

Fulham Football Leisure Limited

Annual Report and Consolidated Financial Statements

30 June 2017



INDEX

	PAGE
1. OFFICES AND ADVISORS	2
2. STRATEGIC REPORT	3 - 4
3. DIRECTORS' REPORT	5 - 6
4. STATEMENT OF DIRECTORS' RESPONSIBILITIES	7
5. INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FULHAM FOOTBALL LEISURE LIMITED	8-9
6. CONSOLIDATED PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME	10
7. CONSOLIDATED BALANCE SHEET	11
8. COMPANY BALANCE SHEET	12
9. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	13
10. COMPANY STATEMENT OF CHANGES IN EQUITY	14
11. CONSOLIDATED CASHFLOW STATEMENT	15
12. NOTES TO THE FINANCIAL STATEMENTS	16 – 37



Fulham Football Leisure Limited Offices and Advisors

For the year ended 30 June 2017

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
One Southampton Row
London
WC1B 5HA

Solicitor:

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



Fulham Football Leisure Limited

Strategic Report

For the year ended 30 June 2017

Review of the business

The 2016/17 financial year proved to be a positive one on the pitch for Fulham Football Club, with the Football League Championship season culminating in an exciting play-off campaign.

Financially, the Group recorded a loss for the year of £21.3m (2016: £12.5m). There were several factors driving this result. Parachute payments from the Premier League fell by £4.2m and amortization on player registrations increased by £7.4m following significant investment in the summer of 2016. Increased commercial revenues partially offset these costs, as did profits on disposal of players registrations totaling £17.4m (2016: £7.3m).

During the year, the Club in conjunction with its fellow subsidiary Fulham Stadium Limited, has developed a new proposal for the redevelopment of the Riverside stand. This 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, which it submitted for planning permission in late 2017. As a consequence of moving forward with this new proposal, the Group wrote off the design and planning costs incurred on the previous proposal which had been included in assets under construction at a value of £7.1m (shown within the exceptional impairment charge in the period).

The extensive modernisation programme at Motspur Park which started in 2015/16 was concluded in the year and has benefited both first team and academy squads throughout the season.

In June 2017, the Group acquired the former BBC sports ground adjacent to Motspur Park, an acquisition that looks to benefit the Club and Academy for many years to come.

During the year to 30 June 2017, the Group saw the following changes in the key indicators of financial and non-financial performance.

<u>Indicator</u>	<u>2017</u>	<u>Year to 30 June</u>		<u>%</u>
		<u>2016</u>	<u>+/- change</u>	
Turnover (£m)	34.9	36.0	(1.1)	(3.1)
Total staff costs (£m)	37.1	36.1	1	2.8
Staff costs as % of revenues	106.3%	100.3%	6%	6.0
Net operating (loss) after depreciation, amortisation & impairment (£m)	(38.0)	(19.4)	(18.6)	95.9
Final position in Championship	6 th	20 th	-	-
Total Championship attendances	441,573	404,023	37,550	9.3
Average Championship attendance per game	19,199	17,566	1,633	9.3

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 Group.



Fulham Football Leisure Limited

Strategic Report (continued)

For the year ended 30 June 2017

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. The Club will see further reductions in revenue over the coming seasons as Premier League parachute distributions come to an end, unless it is able to secure promotion back to the top flight.

To mitigate this risk, the Directors have taken steps to control the Group's cost base, most notably its player payroll expenditure which has been maintained well below the level it was at in the Premier League (although staff costs as % of revenues have increased), and continue to monitor financial and footballing performance so that further adjustments can be made as necessary.

In recent years and in line with forecast financial performance in coming seasons, the Group has been and will continue to be reliant on the ongoing support of its Chairman and ultimate controlling party, Mr Shahid R Khan. The Directors work closely with the Chairman to keep him informed of the financial performance and position of the business and agree future funding requirements in advance in order to ensure the ongoing viability of the Group. The Chairman and the Group's immediate parent company, Cougar Holdco London Limited, have provided written assurances that future funding will be forthcoming in accordance with agreed forecasts.

The Directors are also mindful of profit and sustainability rules imposed by the Football League and other footballing bodies when preparing future operating budgets.

From time to time the Group engages in transactions in foreign currencies. These include significant player transfer agreements denominated in Euros which may include provisions for deferred settlements. In these cases, the Group'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 upcoming 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 Group is able to mitigate any negative impacts whilst maximizing any opportunities arising.

