

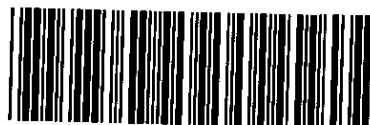
Fulham Football Leisure Limited

Annual Report and Consolidated Financial Statements

30 June 2023



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Fulham Football Leisure Limited Offices and Advisors

For the year ended 30 June 2023

Registered Office:

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

Auditor:

KPMG LLP
One St Peter's Square
Manchester
M2 3AE

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 Leisure Limited

Strategic Report

For the year ended 30 June 2023

Review of the business

This Strategic Report relates to the activities of Fulham Football Leisure Limited and its subsidiaries Fulham Football Club Limited (the "Club"), Fulham Stadium Limited ("FSL") and FL Property Management Limited. Together, these companies are referred to below as the Group.

During the 2022/23 financial year, the Club participated in the English Premier League (EPL), successfully finishing in 10th position, following their promotion from the English Football League Championship in the previous year.

Off the field, the Club, in conjunction with FSL, continued its redevelopment of the Riverside Stand at Craven Cottage, which will create a unique Thameside destination with first class facilities for supporters and partners on match days, as well as for the wider community year-round. The costs associated with this development are included in the financial statements of FSL. Further, the Club continued with its plans to develop the former BBC sports ground adjacent to its Motspur Park training facility, which was purchased in May 2017. The Group is considering turning the new site into a second elite training facility, to benefit the Club and its Academy for years to come.

Financially, the Group recorded a loss for the year of £26.1m (down from £57.6m in 2022). Revenue increased to £182.3m, compared to £71.6m in 2021/22, largely as a result of the Club competing in the EPL and receiving increased central distributions. During the year to 30 June 2023, the Group saw the following changes in the key indicators of financial and non-financial performance:

Indicator	2023	Year to 30 June		%
		2022	+/- change	
Turnover (£m)	182.3	71.6	110.7	154.6
Total staff costs (£m)	139.1	90.4	48.7	53.9
Staff costs as % of revenues	76.2%	126.3%	(50.1)%	(39.7)
Net operating profit/(loss) before depreciation, amortisation & impairment (£m)	12.4	(36.4)	48.8	134.1
Final position in Premier League / EFL	10 th	1 st	-	-
Total Premier League / EFL attendances	452,205	285,253	166,952	58.5
Average Premier League / EFL attendance per game	23,800	12,402	11,398	91.9

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.

Principal risks and uncertainties

The principal risk affecting the Group remains its exposure to the financial impacts of changes in the on-pitch performance of the Club. 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 the Club participates in the EFL Championship rather than the EPL.

To mitigate this risk, the Directors have taken steps to control the Group's cost base. The Directors continue to monitor financial and footballing performance so that adjustments can be made as necessary.

As in previous years, the Group has been and will continue to be reliant on the ongoing support of its Chairman and immediate parent company, Cougar Holdco London Limited. The Directors work closely with the Chairman to keep him informed of the financial performance and position of the Club and FSL and agree future funding requirements in advance in order to ensure the ongoing viability of the Group. The Chairman has provided written assurances that future funding will be forthcoming in accordance with agreed financial forecasts.



Fulham Football Leisure Limited

Strategic Report (continued)

For the year ended 30 June 2023

Principal risks and uncertainties (continued)

The Directors are also mindful of the applicable profit and sustainability rules imposed by the EPL and other regulatory bodies when preparing its future operating budgets. Penalties for breaching these rules can vary between each regulatory body, however there is a broad range of sanctioning powers at issue, ranging from warnings, to fines, transfer embargoes and, in the most serious of cases, 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 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.

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.

In addition to meeting with the meeting with the FST monthly, Club representatives meet monthly with the Fulham Disabled Supporters Association (DSA). The Club's engagement with the DSA has been used in case studies by Level Playing Field as best practice engagement. The Club is also currently working on creating a new Fan Advisory Board in 2024.

(b) Employees

The Directors make a conscious effort to enhance its engagement with employees. There are staff forums, Club-wide surveys and weekly Club updates which are prepared and circulated by the Chief Executive Officer to all staff. These ensure all employees are regularly updated with Club news and strategic updates, with consistent and timely communication between employees and the Directors actively encouraged. The Club's Values are well-established among staff and they are consistently reinforced by the Directors, who encourage an open and inclusive workplace for all staff, regardless of gender, age, disability, ethnic origin or background.

(c) Fulham Football Club Foundation / Community

The Club continues to have a very close working relationship with the Fulham Football Club Foundation (the "Foundation") and in turn the wider community. The Club provided key support to the Foundation throughout this year, as it has in previous years. For many years, members of the Club's senior leadership team have served as trustees of the Foundation and the Club and the Foundation share vital services, including HR, Legal, Safeguarding, Facilities as well as overarching Management Board support. The Club estimates that community development expenditure (not recharged to the Foundation) in the year amounted to £0.5m (2022: £0.4m). This reflects the Club's strategy to provide increased support and investment in community engagement activities over the last few years, which we expect to continue for the forthcoming year.

