

**THE HULL CITY ASSOCIATION
FOOTBALL CLUB (TIGERS) LIMITED**

Report and Financial Statements

31 July 2007

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THE HULL CITY ASSOCIATION FOOTBALL CLUB (TIGERS) LIMITED

CONTENTS

Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	4
Independent auditors' report	5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the accounts	9

THE HULL CITY ASSOCIATION FOOTBALL CLUB (TIGERS) LIMITED

REPORT AND FINANCIAL STATEMENTS 2007

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A F Pearson (resigned 31 July 2007)
R M James (resigned 4 June 2007)
J P Craddock
A M Dawson (appointed 1 December 2006)
P J Duffen (appointed 4 June 2007)
R D Bartlett (appointed 4 June 2007)
M N Walker (appointed 4 June 2007)

SECRETARY

R M James (resigned 4 June 2007)
J P Craddock (appointed 4 June 2007)

REGISTERED OFFICE

Kingston Communications Stadium
Walton Street
Anlaby Road
Hull
HU3 6HU

BANKERS

Lloyds TSB Bank plc
2 Silver Street
Hull
HU1 1HX

SOLICITORS

Walker Morris
Kings Court
12 King Street
Leeds
LS1 2HL

AUDITORS

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Leeds

THE HULL CITY ASSOCIATION FOOTBALL CLUB (TIGERS) LIMITED

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report for the year ended 31 July 2007.

PRINCIPAL ACTIVITIES

The principal activity of the company is that of professional football

BUSINESS REVIEW INCLUDING KEY PERFORMANCE INDICATORS AND PRINCIPAL RISKS AND UNCERTAINTIES

The Directors report a loss for the year of £2,381,183 (2006 profit of £739,291) and consider the company's future prospects to be satisfactory

The Club measures its business performance against certain key performance indicators ("KPIs") which are principally League table position, match attendance, commercial revenues, control of expenditure and cash management

The financial year ended 31 July 2007 represented the 2006/07 season, being the Club's second year in the Coca Cola Championship

Revenue

Average home league attendance for the 2006/07 season decreased from 19,841 in the previous year to 18,581. Total gate revenues (including season passes and cup games) decreased from £4.4m to £4.1m. The Club finished 21st in the League with 49 points and retained its status in the Coca Cola Championship.

Commercial revenues (including Football League central distributions) decreased from £5.0m to £4.85m – a decrease of £0.15m of which £0.4m relates to the increased central distribution for Championship status, and £0.55m decrease from all other commercial income streams.

We thank our tremendous fan base and commercial partners for their continuing support through a challenging season and recognise that they are paramount to the future success of the Club.

Expenditure

We manage and control our cost base actively in order that the club operates efficiently so as to direct as much resource as possible to the playing squad, whilst endeavouring to deliver best value to our supporters.

The majority of our expenditure is classified as cost of sales and increased by £1.6m (excluding player trading). This was primarily spent on player wages and associated support facilities as we continued to build the playing squad and, in addition, brought in loan players to secure our position in the Coca Cola Championship.

Cash

Using the recognised measure of profit (earnings) before interest, taxation, depreciation and amortisation ("EBITDA"), the year ended 31 July 2007 produced a negative EBITDA of £1,269,098 against £275,410 positive in 2006 as the step-up in expenditure required for the Championship was not fully recovered through turnover.

EBITDA is a relevant measure as it is a closer approximation to cash generation than straight forward profit and loss. Any cash generated by the Club is directly invested into the playing squad and associated training facilities.

Other

By way of a note, as the playing squad has evolved through the various leagues over recent seasons, and will continue to do so, the profit/ loss resulting from player disposals is a significant figure in our accounts. However we do not recognise this as a measure of business performance going forward.