Post balance sheet events

Since the year-end the Group has acquired and disposed of a number of player registrations. The net committed expenditure from these transactions is £3.3m (2016: £1.3m). The company also issued and subscribed for shares as part of a group debt restructuring exercise on 10th September 2017. More information can be found in note 23.



By order of the Board

A J Mackintosh

Chief Executive

19 December 2017.



Fulham Football Leisure Limited

Directors' Report

For the year ended 30 June 2017

The Directors present their report and the accounts for the year ended 30 June 2017.

Principal activities

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

Financial Instruments

The Group does not routinely engage in complex financial instruments in the operation of its business. The Company receives funding from its parent entity under loan facilities that are repayable on demand. The Company in turn funds its own subsidiary entities, including Fulham Football Club Limited, through intercompany accounts which are undocumented and deemed to be repayable on demand. All such loans are included in creditors repayable within one year in the balance sheet.

From time to time, the Company issues new equity shares to its parent entity in exchange for the cancellation of loan balances outstanding in order to improve the financial position of the Group and comply with financial fair play regulations. However, there is no pre-existing right or obligation to do so attached to any of the loan instruments in place.

The Group 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 15 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

S E O'Loughlin

Charitable donations

During the year, the Group donated £72,500 (2016: £15,000) to the Fulham Football Club Foundation.

Political donations

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.



Fulham Football Leisure Limited Directors' Report (continued)

For the year ended 30 June 2017

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 Group.

It is the Group'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 Group.

Dividends

The Directors do not recommend the payment of a dividend (2016: £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

19 December 2017.



Fulham Football Leisure Limited

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

For the year ended 30 June 2017

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 group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including 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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company 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 group and parent 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 group or the parent 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 parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its 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 group and to prevent and detect fraud and other irregularities.



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

Opinion

We have audited the financial statements of Fulham Football Leisure Limited ("the company") for the year ended 30th June 2017 which comprise the Consolidated Profit and Loss account and Other Comprehensive Income, the Consolidated and Company Balance Sheet, the Consolidated and Company Statement of Changes in Equity, the Consolidated Cash Flow Statement 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 group's and of the parent company's affairs as at 30th June 2017 and of the group's 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 group 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

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 Leisure Limited (continued)

Directors' responsibilities

As explained more fully in their statement set out on page 7, 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 group and parent 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 group or the parent 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.

**Andrew Turner (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants

15 Canada Square

London

E14 5GL

3 January 2018



Fulham Football Leisure Limited

Consolidated Profit and Loss Account and Other Comprehensive Income

For the year ended 30 June 2017

	Notes	2017 £'000	2016 £'000
Turnover	2	34,941	35,992
Operating expenses before depreciation and amortisation	3	(49,059)	(47,265)
Operating loss before depreciation, amortisation and impairment		(14,118)	(11,273)
Depreciation and amortisation	3	(15,362)	(8,150)
Impairment	4	(8,568)	-
Operating loss after depreciation, amortisation and impairment		(38,048)	(19,423)
Profit on disposal of players' registrations		17,363	7,273
Loss on disposal of other assets		(636)	(169)
Loss before interest and taxation		(21,321)	(12,319)
Net interest income/(expense)	7	4	(158)
Loss before taxation		(21,317)	(12,477)
Taxation on loss	8	-	-
Loss for the year		(21,317)	(12,477)
Other comprehensive income			
Revaluation of tangible fixed assets	16	-	6,600
Taxation of other comprehensive income	8	-	-
Other comprehensive income for the year, net of tax		-	6,600
Total comprehensive loss for the year		(21,317)	(5,877)

All amounts relate to continuing operations.

The notes on pages 16 to 37 form part of these financial statements.



Fulham Football Leisure Limited

Consolidated Balance Sheet

Company number: 3374347

As at 30 June 2017

	Notes	2017 £'000	2016 £'000
Fixed assets			
Intangible assets	9	16,965	12,780
Tangible assets	10	<u>129,133</u>	<u>126,047</u>
		146,098	138,827
Current assets			
Stocks		163	256
Debtors	12	15,361	2,607
Cash at bank and in hand		<u>3,858</u>	<u>5,632</u>
		19,382	8,495
Creditors: amounts falling due within one year	13	<u>(83,515)</u>	<u>(46,102)</u>
Net current liabilities		<u>(64,133)</u>	<u>(37,607)</u>
Total assets less current liabilities		81,965	101,220
Creditors: amounts falling due after more than one year	13	(546)	(330)
Deferred income	14	(4,435)	(2,589)
Net Assets		<u>76,984</u>	<u>98,301</u>
Capital and reserves			
Called up share capital	15	275,836	275,836
Revaluation reserve	16	96,242	97,426
Profit and loss account	17	<u>(295,094)</u>	<u>(274,961)</u>
Shareholders' funds		<u>76,984</u>	<u>98,301</u>

The notes on pages 16 to 37 form part of these financial statements.