(d) Fulham Football Club Women's Programme

The last few years has also seen a marked increase in the time and support allocated to the promotion of the Fulham Women's programme. Having once been under the control of the Foundation, the Club took the decision to bring the Women's programme under its stewardship, both at first team level and by creating an Academy programme that links to the Foundation's Girls Development Centre. During this year we have increased the permanent members of staff in the Women's programme and deployed key resources from the Club's Management Board (led principally by the Club's Head of Football Development) who have brought their skill and experience to help grow this area. During the 2022/23 season expenditure on the programme amounted to £0.5m (2022: £0.1m).



Fulham Football Leisure Limited

Strategic Report (continued)

For the year ended 30 June 2023

Key decisions in the year

It is important for the Group that stakeholders are considered in respect of key decisions, and for the current year this applied particularly to the continuation of the Riverside Stand development. Key decisions were made with the interests of stakeholders in mind, whether that be supporters, suppliers, commercial partners, customers, employees, the local community or the shareholders. These included (but were not limited to) decisions relating to the building layout and design, the appointment of contractors and the commercial deals entered into with partners.

Riverside Stand update and impact of Covid-19

Unfortunately, the Group experienced significant delays in the Riverside Stand development, which was originally due to complete by September 2021. Whilst some of these delays arose out of technical issues relating to site conditions and other matters, critical phases of the project were also directly affected by the global Covid-19 pandemic, which coincided with key stages of the construction programme. This ultimately resulted in major delays to the completion of the development, which, in turn, caused FSL to suffer consequent loss of revenues and increased costs.

The Directors' consider that very significant sums of revenue were lost as a result of these delays which can be broken down into claims for liquidated damages under the contract between FSL and its contractor, as well as claims for general damages for costs and other losses incurred by FSL.

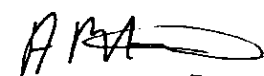
The Group was originally confident that a significant proportion of FSL's losses would be recovered through a series of dispute resolution procedures against the contractor. FSL envisaged these procedures running first through a form of short Adjudication process common in the construction industry, before being finally determined by a Court. However, whilst FSL went through the first of such Adjudication processes in a claim for liquidated damages, it was ultimately unable to obtain a Court decision against the contractor. The contractor has since entered into an insolvency process (administration), meaning that there is a statutory moratorium on claims against the contractor. Whilst the contractor alleges that it is entitled to extensions of time and purports to have claims for consequent sums from FSL, FSL's external legal advice is that such claims lack merit.

Notwithstanding this, the Directors note that, based on the findings in the above Adjudication, some of the key delays to the Riverside Stand project were directly attributable to the effect of Covid-19 in 2020 and 2021, which, as above, coincided with critical phases of the construction programme. Whilst the vast majority of these covid costs were suffered in 2021/22 following the failure to complete the Riverside Stand project on time, FSL was not in a position to quantify those costs until after the Adjudication. The Directors have estimated that at least £16.3m of the losses suffered by FSL were directly attributable to delays to the Riverside Stand project caused by the Covid-19 pandemic, comprising approximately £0.6m in 2020/21, £14.5m in 2021/22 and £1.2m in 2022/23. This is based on the liquidated damages provisions of FSL's contract with the contractor, which the parties' agreed was a genuine pre-estimate of FSL's losses arising out of delayed completion.

Following the contractor's administration, FSL will prepare its termination account and liaise with administrators regarding the resolution of any final issues between FSL and the contractor. Further, see note 18 on page 36.

Post balance sheet events

Since the year-end the Group has acquired and disposed of a number of player registrations. The cost of acquiring new player registrations post year end amounted to £71.7m (2022: £78.8m) and the profit on the disposal of player registrations post year end was £30.1m (2022: £7.4m).



By order of the Board

A J Mackintosh

Chief Executive

19 December 2023



Fulham Football Leisure Limited

Directors' Report

For the year ended 30 June 2023

The Directors present their report and the accounts for the year ended 30 June 2023.

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. During the year, £62.5m of loans were converted into equity shares, alongside a share capital reduction of £808m, reducing the total called up share capital of the Company to £30.2m.

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 19 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

A J Mackintosh

M Lamping

Charitable donations

During the year, the Group donated £15,000 (2022: £28,000) to various charitable causes, including £9,000 (2022: £4,400) 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 or prior year.

Going concern

Notwithstanding the Group's loss for the year ended 30 June 2023 of £26,046k, the Consolidated and Company financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

Fulham Football Leisure Limited is a wholly owned subsidiary of Cougar Holdco London Limited, the principal activity of the Group being the operation of a professional football club. The ongoing operations of Fulham Football Leisure Limited are therefore intrinsically linked to the going concern status of that Group. Cougar Holdco London Limited includes the following disclosures in respect of going concern in its financial statements.

Notwithstanding the Group's loss for the year ended 30 June 2023 of £26,046k, the Consolidated and Company financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.



Fulham Football Leisure Limited

Directors' Report (continued)

For the year ended 30 June 2023

Going concern (continued)

The Company and Group meet their day to day working capital requirements from shareholder loans that are subsequently converted to equity. During the year ended 30 June 2023, amounts due to shareholders of £62,500,000 were converted to equity (see note 15). Subsequent to 30 June 2023, the Group and Company has received further financial support amounting to £47,500,000 from its ultimate owner and immediate parent company, Mr S R Khan and K2TR Family Holdings 2, Corporation.