DIRECTORS' REPORT

29 July 2008

THE HULL CITY ASSOCIATION FOOTBALL CLUB (TIGERS) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HULL CITY ASSOCIATION FOOTBALL CLUB (TIGERS) LIMITED

We have audited the financial statements of The Hull City Association Football Club (Tigers) Limited for the year ended 31 July 2007, which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes 1 to 23. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements. In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

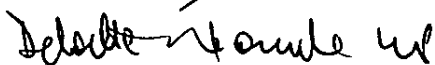
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 July 2007 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
Leeds, United Kingdom

31 July 2008

THE HULL CITY ASSOCIATION FOOTBALL CLUB (TIGERS) LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 July 2007

	Note	2007			2006		
		Operations excluding player trading £	Player trading £	Total £	Operations excluding player trading £	Player trading £	Total £
TURNOVER	2	9,045,048	-	9,045,048	9,504,447	-	9,504,447
Cost of sales		<u>(9,111,836)</u>	<u>(967,315)</u>	<u>(10,079,151)</u>	<u>(7,465,663)</u>	<u>(753,113)</u>	<u>(8,218,776)</u>
Gross profit		<u>(66,788)</u>	<u>(967,315)</u>	<u>(1,034,103)</u>	<u>2,038,784</u>	<u>(753,113)</u>	<u>1,285,671</u>
Administrative expenses		<u>(1,657,073)</u>	<u>-</u>	<u>(1,657,073)</u>	<u>(1,819,243)</u>	<u>-</u>	<u>(1,819,243)</u>
OPERATING LOSS	4	<u>(1,723,861)</u>	<u>(967,315)</u>	<u>(2,691,176)</u>	<u>219,541</u>	<u>(753,113)</u>	<u>(533,572)</u>
Profit on disposal of players registrations		-	362,069	362,069	-	1,266,233	1,266,233
(Loss)/profit before interest and taxation		<u>(1,320,611)</u>	<u>(1,008,496)</u>	<u>(2,329,107)</u>	<u>219,541</u>	<u>513,120</u>	<u>732,661</u>
Interest receivable and similar income				-			9,321
Interest payable and similar charges	5			<u>(52,076)</u>			<u>(2,508)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION				<u>(2,381,183)</u>			<u>739,474</u>
Tax on (loss)/profit on ordinary activities	6			<u>-</u>			<u>(183)</u>
RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR	16			<u>(2,381,183)</u>			<u>739,291</u>
RETAINED LOSS BROUGHT FORWARD				<u>(2,403,480)</u>			<u>(3,142,771)</u>
RETAINED LOSS CARRIED FORWARD				<u>(4,784,663)</u>			<u>(2,403,480)</u>

All activities derive from continuing operations

There are no recognised gains and losses for the current and previous financial year other than as stated in the profit and loss account. Accordingly, no statement of total recognised gains and losses has been presented.

THE HULL CITY ASSOCIATION FOOTBALL CLUB (TIGERS) LIMITED

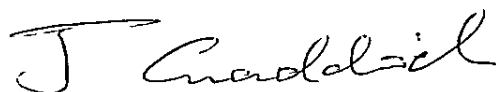
BALANCE SHEET

31 July 2007

	Note	2007 £	2006 £
FIXED ASSETS			
Intangible assets	7	2,231,371	2,717,913
Tangible assets	8	109,678	93,479
		<u>2,341,049</u>	<u>2,811,392</u>
CURRENT ASSETS			
Stocks	9	152,711	274,558
Debtors	10	1,007,633	1,450,406
Cash at bank and in hand		7,204	187,381
		<u>1,167,548</u>	<u>1,912,345</u>
CREDITORS: amounts falling due within one year	11	<u>(6,977,259)</u>	<u>(5,634,556)</u>
NET CURRENT LIABILITIES		<u>(5,809,711)</u>	<u>(3,722,211)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(3,468,662)</u>	<u>(910,819)</u>
CREDITORS: amounts falling due after more than one year	12	<u>-</u>	<u>(176,660)</u>
NET LIABILITIES		<u>(3,468,662)</u>	<u>(1,087,479)</u>
CAPITAL AND RESERVES			
Called up share capital	15	1,316,001	1,316,001
Profit and loss account		<u>(4,784,663)</u>	<u>(2,403,480)</u>
TOTAL EQUITY SHAREHOLDERS' DEFICIT	16	<u>(3,468,662)</u>	<u>(1,087,479)</u>

These financial statements were approved by the Board of Directors on 29 July 2008