These financial statements were approved by the board of directors on 19 December 2017 and signed on its behalf by:



A J Mackintosh
Director



Fulham Football Leisure Limited

Company Balance Sheet

Company number: 3374347

As at 30 June 2017

	Notes	2017 £'000	2016 £'000
Fixed assets			
Investments	11	47,968	42,442
Current assets			
Debtors	12	13,811	4,491
Cash at bank and in hand		76	1
		<u>13,887</u>	<u>4,492</u>
Creditors: amounts falling due within one year	13	<u>(65,850)</u>	<u>(36,411)</u>
Net current liabilities		<u>(51,963)</u>	<u>(31,919)</u>
Total assets less current liabilities		<u>(3,995)</u>	<u>10,523</u>
Net (liabilities)/assets		<u>(3,995)</u>	<u>10,523</u>
Capital and reserves			
Called up share capital	15	275,836	275,836
Profit and loss account	17	<u>(279,831)</u>	<u>(265,313)</u>
Shareholders' (deficit)/funds		<u>(3,995)</u>	<u>10,523</u>

The notes on pages 16 to 37 form part of these financial statements.

These financial statements were approved by the board of directors on 19 December 2017 and signed on its behalf by:



A J Mackintosh
Director



Fulham Football Leisure Limited

Consolidated Statement of Changes in Equity

For the year ended 30 June 2017

	Called up share capital	Revaluation reserve	Profit & loss account	Total equity
	£'000	£'000	£'000	£'000
Balance at 1 July 2015	267,836	92,189	(263,847)	96,178
Total comprehensive income for the period				
Profit or loss	-	-	(12,477)	(12,477)
Other comprehensive income	-	6,600	-	6,600
Transfer between reserves	-	(1,363)	1,363	-
	-	5,237	(11,114)	(5,877)
Transactions with owners, recorded directly in equity				
Issue of shares	8,000	-	-	8,000
Total contributions by owners	8,000	-	-	8,000
Balance at 30 June 2016	275,836	97,426	(274,961)	98,301
	Called up share capital	Revaluation reserve	Profit & loss account	Total equity
	£'000	£'000	£'000	£'000
Balance at 1 July 2016	275,836	97,426	(274,961)	98,301
Total comprehensive income for the period				
Profit or loss	-	-	(21,317)	(21,317)
Transfer between reserves	-	(1,184)	1,184	-
	-	(1,184)	(20,133)	(21,317)
Balance at 30 June 2017	275,836	96,242	(295,094)	76,984



Fulham Football Leisure Limited

Company Statement of Changes in Equity

For the year ended 30 June 2017

	Called up share capital £'000	Profit & loss account £'000	Total equity £'000
Balance at 1 July 2015	267,836	(247,244)	20,592
Total comprehensive income for the period			
Profit or loss	-	(18,069)	(18,069)
	-	(18,069)	(18,069)
Transactions with owners, recorded directly in equity			
Issue of shares	8,000	-	8,000
Total contributions by owners	8,000	-	8,000
Balance at 30 June 2016	275,836	(265,313)	10,523
	Called up share capital £'000	Profit & loss account £'000	Total equity £'000
Balance at 1 July 2016	275,836	(265,313)	10,523
Total comprehensive income for the period			
Profit or loss	-	(14,518)	(14,518)
	-	(14,518)	(14,518)
Balance at 30 June 2017	275,836	(279,831)	(3,995)



