.



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

For the year ended 30 June 2020

5 Staff costs

Company staff costs during the year (including Directors' emoluments) amounted to:

	2020	2019
	£'000	£'000
Wages and salaries	63,913	81,031
Social security costs	8,360	11,270
Payments to defined contribution pension schemes	353	290
	<u>72,626</u>	<u>92,591</u>

The average monthly number of employees in the Company during the year was made up as follows:

	2020	2019
	Number	Number
Administrative and ground staff	197	200
Players	63	66
	<u>260</u>	<u>266</u>
Part-time staff for match days	<u>259</u>	<u>273</u>

6 Directors' remuneration

Aggregate Directors' remuneration during the year totalled £616,000 (2019: £1,039,000) excluding defined contribution pension contributions of £nil (2019: £1,000). The highest paid Director's emoluments totalled £616,000 (2019: £948,000). Retirement benefits are accruing to no Directors (2019: 0) under defined contribution schemes. No charge has been recognised for the services of Mr S R Khan, Mr M Lamping and Mr A R Khan as this is immaterial.

7 Net interest receivable / (payable)

	2020	2019
	£'000	£'000
Interest receivable:		
Bank interest	-	15
	<u>-</u>	<u>15</u>
Interest payable on borrowings repayable within five years:		
Other interest payable	-	(3)
	<u>-</u>	<u>(3)</u>
Net interest receivable	<u>-</u>	<u>12</u>



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

For the year ended 30 June 2020

8 Tax on loss

	2020 £'000	2019 £'000
(a) The tax for the year comprises:		
Current tax (credit) / charge	(60)	-
Total tax (note 8 (b))	<u>(60)</u>	<u>-</u>

(b) Factors affecting tax charge/credit for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The difference is explained below:

(Loss) before tax	<u>(49,038)</u>	<u>(20,436)</u>
(Loss) at standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(9,317)	(3,883)
Effects of:		
Fixed asset differences	9	17
Expenses not deductible for tax purposes	7	76
Group Relief surrendered	409	387
Deferred tax not recognised	8,892	3,403
R&D expenditure credits	(60)	-
Tax (credit) / charge for the year	<u>(60)</u>	<u>-</u>

(c) Factors that may affect future tax charges

At the year end, the Company has an unrecognised deferred tax asset of approximately £68,960,000 (2019: £53,930,000), as analysed overleaf. This asset has not been recognised as there is uncertainty over the company's ability to generate taxable profits against which it would be utilised.

A UK corporation tax rate of 19% (effective from 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This will increase the company's future current tax charge accordingly. The deferred tax asset at 30 June 2020 has been calculated using 19% (2019: 17%).



Fulham Football Club Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2020

8 Tax on loss (continued)

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

The unrecognised deferred tax asset is analysed below:

	2020	2019
	£'000	£'000
Depreciation in excess of capital allowances	1,542	1,345
Short term timing differences	94	575
Tax losses carried forward	67,324	52,010
	<u>68,960</u>	<u>53,930</u>

9 Intangible fixed assets

	Player registrations £'000
Cost	
01 July 2019	161,927
Additions	52,822
Disposals	(27,985)
30 June 2020	<u>186,764</u>
Amortisation and impairment	
01 July 2019	68,077
Charge for the year	40,143
Impairment loss	533
Disposals	(25,969)
30 June 2020	<u>82,784</u>
Net book amount	
30 June 2020	<u>103,980</u>
01 July 2019	<u>93,850</u>



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

For the year ended 30 June 2020

10 Tangible fixed assets

	Leasehold improvements £'000	Fixtures, fittings, plant & equipment £'000	Total £'000
Cost			
01 July 2019	144	7,288	7,432
Additions	-	804	804
Disposals	-	(48)	(48)
30 June 2020	144	8,044	8,188
Depreciation			
01 July 2019	144	5,594	5,738
Charge for the year	-	513	513
Disposals	-	(48)	(48)
30 June 2020	144	6,059	6,203
Net book amount			
30 June 2020	-	1,985	1,985
01 July 2019	-	1,694	1,694

The net book value of fixed assets above includes an amount of £nil (2019: £2,000) in respect of assets held under finance leases and hire purchase contracts. Depreciation charged on these assets was £2,000 (2019: £3,000).

11 Debtors

	2020 £'000	2019 £'000
Trade debtors	1,178	653
Player transfer debtors	17,601	6,456
Other debtors	771	757
Amounts due from related parties	11	527
Amounts due from immediate parent company	164	27
Prepayments and accrued income	2,824	2,354
	22,549	10,774

Included within the Player transfer debtors balance is an amount of £12,000,000 (2019: £1,020,000) which is due after more than one year.



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

For the year ended 30 June 2020

12 Creditors

	2020	2019
	£'000	£'000
Due within one year:		
Hire and lease purchase obligations	-	4
Trade creditors	645	1,709
Player transfer creditors	53,427	35,497
Amounts due to related parties	367	328
Other taxes and social security	3,557	8,361
Accruals	16,305	3,569
Other creditors	3,587	29
	<u>77,888</u>	<u>49,497</u>
 Due after more than one year:	 2020	 2019
	£'000	£'000
Player transfer creditors	32,086	44,862
	<u>32,086</u>	<u>44,862</u>

13 Deferred income

	2020	2019
	£'000	£'000
Season ticket sales in advance	-	3,234
Central awards	7,478	-
Commercial income and sponsorship	488	1,069
	<u>7,966</u>	<u>4,303</u>

14 Share capital

Ordinary shares of £1 each	2020	2019
Allotted, called up and fully paid	'000	'000
1 July	379,423	336,210
Issued in the period	53,125	43,213
30 June	<u>432,548</u>	<u>379,423</u>



Fulham Football Club Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2020

14 Share capital (continued)

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

On 30th June 2020 the company issued 53,125,000 new ordinary shares to its immediate parent company, Fulham Football Leisure Limited. There was no change in the control of the company as a result of this transaction.