The Directors have prepared base and sensitised cash flow forecasts for a period 12 months from the date of approval of these financial statements. Those forecasts assume the continued development of the Riverside Stand, utilising additional funds that the Company expects to be made available by the Company's shareholder for that purpose.

The base case forecasts are based on assumptions in respect of league position, attendances and the related matchday income and costs, together with assumptions on league status of the Club, central distributions and possible rebates. The Directors consider further downside scenarios with assumptions of reduced tickets and higher inflation to costs.

All forecasts indicate that, even taking account of controllable mitigating actions, the Group and Company will require significant additional funding in addition to that required to complete the Riverside Stand development. In a downside scenario the Group and Company's forecast cash requirements may increase by 5% over the base case in the forecast period as the majority of the Group's costs are not sensitive to downside variations, given the contractual and predetermined nature of a large proportion of the Group's income and expenditure. The Directors are confident that any additional required funding will be available from its ultimate owner and immediate parent company, Mr S R Khan and K2TR Family Holdings 2, Corporation, to meet its liabilities as they fall due for that period. K2TR Family Holdings 2, Corporation has expressed this intention to the Directors in writing.

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 the approval of these financial statements, they have no reason to believe that it will not do so. Consequently, the Directors are confident that the Group and Company will have sufficient funds to continue to meet their 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.

Fulham Football Leisure Limited is dependent on the continued financial support from Cougar Holdco London Limited. At the date of approval of these financial statements the Directors have considered the forecasts of the Cougar Holdco London Limited group, the disclosure in the Group accounts and the committed support between the Group companies and have assessed that the conclusions reached by the Directors of Cougar Holdco London Limited regarding the going concern status of the Group are appropriate and as such that, through support to be provided, this Company will be in a position 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 the approval of these financial statements, they have no reason to believe that it will not do so. Consequently, the Directors are confident that the Group and Company will have sufficient funds to continue to meet their 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 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.

Streamlined Energy and Carbon Reporting (SECR)

SECR disclosures for the company are included in the group report of Cougar Holdco London Limited.



Fulham Football Leisure Limited Directors' Report (continued)

For the year ended 30 June 2023

Dividends

The Directors do not recommend the payment of a dividend (2022: £nil).

Disclosure of information to auditor

Each of the Directors has confirmed that

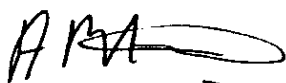
- (a) so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- (b) he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is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

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 on pages 3 to 5.

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 2023



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 2023

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the Group and parent Company 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), 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 the Group's 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 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 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 2023 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 2023 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

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and 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 their 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").

In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group or company's ability to continue as a going concern for the going concern period.

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 group or the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatements due to fraud

To identify risks of material misstatements due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of directors as to the Group's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- reading Board minutes;
- using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and taking into account possible pressures to adhere to the Profit and Sustainability Rules, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as the carrying value of Player Registration Intangible Assets. As a result of these pressures, we identified a fraud risk related to the impairment of Player Registration Intangible Assets. On this audit we do not believe there is a fraud risk related to revenue recognition due to limited opportunities to manipulate revenue.

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

Fraud and breaches of laws and regulations – ability to detect (continued)

We performed procedures including:

- identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included postings and journal entries which are unusual or unexpected based on our understanding of the business;
- assessing significant accounting estimates for bias;
- critically evaluating the approach taken to the impairment of player registration intangible assets.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards) and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance through the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines and litigation or the loss of the Group's license to operate. We identified the following areas as those most likely to have such an effect; health and safety, anti-bribery, employment law, the Profit and Sustainability Rules and certain aspects of company legislation recognizing the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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.

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

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.

Directors' responsibilities

As explained more fully in their statement set out on page 9, 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.

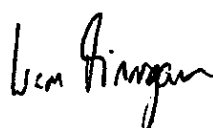
Auditor's responsibilities

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.



Liam Finnigan (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One St Peter's Square
Manchester
M2 3AE

19th December 2023

Fulham Football Leisure Limited

Consolidated Profit and Loss Account and Other Comprehensive Income

For the year ended 30 June 2023

	Notes	2023 £'000	2022 £'000
Turnover	2	182,325	71,589
Operating expenses before depreciation and amortisation	3	(169,873)	(108,008)
Operating profit / (loss) before depreciation, amortisation and impairment		12,452	(36,419)
Depreciation and amortisation	3	(47,614)	(33,052)
Operating loss after depreciation, amortisation and impairment		(35,162)	(69,471)
Profit on disposal of players' registrations		8,743	12,479
Profit on disposal of tangible assets		38	2
Loss before interest and taxation		(26,381)	(56,990)
Net interest income / (payable)	6	324	(27)
Loss before taxation		(26,057)	(57,017)
Tax credit / (charge) on loss	7	11	(610)
Loss for the year		(26,046)	(57,627)
Total comprehensive loss for the year		(26,046)	(57,627)

All amounts relate to continuing operations.

The notes on pages 19 to 38 form part of these financial statements.