Fulham Football Leisure Limited

Consolidated Cash Flow Statement

For the year ended 30 June 2017

	2017	2016
	£'000	£'000
Cash flows from operating activities		
Loss for the year	(21,317)	(12,477)
Profit on disposal of players registrations	(17,363)	(7,273)
Loss on disposal of other assets	636	169
Net interest (income) / expense	(4)	158
Depreciation charges	1,657	1,882
Impairment of tangible fixed assets	7,109	-
Amortisation of players' registrations	13,705	6,268
Impairment of players' registrations	1,459	-
	<u>(14,118)</u>	<u>(11,273)</u>
Decrease in stocks	93	39
(Increase) in debtors	(520)	(711)
(Decrease) in creditors	(137)	(271)
Increase/(decrease) in deferred income	1,846	(810)
	<u>(12,836)</u>	<u>(13,026)</u>
Interest paid	-	-
Net cash outflow from operating activities	<u>(12,836)</u>	<u>(13,026)</u>
Cash flows from investing activities		
Purchase of players' registrations	(16,006)	(16,041)
Sale of players' registrations	10,265	7,851
Sale of tangible fixed assets	10	4
Purchase of tangible fixed assets	(12,498)	(7,348)
Interest received	4	4
Net cash from investing activities	<u>(18,225)</u>	<u>(15,530)</u>
Cash flows from financing activities		
Finance lease repayments	(9)	(10)
Advance from immediate parent company	29,296	31,715
Net cash from financing activities	<u>29,287</u>	<u>31,705</u>
Net (decrease)/increase in cash and cash equivalents	(1,774)	3,149
Cash and cash equivalents at 1 July 2016	5,632	2,483
Cash and cash equivalents at 30 June 2017	<u>3,858</u>	<u>5,632</u>

The notes on pages 16 to 37 form part of these financial statements.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements

For the year ended 30 June 2017

1 Accounting policies

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

These Group and parent 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 parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company Cash Flow Statement with related notes is included

The parent company and subsidiaries are 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 24.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2017

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:

- Freehold land and buildings are measured in accordance with the revaluation model.
- 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 and transaction value is material.
- Trade debtors are carried at transaction value less impairment provision where there is an indication that the debt may not be recoverable.

1.2 Going concern

The Company and consolidated financial statements have been prepared on the going concern basis, notwithstanding consolidated net current liabilities of £64,133,000 (2016: £37,607,000) and a consolidated loss after tax for the year ended 30 June 2017 of £21,317,000 (2016: £12,477,000).

The Directors believe the use of the going concern basis to be appropriate, having received written indications from Mr Shahid Khan that continued funding will be made available to finance the Group's working capital requirements throughout the 2017/18 & 2018/19 football seasons and for the foreseeable future, if required, irrespective as to which league Fulham Football Club is competing in during the 2018/19 season. Although there is no legal obligation for Mr Khan to provide this continued financial support, the Directors are confident that such funding, if required, will be forthcoming.

1.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 30 June 2017. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

In the parent financial statements, investments in subsidiaries are carried at cost less impairment.

1.4 Foreign currency

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



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements

For the year ended 30 June 2017

1.5 Classification of financial instruments issued by the group

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

- (a) they include no contractual obligations upon the group 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 group; 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.

1.6 Financial instruments

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

1.6.1 Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

1.6.2 Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.6.3 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements

For the year ended 30 June 2017

1.7 Tangible fixed assets

Freehold land and buildings are stated at fair value, less any accumulated depreciation and accumulated impairment losses.

Gains on revaluation are recognised in other comprehensive income and accumulated in equity in the revaluation reserve. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease previously recognised in profit or loss.

Losses arising on revaluation are recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity, in respect of that asset. Any excess is recognised in profit or loss.

All other classes of 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, for example land is treated separately from buildings.

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 1.14 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. Land is not depreciated. The estimated useful lives are as follows:

Plant, equipment, fixtures & fittings	3-25 years
Freehold land & buildings	10-25 years
Assets in the course of construction	Not depreciated

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



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements

For the year ended 30 June 2017

1.8 Intangible assets

1.8.1 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 Directors assessment of the likelihood of that event occurring during the life of the players' employment contract. Only amounts in respect of contingent events that are considered probable to occur are recognised. The probability of such events occurring is reassessed at each balance sheet date. 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.

1.8.2 Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

1.8.3 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 contract
Goodwill	1-10 years

Goodwill is amortised on a straight line basis over its useful life. Goodwill has no residual value. 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. Goodwill and other intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

1.9 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.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements

For the year ended 30 June 2017

1.10 Impairment excluding stocks and deferred tax assets

1.10.1 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.

1.10.2 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").

The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire group of entities into which it has been integrated.