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

15 Operating leases

Non-cancellable operating lease rentals are payable by the Company as follows:

	2020 £'000	2019 £'000
Less than one year	2,319	2,363
Between one and five years	532	851
More than five years	-	-
	<u>2,851</u>	<u>3,214</u>

During the year £2,367,000 was recognised as an expense in the profit and loss account in respect of operating leases (2019: £2,402,000).

The above amounts include amounts payable to other group companies for the use of Craven Cottage Stadium and Motspur Park Training Ground.

16 Capital commitments

Amounts contracted for by the Company but not provided for in the accounts in respect of tangible fixed assets amounted to £nil (2019: £nil).

17 Contingent transfer fees

The estimated commitment for additional transfer fees payable in respect of future possible appearances amounts to £485,000 (2019: £1,371,000). These amounts have not been included in the financial statements.

The Company has in place a number of transfer contracts that give rise to contingent receivables. The Directors have assessed such contracts and the Company can receive additional transfer fees in respect of future events in relation to those contracts up to a maximum of £1,299,000 (2019: £361,000). These amounts have not been included in the financial statements.



Fulham Football Club Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2020

18 Related party transactions

During the year there were arm's length trading transactions between the Company and Jacksonville Jaguars LLC, a company incorporated in the USA and under the common control of the Group's current ultimate controlling party. The balances owed or owing at the year end with Jacksonville Jaguars LLC are shown below. The value of the transactions during the period is shown below:

	2020	2020	2019	2019
	Purchases	Sales	Purchases	Sales
	£'000	£'000	£'000	£'000
Jacksonville Jaguars LLC	-	504	-	509
Total	-	504	-	509

Balances with related parties as at 30 June 2020 are as follows:

	2020	2020	2019	2019
	Due To	Due From	Due To	Due From
	£'000	£'000	£'000	£'000
Union Jax LLC	-	11	3	1
Fulham Football Club Foundation	333	-	292	-
Jacksonville Jaguars LLC	34	-	33	500
Flex-N-Gate Marles SAS	-	-	-	26
Total	367	11	328	527

During the year, the Company donated £27,300 (2019: £39,200) to the Fulham Football Club Foundation. The balance outstanding as at 30 June 2019 and 2020 represents donations from players received by the Company for the benefit of Fulham Football Club Foundation.

The Company provided administrative services to Union Jax LLC throughout the year. The balances as at 30 June 2019 and 2020 represents charges incurred on their behalf and subsequently recharged.

The Company incurred costs in relation to an employee of Flex-N-Gate Marles SAS, located in France. The balance due at 30 June 2019 represents these costs being recharged.

The Company received loans during the period totalling £77,500,000 (2019: £48,800,000) from Fulham Football Leisure Limited, the immediate parent company. The Company also issued ordinary shares to Fulham Football Leisure Limited during the year of £53,125,000 in exchange for the debt. See note 14 more for information.

No disclosure has been made of any transactions within these financial statements with fellow subsidiaries in accordance with the exemptions allowed under Section 33 Related Party Disclosures.

19 Ultimate parent company and parent company of larger group

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

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



Fulham Football Club Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2020

20 Subsequent events

Since the year-end the Company has acquired and disposed of a number of player registrations. The cost of acquiring new player registrations post year end amounted to £51.8m (2019: £8.8m) and the profit on the disposal of player registrations post year end was £0.1m (2019: £23.0m).

Subsequent to the year end The Professional Football Compensation Committee ("PFCC") gave its decision with regards to the compensation payable by Liverpool Football Club ("Liverpool") to Fulham Football Club ("Fulham") following the move of Harvey Elliott from Fulham to Liverpool in 2019. After a full hearing, the PFCC decided that Fulham should be entitled to an element of guaranteed compensation, with various add-ons that shall be recognised as and when the triggers are met. As at 30 June 2020, Fulham has recognised an amount of guaranteed compensation that at the time was considered reasonable. There has been no adjustment to this amount following this decision.

21 Accounting estimates and judgements

The Directors assessment of the carrying amount of intangible fixed assets and any related impairment is a key area of estimation uncertainty in these financial statements. The valuation of player registrations is highly subjective and can be subject to frequent and sudden change dependant on individual player performance and the general conditions in the transfer market. To mitigate the risks arising from such uncertainty, the Directors adopt a prudent approach when conducting impairment reviews. The Directors' and management teams' vast experience in the sport and extensive knowledge of the sport is key to assessing these values. These experiences are drawn on when making these detailed assessments, with both looking back at historical trends and into the future at various possible outcomes.

22 Long term employee benefits

Payments are made into a number of defined contribution schemes. Total contributions paid during the year amounted to £353,000 (2019: £290,000). An amount of £60,000 (2019: £56,000) remained outstanding at the balance sheet date.