Fulham Football Leisure Limited

Consolidated Balance Sheet


Company number: 3374347

As at 30 June 2023

	Notes	2023 £'000	2022 £'000
Fixed assets			
Intangible assets	8	100,437	60,797
Tangible assets	9	<u>192,553</u>	<u>159,167</u>
		292,990	219,964
Current assets			
Stocks		242	222
Debtors (includes £11,602,000 (2022: £15,199,000) due after more than one year)	11	29,373	36,556
Cash at bank and in hand		<u>51,473</u>	<u>30,803</u>
		81,088	67,581
Creditors: amounts falling due within one year	12	<u>(80,054)</u>	<u>(55,321)</u>
Net current assets		<u>1,034</u>	<u>12,260</u>
Total assets less current liabilities		294,024	232,224
Creditors: amounts falling due after more than one year	12	(31,778)	(10,400)
Deferred income	14	(13,492)	(9,524)
Net Assets		<u>248,754</u>	<u>212,300</u>
Capital and reserves			
Called up share capital	15	30,158	775,348
Profit and loss account		<u>218,596</u>	<u>(563,048)</u>
Shareholders' funds		<u>248,754</u>	<u>212,300</u>

The notes on pages 19 to 38 form part of these financial statements.

These financial statements were approved by the Board of Directors on 19 December 2023 and signed on its behalf by:



A J Mackintosh
Director



Fulham Football Leisure Limited

Company Balance Sheet

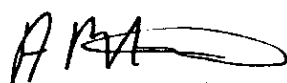
Company number: 3374347

As at 30 June 2023

		2023	2022
	Notes	£'000	£'000
Fixed assets			
Investments	10	336,553	273,803
Tangible assets	9	5,426	5,426
		<u>341,979</u>	<u>279,229</u>
Current assets			
Debtors	11	414	651
Cash at bank and in hand		-	50
		<u>414</u>	<u>701</u>
Creditors: amounts falling due within one year	12	<u>(282)</u>	<u>(244)</u>
Net current assets		<u>132</u>	<u>457</u>
Total assets less current liabilities		<u>342,111</u>	<u>279,686</u>
Net assets		<u>342,111</u>	<u>279,686</u>
Capital and reserves			
Called up share capital	15	30,158	775,348
Profit and loss account		311,953	(495,662)
Shareholders' funds		<u>342,111</u>	<u>279,686</u>

The notes on pages 19 to 38 form part of these financial statements.

These financial statements were approved by the Board of Directors on 19 December 2023 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 2023

	Called up share capital £'000	Profit & loss account £'000	Total equity £'000
Balance at 1 July 2021	658,848	(505,421)	153,427
Total comprehensive expense for the period			
Loss for the year	-	(57,627)	(57,627)
	-	(57,627)	(57,627)
Transactions with owners, recorded directly in equity			
Issue of shares	116,500	-	116,500
Total contributions by owners	116,500	-	116,500
Balance at 30 June 2022	775,348	(563,048)	212,300
	Called up share capital £'000	Profit & loss account £'000	Total equity £'000
Balance at 1 July 2022	775,348	(563,048)	212,300
Total comprehensive expense for the period			
Loss for the year	-	(26,046)	(26,046)
	-	(26,046)	(26,046)
Transactions with owners, recorded directly in equity			
Issue of shares	62,500	-	62,500
Share reduction	(807,690)	807,690	-
Total contributions by owners	(745,190)	807,690	62,500
Balance at 30 June 2023	30,158	218,596	248,754

The notes on pages 19 to 38 form part of these financial statements.



Fulham Football Leisure Limited

Company Statement of Changes in Equity

For the year ended 30 June 2023

	Called up share capital £'000	Profit & loss account £'000	Total equity £'000
Balance at 1 July 2021	658,848	(472,482)	186,366
Total comprehensive expense for the period			
Loss for the year	-	(23,180)	(23,180)
	-	(23,180)	(23,180)
Transactions with owners, recorded directly in equity			
Issue of shares	116,500	-	116,500
Total contributions by owners	116,500	-	116,500
Balance at 30 June 2022	775,348	(495,662)	279,686

	Called up share capital £'000	Profit & loss account £'000	Total equity £'000
Balance at 1 July 2022	775,348	(495,662)	279,686
Total comprehensive expense for the period			
Loss for the year	-	(75)	(75)
	-	(75)	(75)
Transactions with owners, recorded directly in equity			
Issue of shares	62,500	-	62,500
Share reduction	(807,690)	807,690	-
Total contributions by owners	(745,190)	807,690	62,500
Balance at 30 June 2023	30,158	311,953	342,111

The notes on pages 19 to 38 form part of these financial statements.