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. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

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.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements

For the year ended 30 June 2017

1.11 Employee benefits

1.11.1 Defined contribution plans and other long term employee benefits

The Group operates an optional, contributory defined contribution pension plan for its employees. The Group 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 Group are also members of the Professional Footballers Association pension scheme which is a non-contributory scheme funded out of transfer levy payments.

1.11.2 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.

1.12 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.

Where the parent Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1.13 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. Match related income is only recognised as revenue once the match is completed. Broadcasting and central sponsorship income is recognised in the financial year which contains the football season to which it relates. Compensation revenue is comprised of sums from football associations to compensate for our players represented at Euro 2016; as well as collaboration agreements with other clubs. Other sponsorship income is recognised over the period of the underlying contract. Income from the loan of football players to other Clubs which is in excess of the wages paid to those players is recognised in turnover.

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



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements

For the year ended 30 June 2017

1.14 Expenses

1.14.1 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.

1.14.2 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.

1.14.3 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.

1.14.4 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.

1.15 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 Leisure Limited

Accompanying Notes to the Financial Statements

For the year ended 30 June 2017

1.15 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.

2 Turnover

	2017	2016
	£'000	£'000
Gate Receipts	6,637	5,676
Central Awards	20,104	24,343
Broadcasting	926	241
Compensation	1,288	-
Sponsorship and other Commercial Activities	5,986	4,691
Loan fees receivable	-	1,041
	34,941	35,992

All income is derived from operations within the UK.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements

For the year ended 30 June 2017

3 Operating expenses

	2017 £'000	2016 £'000
Auditors' remuneration for audit services		
- Company	12	10
- Subsidiaries	29	30
Auditor's remuneration for audit related assurance services	22	19
Staff costs	37,087	36,132
Amounts paid under operating leases		
- Plant and machinery	57	82
- Land and buildings	1	1
Other external charges	11,851	10,991
	<u>49,059</u>	<u>47,265</u>
Depreciation		
- Owned fixed assets	1,652	1,875
- Assets under finance leases	5	7
Amortisation of player registrations	13,705	6,268
	<u>15,362</u>	<u>8,150</u>
	<u>64,421</u>	<u>55,415</u>

4 Impairment

	2017 £'000	2016 £'000
Impairment loss on player registrations	1,459	-
Impairment loss on tangible fixed assets	7,109	-
	<u>8,568</u>	<u>-</u>

The impairment loss on player registrations arose from a write down of certain players' 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.

The impairment loss on tangible fixed assets arose from a write down of stadium redevelopment design proposals that have been superseded.

5 Staff costs

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

	2017 £'000	2016 £'000
Wages and salaries	32,559	31,470
Social security costs	4,305	4,345
Payments to defined contribution pension schemes	223	317
	<u>37,087</u>	<u>36,132</u>



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2017

5 Staff costs (Continued)

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

	2017 Number	2016 Number
Administrative and ground staff	147	137
Players	67	67
	<u>214</u>	<u>204</u>
Part-time staff for match days	<u>270</u>	<u>284</u>

The Company had no staff costs during the year (2016: £Nil).

6 Directors' remuneration

No director received any remuneration from the Company during the period.

Group aggregate Directors' remuneration during the year totalled £955,000 (2016: £795,000) excluding defined contribution pension contributions of £8,000 (2016: £42,000). The highest paid Director's emoluments totalled £726,000 (2016: £582,000) excluding a pension contribution rebate of £3,000 (2016: £33,000). Retirement benefits are accruing to 2 directors (2016: 2) under defined contribution schemes.

No charge has been recognised for the services of Mr S R Khan and Mr M Lamping as this is immaterial.

7 Net interest receivable/(payable)

	2017 £'000	2016 £'000
Interest receivable:		
Bank interest	<u>5</u>	<u>4</u>
	<u>5</u>	<u>4</u>
Interest payable on borrowings repayable within five years:		
Term loan interest – amounts due to immediate parent company	-	(161)
Hire and lease purchase obligations	<u>(1)</u>	<u>(1)</u>
	<u>(1)</u>	<u>(162)</u>
Net interest receivable/(payable)	<u>4</u>	<u>(158)</u>