Fulham Football Leisure Limited

Consolidated Cash Flow Statement

For the year ended 30 June 2023

	2023 £'000	2022 £'000
Cash flows from operating activities		
Loss for the year	(26,046)	(57,627)
Profit on disposal of players registrations	(8,743)	(12,479)
Profit on disposal of tangible assets	(38)	(2)
Net interest payable / (income)	(324)	27
Depreciation charges	1,997	2,024
Amortisation of players' registrations	45,617	31,028
Taxation (credit) / charge	(11)	610
	12,452	(36,419)
(Increase) / decrease in stocks	(20)	201
(Increase) in debtors	(918)	(6,528)
Increase in creditors	13,432	8,137
Increase in deferred income	3,968	5,608
	16,462	7,418
Tax received	-	-
Net cash inflow / (outflow) from operating activities	28,914	(29,001)
Cash flows from investing activities		
Purchase of players' registrations	(47,334)	(52,386)
Sale of players' registrations	17,136	9,202
Sale of tangible fixed assets	114	-
Purchase of tangible fixed assets	(40,984)	(31,707)
Interest received	325	29
Net cash outflow from investing activities	(70,743)	(74,862)
Cash flows from financing activities		
Interest paid	(1)	(56)
Advance from immediate parent company (converted to share capital)	62,500	116,500
Net cash inflow from financing activities	62,499	116,444
Net increase in cash and cash equivalents	20,670	12,581
Cash and cash equivalents at 1 July 2022	30,803	18,222
Cash and cash equivalents at 30 June 2023	51,473	30,803

The notes on pages 19 to 38 form part of these financial statements.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements

For the year ended 30 June 2023

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 22.

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:

- 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.

1.2 Going concern

Notwithstanding the Group's loss for the year ended 30 June 2023 of £26,046k, the Consolidated and Company financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

Fulham Football Leisure Limited is a wholly owned subsidiary of Cougar Holdco London Limited, the principal activity of the Group being the operation of a professional football club. The ongoing operations of Fulham Football Leisure Limited are therefore intrinsically linked to the going concern status of that Group. Cougar Holdco London Limited includes the following disclosures in respect of going concern in its financial statements:

Notwithstanding the Group's loss for the year ended 30 June 2023 of £26,046k, the Consolidated and Company financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2023

1.2 Going concern (continued)

The Company and Group meet their day to day working capital requirements from shareholder loans that are subsequently converted to equity. During the year ended 30 June 2023, amounts due to shareholders of £62,500,000 were converted to equity (see note 15). Subsequent to 30 June 2023, the Group and Company has received further financial support amounting to £47,500,000 from its ultimate owner and immediate parent company, Mr S R Khan and K2TR Family Holdings 2, Corporation.

The Directors have prepared base and sensitised cash flow forecasts for a period 12 months from the date of approval of these financial statements. Those forecasts assume the continued development of the Riverside Stand, utilising additional funds that the Company expects to be made available by the Company's shareholder for that purpose.

The base case forecasts are based on assumptions in respect of league position, attendances and the related matchday income and costs, together with assumptions on league status of the Club, central distributions and possible rebates. The Directors consider further downside scenarios with assumptions of reduced tickets and higher inflation to costs.

All forecasts indicate that, even taking account of controllable mitigating actions, the Group and Company will require significant additional funding in addition to that required to complete the Riverside Stand development. In a downside scenario the Group and Company's forecast cash requirements may increase by 5% over the base case in the forecast period as the majority of the Group's costs are not sensitive to downside variations, given the contractual and predetermined nature of a large proportion of the Group's income and expenditure. The Directors are confident that any additional required funding will be available from its ultimate owner and immediate parent company, Mr S R Khan and K2TR Family Holdings 2, Corporation, to meet its liabilities as they fall due for that period. K2TR Family Holdings 2, Corporation has expressed this intention to the Directors in writing.

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 the approval of these financial statements, they have no reason to believe that it will not do so. Consequently, the Directors are confident that the Group and Company will have sufficient funds to continue to meet their 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.

Fulham Football Leisure Limited is dependent on the continued financial support from Cougar Holdco London Limited. At the date of approval of these financial statements the Directors have considered the forecasts of the Cougar Holdco London Limited group, the disclosure in the Group accounts and the committed support between the Group companies and have assessed that the conclusions reached by the Directors of Cougar Holdco London Limited regarding the going concern status of the Group are appropriate and as such that, through support to be provided, this Company will be in a position 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 the approval of these financial statements, they have no reason to believe that it will not do so. Consequently, the Directors are confident that the Group and Company will have sufficient funds to continue to meet their 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 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 30 June 2023. 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.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2023

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 assets or liabilities that are recorded in foreign currencies. Foreign exchange differences arising on translation are recognised in the profit and loss account.

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.

1.7 Tangible fixed assets

All 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.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2023

1.7 Tangible fixed assets (continued)

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	10-50 years
Building & Improvements	1-50 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.

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. 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. Fees receivable which are contingent on a future event are recognised if the receipt is deemed virtually certain. Where the contingent fee is deemed probable, it is disclosed as a contingent asset.

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. In the event that the initial contract is renegotiated prior to expiry, the written down value at the date of recognition is amortised over the extended period.

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.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2023

1.8 Intangible assets (continued)

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.

1.8.4 Impairment of intangibles

The Directors review the carrying value of the players' registrations for impairment where events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. In completing their assessment of impairments required the Directors consider the playing squad to be one cash generating unit ("CGU") such that no impairment is recorded if the overall value of the playing squad is greater than its carrying value. Where certain players are no longer part of the playing squad, for example due to long-term injury, they are treated as a separate CGU and the carrying value assessed accordingly. To the extent that the carrying value exceeds the recoverable amount, the asset is impaired and the impairment loss is recognised in the profit and loss account.

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.

1.10 Impairment excluding stocks, deferred tax assets and intangible 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.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2023

1.10 Impairment excluding stocks, deferred tax assets and intangible assets (continued)

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.

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.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2023

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.

- 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 both sums from collaboration agreements with other Clubs and remediation of lost income, and is recognised as revenue over the period of the agreement or in the case of lost income recognised in the period in which the income relates;
- 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 Group 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.

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.

1.14 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, which are included within operating expenses before depreciation, amortisation and impairment.

1.14.4 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.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2023

1.14 Expenses (continued)

1.14.5 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.

1.15 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.

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.

1.16 Other operating income

Other operating income represents revaluation gains and losses on investment property, foreign exchange income and derecognitions of financial liabilities.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2023

2 Turnover

	2023	2022
	£'000	£'000
Gate Receipts	15,170	6,824
Central Awards	128,513	49,215
Broadcasting	15,961	1,590
Compensation	1,137	4,497
Sponsorship and other Commercial Activities	21,544	9,463
	182,325	71,589

All income is derived from operations within the UK.

3 Loss before taxation

The loss before taxation is stated after charging:

	2023	2022
	£'000	£'000
Auditors' remuneration for audit services		
- Company	12	11
- Subsidiaries	98	89
Auditors' remuneration for audit related assurance services	15	15
Staff costs	139,064	90,360
Amounts paid under operating leases		
- Plant and machinery	263	155
- Land and buildings	30	32
	293	187
Profit on disposal of players' registrations	8,743	12,479
Depreciation on owned fixed assets	1,997	2,024
Amortisation of player registrations	45,617	31,028



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2023

4 Staff costs

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

	2023 £'000	2022 £'000
Wages and salaries	121,511	79,079
Social security costs	17,129	10,898
Payments to defined contribution pension schemes	424	383
	<u>139,064</u>	<u>90,360</u>

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

	2023 Number	2022 Number
Administrative and ground staff	212	195
Players	71	72
	<u>283</u>	<u>267</u>
Part-time staff for match days	<u>249</u>	<u>209</u>

The Company had no staff costs during the year (2022: £Nil).

5 Directors' remuneration

No Director received any remuneration from the Company during the period (2022: £nil).

Group aggregate Directors' remuneration during the year totalled £1,402,000 (2022: £1,002,000) excluding defined contribution pension contributions of £nil (2022: £nil). The highest paid Director's emoluments totalled £1,357,000 (2022: £957,000). No retirement benefits are accruing to the Directors (2022: none) 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.

Key management personnel compensation has not been disclosed separately as the key management personnel and directors are deemed to be the same.

6 Net interest receivable / (payables)

	2023 £'000	2022 £'000
Interest receivable:		
Bank interest	324	24
Other interest	1	5
	<u>325</u>	<u>29</u>
Interest payable on borrowings repayable within five years:		
Other interest payable	(1)	(56)
Net interest receivable / (payables)	<u>324</u>	<u>(27)</u>



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2023

7 Tax on loss

	2023 £'000	2022 £'000
(a) The tax for the year comprises:		
UK corporation tax on profits for the year	-	11
Adjustment in respect of previous periods	(11)	599
Total tax (note 7 (b))	<u>(11)</u>	<u>610</u>

(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 before tax	<u>(26,057)</u>	<u>(57,017)</u>
Loss at standard rate of corporation tax in the UK of 20.5% (2022: 19.00%)	(5,342)	(10,833)
Effects of:		
Adjustments from previous periods	(11)	599
Expenses not deductible for tax purposes	5,264	10,779
Deferred tax not recognised	78	65
Tax (credit) / charge for the year	<u>(11)</u>	<u>610</u>

Expenses not deductible for tax purposes includes a cap on deductible expenses arising from the anti-hybrid mismatch rules as a result of these expenses also being included in the US group to which this Group belongs.

(c) Factors that may affect future tax charges

At the year end, the Group has an unrecognised deferred tax asset of approximately £65,481,000 (2022: £63,950,000), as analysed below. This asset has not been recognised as there is uncertainty over the Group's ability to generate taxable profits against which it would be utilised.

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly. The unrecognised deferred tax asset has been calculated based on these rates, reflecting the expected timing of reversal of the related timing differences (2022: 25%).



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2023

7 Tax on loss on ordinary activities (continued)

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

The unrecognised deferred tax asset is analysed below:

	2023	2022
	£'000	£'000
Fixed asset timing differences	3,614	3,030
Short term timing differences	113	90
Tax losses not recognised	61,754	60,830
	65,481	63,950

The Directors note that under the rules of the US tax regime applicable to its intermediate parent company, K2TR Family Holdings 2. Corp, an election has been made which results in the remainder of the losses in Fulham Football Club Limited being relieved in the tax computation of the ultimate parent's US group. The anti-hybrid rules adopted in the UK mean that such losses, where relieved against the US profits are then unavailable in future to the UK entity, to avoid these losses being used twice. These rules have the effect of transferring any value in the tax losses used in the US from the Company to the US ultimate parent (and its group).