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2017

8 Tax on loss on ordinary activities

	2017 £'000	2016 £'000
(a) The tax for the year comprises:		
Current tax charge	-	-
Total current tax (note 8 (b))	-	-
(b) Factors affecting tax charge for the year		
The tax assessed for the year differs from the standard rate of corporation tax in the UK. The difference is explained below:		
(Loss) on ordinary activities before tax	(21,317)	(12,477)
(Loss) on ordinary activities at standard rate of corporation tax in the UK of 19.75% (2016: 20.00%)	(4,210)	(2,495)
Effects of:		
Fixed asset differences	152	-
Expenses not deductible for tax purposes	1,734	395
Tax exempt revenues	-	(20)
Current year losses for which no deferred tax asset was recognised	2,324	2,120
Current tax charge for the year	-	-

(c) Factors that may affect future tax charges

At the year end, the Group has an unrecognised deferred tax asset of £43,969,000 (2016: £45,018,000), 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 reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% effective from 1 April 2017 and 17% effective from 1 April 2020 were enacted on 26 October 2015 and 6 September 2016 respectively. The unrecognised deferred tax asset of £43,696,000 has been calculated based on these rates.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2017

8 Tax on loss on ordinary activities (continued)

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

The unrecognised deferred tax asset is analysed below:

	2017	2016
	£'000	£'000
Depreciation in excess of capital allowances	1,396	2,038
Short term timing differences	225	196
Tax losses not recognised	42,348	42,784
	<u>43,969</u>	<u>45,018</u>

9 Intangible fixed assets (Group)

	Goodwill	Player registrations	Total
	£'000	£'000	£'000
Cost			
01 July 2016	2,940	56,775	59,715
Additions	-	24,485	24,485
Disposals	-	(44,185)	(44,185)
30 June 2017	<u>2,940</u>	<u>37,075</u>	<u>40,015</u>
Amortisation and impairment			
01 July 2016	2,940	43,995	46,935
Charge for the year	-	13,705	13,705
Impairment loss	-	1,459	1,459
Disposals	-	(39,049)	(39,049)
30 June 2017	<u>2,940</u>	<u>20,110</u>	<u>23,050</u>
Net book amount			
30 June 2017	<u>-</u>	<u>16,965</u>	<u>16,965</u>
01 July 2016	<u>-</u>	<u>12,780</u>	<u>12,780</u>

The Company has no intangible fixed assets.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2017

10 Tangible fixed assets (Group)

	Freehold Land & Buildings £'000	Plant, Equipment, Fixtures & Fittings £'000	Assets in the Course of Construction £'000	Total £'000
Cost				
01 July 2016	113,395	9,413	11,805	134,613
Additions	9,072	945	2,481	12,498
Reclassified on completion	4,551	-	(4,551)	-
Disposals	(637)	(2,057)	-	(2,694)
30 June 2017	126,381	8,301	9,735	144,417
Depreciation				
01 July 2016	-	8,566	-	8,566
Charge for the year	1,184	473	-	1,657
Impairment	-	-	7,109	7,109
Disposals	-	(2,048)	-	(2,048)
30 June 2017	1,184	6,991	7,109	15,284
Net book amount				
30 June 2017	125,197	1,310	2,626	129,133
01 July 2016	113,395	847	11,805	126,047

The net book value of fixed assets above includes an amount of £8,000 (2016: £13,000) in respect of assets held under finance leases and hire purchase contracts. Depreciation charged on these assets was £5,000 (2016: £7,000).

Assets under construction are comprised primarily of property developments at the Motspur Park training ground and preliminary works for the redevelopment of the Riverside Stand at Craven Cottage. During the year the Group developed a new proposal for the stand and a planning application was submitted in late 2017. As a result, an impairment charge was recognised in the year in respect of the design and planning costs incurred in relation to the previous proposal.

Freehold land and buildings are valued by independent valuers every 3 years. The latest independent valuation was carried out on 30 June 2016. The Directors consider whether there are any indications of material changes in valuation in the intervening years and make adjustments to the carrying amount as necessary. The directors do not consider there to be any such material change in the current period.

The Company has no tangible fixed assets.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2017

11 Fixed asset investments (Company)

	Shares in group undertakings £'000
Cost	
01 July 2016	269,600
Additions	678
30 June 2017	270,278
Provision	
01 July 2016	227,158
Reversal of previous impairment	(4,848)
30 June 2017	222,310
Net book amount	
30 June 2017	47,968
01 July 2016	42,442

At 30 June 2017, the Company owned the following principal subsidiaries all of which operate in the United Kingdom and are included within these consolidated group financial statements, all of which are registered at the same address as Fulham Football Leisure Limited.

Interest in Company	Principal Activity	Country of incorporation	Ordinary shares
Fulham Football Club Limited	Operation of a professional football club	United Kingdom	100%
Fulham Stadium Limited	Football stadium development	United Kingdom	100%
FL Property Management Limited*	Training ground development	United Kingdom	100%
Motspur Park Limited (acquired 7 June 2017)	Training ground development	Republic of Ireland	100%

* Owned via Fulham Stadium Limited.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2017

12 Debtors

	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
Trade debtors	333	775	50	-
Player transfer debtors	12,799	565	-	-
Other debtors	63	15	-	-
Amounts due from group undertakings	-	-	13,431	4,161
Amounts due to related parties (note 21)	184	-	-	-
Other taxes and social security	-	39	330	330
Prepayments and accrued income	1,982	1,213	-	-
	15,361	2,607	13,811	4,491

Amounts due from group undertakings (Fulham Football Club Limited, Fulham Stadium Limited and Motspur Park Limited) represent unsecured loans with no fixed repayment date. No interest is payable.

13 Creditors

	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
Due within one year:				
Hire and lease purchase obligations	4	9	-	-
Trade creditors	2,682	3,524	-	-
Player transfer creditors	9,986	1,507	-	-
Amounts due to related parties	298	252	-	-
Amounts due to immediate parent company (note 21)	65,696	36,400	65,696	36,400
Other taxes and social security	1,742	1,888	-	-
Accruals	3,107	2,522	154	11
	83,515	46,102	65,850	36,411

Amounts due to the Group's immediate parent undertaking (Cougar HoldCo London Limited) represent unsecured interest-free loans with no fixed repayment date.

	Group 2017 £'000	Group 2016 £'000
Due after more than one year:		
Trade creditors	540	320
Hire and lease purchase obligations	6	10
	546	330



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2017

14 Deferred income

	Group 2017 £'000	Group 2016 £'000
Season ticket sales in advance	2,776	2,186
Compensation	1,079	-
Commercial income and sponsorship	580	403
	<u>4,435</u>	<u>2,589</u>

15 Share capital

Group & Company

Ordinary shares of £1 each

Allotted, called up and fully paid

1 July

Issued in the period

30 June

	2017 '000	2016 '000
1 July	275,836	267,836
Issued in the period	-	8,000
30 June	<u>275,836</u>	<u>275,836</u>

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.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2017

16 Revaluation reserve

	Group 2017 £'000	Group 2016 £'000
1 July	97,426	92,189
Revaluation gain for the year	-	6,600
Transfer to profit and loss reserve	(1,184)	(1,363)
30 June	<u>96,242</u>	<u>97,426</u>

Where tangible fixed assets are revalued, the cumulative increase in the fair value of the property at the date of reclassification in excess of any previous impairment losses is included in the revaluation reserve.

The company has no revaluation reserve.

17 Profit and loss account

	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
1 July	(274,961)	(263,847)	(265,313)	(247,244)
Loss for the year	(21,317)	(12,477)	(14,518)	(18,069)
Transfer from revaluation reserve	1,184	1,363	-	-
30 June	<u>(295,094)</u>	<u>(274,961)</u>	<u>(279,831)</u>	<u>(265,313)</u>

18 Operating leases

Non-cancellable operating lease rentals are payable by the Group as follows (Company: £Nil in both periods):

	Group 2017 £'000	Group 2016 £'000
Less than one year	39	53
Between one and five years	78	37
More than five years	21	32
	<u>138</u>	<u>122</u>

During the year £58,000 was recognised as an expense in the profit and loss account in respect of operating leases (2016: £83,000).



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2017

19 Capital commitments

Amounts contracted for by the Group but not provided for in the accounts in respect of tangible fixed assets amounted to £275,000 (2016: £3,685,000) (Company: £Nil in both periods).

20 Contingent transfer fees

The estimated commitment for additional transfer fees payable in respect of future possible appearances amounts to £780,000 (2016: £310,000). These amounts have not been included in the financial statements.

The Group has in place a number of transfer contracts that give rise to contingent receivables. The Directors have assessed such contracts and the Group can receive additional transfer fees in respect of future events in relation to those contracts up to a maximum of £110,000 (2016: £200,000). These amounts have not been included in the financial statements.