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2023

8 Intangible fixed assets (Group)

	Goodwill £'000	Player registrations £'000	Total £'000
Cost			
01 July 2022	2,940	196,960	199,900
Additions	-	85,532	85,532
Disposals	-	(51,629)	(51,629)
30 June 2023	2,940	230,863	233,803
Amortisation and impairment			
01 July 2022	2,940	136,163	139,103
Charge for the year	-	45,617	45,617
Disposals	-	(51,354)	(51,354)
30 June 2023	2,940	130,426	133,366
Net book amount			
30 June 2023	-	100,437	100,437
01 July 2022	-	60,797	60,797

The Company has no intangible fixed assets.

9a Tangible fixed assets (Group)

	Freehold Land £'000	Plant, Equipment , Fixtures & Fittings £'000	Buildings & Improve- ments £'000s	Assets in the Course of Construction £'000	Total £'000
Cost					
01 July 2022	14,796	54,229	6,732	130,471	206,228
Additions	-	2,098	675	32,686	35,459
Transfer on completion	-	-	2,354	(2,354)	-
Disposals	-	(90)	-	-	(90)
30 June 2023	14,796	56,237	9,761	160,803	241,597
Depreciation and impairment					
01 July 2022	-	39,952	2,715	4,394	47,061
Charge for the year	-	1,537	460	-	1,997
Disposals	-	(14)	-	-	(14)
30 June 2023	-	41,475	3,175	4,394	49,044
Net book amount					
30 June 2023	14,796	14,762	6,586	156,409	192,553
01 July 2022	14,796	14,277	4,017	126,077	159,167



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2023

9a Tangible fixed assets (Group) (continued)

The net book value of fixed assets above includes an amount of £nil (2022: £nil) in respect of assets held under finance leases and hire purchase contracts. Depreciation charged on these assets was £nil (2022: £nil).

Assets under construction are comprised primarily of property developments at the Motspur Park training ground and works for the redevelopment of the Riverside Stand at Craven Cottage. Construction work commenced on the new Riverside Stand in May 2019, after the close of the 2018/19 season.

9b Tangible fixed assets (Company)

	Freehold Land £'000
Cost	
01 July 2022	5,426
30 June 2023	5,426
Provision	
01 July 2022	-
Charge for the year	-
30 June 2023	-
Net book amount	
30 June 2023	5,426
01 July 2022	5,426

The land was purchased during a previous year from a previous subsidiary. The land was purchased at cost value.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2023

10 Fixed asset investments (Company)

	Shares in group undertakings £'000
Cost	
01 July 2022	777,018
Additions	62,750
30 June 2023	839,768
Provision	
01 July 2022	503,215
Provision in the year	-
30 June 2023	503,215
Net book amount	
30 June 2023	336,553
01 July 2022	273,803

At 30 June 2023, 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: Fulham Football Club Training Ground, Motspur Park, New Malden, Surrey, KT3 6PT.

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%

* Owned via Fulham Stadium Limited.

The additions in the year are made up of debt to equity share issues. In the year, Fulham Football Club Limited issued a further 29,025,229 £1 ordinary shares and Fulham Stadium Limited issued 33,722,420 £1 ordinary shares. All shares were offset against the balance owed by the relevant subsidiary.

The Directors have performed an impairment review on the investment as at 30 June 2023, with the conclusion that there were no indications that an impairment was necessary (2022: £nil).



Fulham Football Leisure Limited
Accompanying Notes to the Financial Statements (continued)
For the year ended 30 June 2023

11 Debtors

	Group	Group	Company	Company
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Trade debtors	2,698	2,562	-	-
Player transfer debtors	17,838	25,955	-	-
Other debtors	4,040	1,978	-	-
Amounts due from group undertakings	-	-	173	173
Amounts due from related parties (note 19)	-	506	-	-
Other tax and social security	-	-	241	478
Prepayments and accrued income	4,797	5,555	-	-
	29,373	36,556	414	651

Included within the Player transfer debtors balance is an amount of £11,602,000 (2022: £15,199,000) which is due after more than one year.

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

12 Creditors

	Group	Group	Company	Company
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Due within one year:				
Trade creditors	9,272	8,239	-	-
Player transfer creditors	33,495	16,675	-	-
Amounts due to related parties	1,181	1,036	-	-
Amounts due to group undertakings	-	-	132	169
Corporation tax	156	610	-	-
Other taxes and social security	12,816	4,976	-	-
Accruals	21,976	16,010	150	75
Other creditors	1,158	7,775	-	-
	80,054	55,321	282	244

	Group	Group
	2023	2022
	£'000	£'000
Due after more than one year:		
Player transfer creditors	31,778	10,400
	31,778	10,400

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



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2023

13 Reconciliation of opening and closing liabilities from financing activities

	Loans and borrowings	Lease liabilities	Total	Total
	2023	2023	2023	2022
	£'000	£'000	£'000	£'000
Balance at 1 July	-	-	-	-
Proceeds from loans and borrowings	62,500	-	62,500	116,500
Conversion to equity	(62,500)	-	(62,500)	(116,500)
Balance at 30 June	-	-	-	-

14 Deferred income

	Group 2023	Group 2022
	£'000	£'000
Season ticket sales in advance	9,884	6,071
Commercial income and sponsorship	3,608	3,453
	13,492	9,524

15 Share capital

Group & Company	2023	2022
Ordinary shares of £1 each	'000	'000
Allotted, called up and fully paid		
1 July	775,348	658,848
Issued in the period	62,500	116,500
Share reduction	(807,690)	-
30 June	30,158	775,348

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 11 April 2023 the company issued 40,000,000 new ordinary shares to its immediate parent company, Cougar Holdco London Limited. Subsequently, the company undertook a capital reduction to provide the company with positive distributable reserves, reducing share capital by £807,690,000.