21 Related party transactions (Group)

During the year and the prior year there were arm's length trading transactions between the Group and Flex-N-Gate Corporation and Jacksonville Jaguars, companies incorporated in the USA and under the common control of the Group's current ultimate controlling party. There are no balances owed or owing at the year end with Flex-N-Gate Corporation or Jacksonville Jaguars.

	2017	2017	2016	2016
	Purchases	Sales	Purchases	Sales
	£'000	£'000	£'000	£'000
Flex-N-Gate Corporation	-	1	-	-
Jacksonville Jaguars	-	547	5	709
Total	-	548	5	709

Balances with related parties as at 30 June 2017 are as follows:

	2017	2017	2016	2016
	Due To	Due From	Due To	Due From
	£'000	£'000	£'000	£'000
Union Jax	13	184	-	-
Fulham Football Club Foundation	285	-	252	-
Total	298	184	252	-

During the year, the Group donated £72,500 (2016: £15,000) to the Fulham Football Club Foundation. The balance outstanding as at 30 June 2016 represents donations from players received by the Group for the benefit of Fulham Football Club Foundation.

The Company provided administrative services to Union Jax throughout the year. The balances as at 30 June 2016 represent charges incurred and revenue received on their behalf.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2017

21 Related party transactions (Group) (continued)

The Group received loans during the period totalling £29,296,000 (2016: £31,715,000) from Cougar HoldCo London Limited, the immediate parent company. Further information on this balance is provided in note 13.

22 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Cougar Holdco London Limited. The ultimate controlling party is Mr Shahid Khan.

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

23 Subsequent events

Since the year-end the Company has acquired and disposed of a number of player registrations. The net expenditure from these transactions is £3.3m (2016: £1.3m).

On 10th September the Company undertook a recapitalization exercise to strengthen its financial position and that of its subsidiaries. As part of this exercise, the following transactions were undertaken:

Fulham Football Leisure Limited issued 70,694,000 new shares to its parent company, Cougar Holdco London Limited. The consideration due for the shares of £70,694,000 was offset against an intercompany loan payable to Cougar Holdco London Limited.

Fulham Football Leisure Limited subscribed for 69,212,000 shares in its subsidiary, Fulham Football Club Limited, and 9,236,000 shares in its subsidiary, Fulham Stadium Limited, which was offset against an intercompany loan.

Fulham Stadium Limited subscribed for 3,000 shares from its subsidiary, Motspur Park Limited, which was offset against an intercompany loan.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2017

24 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.

In light of the recurring trading losses experienced by the Group and the resulting reliance on funding from the Group's ultimate controlling party, the Group's status as a going concern is also an area of potential uncertainty. Further information about the Directors considerations in this area is provided in note 1.2.

25 Long term employee benefits

Payments are made into a number of defined contribution schemes. Total contributions paid during the year amounted to £223,000 (2016: £317,000). An amount of £1,000 remained outstanding at the balance sheet date.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2017

26 Business Combination

Acquisitions and disposal of businesses

Acquisitions in the current period

On 7 June 2017, the Group acquired all of the shares of Motspur Park Limited for £5,350,000 plus acquisition costs of £142,000. The company is a property investment company which holds the freehold to the former BBC sports ground situated at Motspur Park, near to the existing Fulham Football Club training ground. The site is currently unoccupied and the company does not trade therefore the company did not contribute to the revenue and net loss for the year.

Effect of acquisition

The acquisition had the following effect on the Company's/Group's assets and liabilities.

	Acquired assets £000	Fair value adjustments £000	Fair Value £000
Acquiree's net assets at the acquisition date:			
Investment property	4,720	772	5,492
Net identifiable assets and liabilities	4,720	772	5,492
Total cost of business combination:			
Consideration paid:			
Initial cash price paid	5,350	-	5,350
Costs directly attributable to the business combination	142	-	142
Total consideration	5,492	-	5,492
Goodwill/Negative goodwill on acquisition	-	-	-

Under the terms of the share purchase agreement, on completion of the purchase, Fulham Football Leisure Limited was obligated to procure the repayment of the existing related party loans. To enable this, Fulham Football Leisure Limited advanced new intercompany loans to the same value to Motspur Park Limited.

A fair value adjustment of £772,000 has been recognised in respect of the investment property. The valuation is based on the Directors' assessment that the total consideration of £5,492,000 represents the fair value of the freehold land held by the company.