On 30 June 2023 the company issued an additional 22,500,000 new ordinary shares to Cougar Holdco London Limited, offsetting with debt owed to Cougar Holdco London Limited.

In consideration for these share issues, the debt owing by the company to Cougar Holdco London Limited was offset.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2023

16 Operating leases

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

	Group 2023 £'000	Group 2022 £'000
Less than one year	260	176
Between one and five years	340	161
	600	337

During the year £293,000 was recognised as an expense in the profit and loss account in respect of operating leases (2022: £187,000).

17 Capital commitments

Amounts contracted for by the Group but not provided for in the accounts in respect of tangible fixed assets amounted to £66,651,000 (2022: £9,907,000) (Company: £nil in both periods). The majority of the Group's committed costs are in respect of the fit-out works for the Riverside Stand development.

18 Contingent liabilities and assets

Contingent Transfer Fees

The estimated commitment for additional transfer fees payable in respect of future possible appearances amounts to £3,214,000 (2022: £1,410,000). These amounts have not been included in the financial statements on the basis that they are not yet considered probable.

The Group has in place a number of transfer contracts that give rise to contingent receivables. The Directors have assessed such contracts and the amounts that are deemed probable at the year-end are determined to be £nil (2022: £2,343,000). These amounts have not been included in the financial statements.

Contingent Termination Account

As noted in the Strategic report, Fulham Stadium Limited ('FSL') has suffered significant losses as a result of the delay in completing the Riverside Stand. During 2023 one of the contractors in the development fell into serious financial difficulty and as a result, FSL has been engaging with the contractor's administrators in relation to the sums due to each party (if any) as part of a Termination Account to be determined.

Whilst the terms of those discussions are confidential, it is prudent to note that both parties purport to have claims against the other for significant sums.

The Directors of FSL acknowledge that, as a result of the uncertainties involved in any discussions of this nature, together with the administration of the contractor, it is not appropriate for any recovery of damages to be recorded in the Company's financial statements. Further, based on internal and external advice received, the Directors do not anticipate any future liabilities arising from these discussions and consider that in the event further payments are required they would not be material. Nevertheless, the Directors acknowledge that as with any termination account settlement this remains a possibility.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2023

19 Related party transactions (Group)

During the year and the prior year there were trading transactions between the Group 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. There were also transactions in the year and prior year with Union Jax LLC, a foreign incorporated company registered in the UK under the common control of the Group's ultimate controlling party, and Fulham Football Club Foundation who shares directorships with the Group. The value of the transactions during the period is show below:

	2023	2023	2022	2022
	Purchases	Sales	Purchases	Sales
	£'000	£'000	£'000	£'000
Jacksonville Jaguars	-	501	-	500
D Daly	-	9	-	9
Total	-	510	-	509

Balances with related parties as at 30 June 2023 are as follows:

	2023	2023	2022	2022
	Due To	Due From	Due To	Due From
	£'000	£'000	£'000	£'000
Union Jax LLC	-	-	-	2
Fulham Football Club Foundation	1,181	-	1,036	-
Jacksonville Jaguars LLC	-	-	35	-
Total	1,181	-	1,071	2

During the year, the Group donated £9,317 (2022: £4,400) to the Fulham Football Club Foundation. The balance outstanding as at 30 June 2022 and 2023 represents donations from players received by the Group for the benefit of Fulham Football Club Foundation.

The Group provided administrative services to Union Jax LLC throughout the year. The balances as at 30 June 2022 and 2023 represent charges incurred and revenue received on their behalf and subsequently recharged.

D Daly, who is a listed Director of one of the group companies, purchases seasonal and matchday tickets. These amounts are not at a discounted value and are paid in full so not outstanding at the year end.

The Group received loans during the period totalling £62,500,000 (2022: £116,500,000) from Cougar Holdco London Limited, the immediate parent company. Further information on this balance is provided in note 15. The Group issued ordinary shares in the year to Cougar Holdco London Limited totaling £62,500,000 in exchange for offsetting the debt.

20 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 are available to the public and may be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2023

21 Post balance sheet events

Since the year-end the Group has acquired and disposed of a number of player registrations. The cost of acquiring new player registrations post year end amounted to £71.7m (2022: £78.8m) and the profit on the disposal of player registrations post year end was £30.1m (2022: £7.4m).

22 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 dependent 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 consider that they have sufficient experience and knowledge to make these assessments. 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. The assessment is completed in line with the accounting policy in note 1.8.4.

The carrying value of the investments is also assessed at each period end, with impairments recognised where considered necessary.

23 Long term employee benefits

Payments are made into a number of defined contribution schemes. Total contributions paid during the year amounted to £424,000 (2022: £383,000). An amount of £68,000 (2022: £63,000) remained outstanding at the balance sheet date.