Signed on behalf of the Board of Directors



Director

THE HULL CITY ASSOCIATION FOOTBALL CLUB (TIGERS) LIMITED

CASH FLOW STATEMENT

Year ended 31 July 2007

	Note	2007 £	2006 £
Net cash (outflow)/inflow from operating activities	17	(180,722)	997,919
Returns on investments and servicing of finance			
Bank interest received	-	9,321	
Bank overdraft interest paid	(51,461)	(48)	
Interest element of hire purchase repayments	(615)	(2,460)	
Net cash (outflow)/inflow from returns on investments and servicing of finance		(52,076)	6,813
Capital expenditure			
Payments to acquire intangible fixed assets	(1,992,894)	(2,428,374)	
Payments to acquire tangible fixed assets	(38,030)	(73,657)	
Receipts from sales of intangible fixed assets	1,441,311	1,350,000	
Net cash outflow from capital expenditure		(589,613)	(1,152,031)
Net cash (outflow) before financing		(822,411)	(147,299)
Financing			
New loans	-	265,000	
Repayment of loans	(158,340)		
Capital element of hire purchase repayments	(16,122)	(4,187)	
Net cash (outflow)/inflow from financing		(174,462)	260,813
(Decrease)/increase in cash	18/19	<u>(996,873)</u>	<u>113,514</u>

THE HULL CITY ASSOCIATION FOOTBALL CLUB (TIGERS) LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 July 2007

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Intangible fixed assets

Players' transfer fees and associated costs related to player registrations are capitalised as intangible fixed assets and are amortised over the period of the players' contracts including subsequent agreed extensions. Coaching staff contracts are also capitalised as intangible fixed assets and are amortised over the contract period.

Losses on player disposals and associated termination costs of players and coaching staff are considered losses on fixed assets and disclosed below operating profit in the profit and loss account.

Purchased goodwill is amortised over a period of ten years.

Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Fixtures and fittings	10% per annum
Motor vehicles	25% per annum

Stocks

Stocks which consist of goods for resale, are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving stock.

Cost is defined as the purchase price of the goods plus the cost of carriage. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

Taxation

Current tax, including UK Corporation Tax, is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is measured on a non discounted basis.

THE HULL CITY ASSOCIATION FOOTBALL CLUB (TIGERS) LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 July 2007

1. ACCOUNTING POLICIES (continued)

Leases

Assets obtained under finance leases and hire purchase contracts are capitalised at their fair value on acquisition and depreciated over their estimated useful lives. The capital elements of future lease and hire purchase obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the contracts to produce a constant rate of charge on the balance of capital repayments outstanding.

Operating lease rentals are charged to the profit and loss account in equal annual amounts over the lease term.

Pension costs

The company operates a money purchase scheme for the benefit of its employees. Contributions are charged to the profit and loss account in the period in which they are payable.

Deferred income

Deferred income represents income from sponsorship agreements and other contractual agreements which is credited to the profit and loss account over the period of the agreement, and season ticket renewals for the forthcoming season.

Grants

Revenue grants receivable by the company are recognised in the period in which the related expenditure occurs.

2. TURNOVER

Turnover represents income receivable, net of VAT, from football and related commercial activities. Gate and other match day revenue is recognised over the period of the football season as games are played. Sponsorship and similar commercial income is recognised over the duration of the respective contracts. The fixed element of broadcasting revenues is recognised over the duration of the football season whilst facility fees are taken when earned. All income arises in the United Kingdom.

THE HULL CITY ASSOCIATION FOOTBALL CLUB (TIGERS) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 July 2007

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2007 £	2006 £
Directors' emoluments		
Emoluments	139,391	156,660
Pension contributions	-	-
	<u>139,391</u>	<u>156,660</u>
	No	No.
Average number of persons employed:		
Players and coaching staff	51	53
Office and administration	37	26
Sales and marketing	9	9
	<u>97</u>	<u>88</u>
	£	£
Staff costs during the year (including directors):		
Wages and salaries	6,155,148	5,230,815
Social security costs	738,439	590,745
Pension costs	46,658	46,665
	<u>6,940,245</u>	<u>5,868,225</u>

4. OPERATING LOSS

	2007 £	2006 £
Operating loss is after charging:		
Depreciation and other amounts written off tangible and intangible fixed assets		
Owned assets	21,831	18,743
Leased assets	-	7,445
Amortisation of players and goodwill	1,400,247	782,794
Rentals under operating leases		
- motor vehicles	111,214	135,045
- other	304,952	312,909
Auditors' remuneration	<u>8,500</u>	<u>8,500</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £	2006 £
Bank overdraft	51,461	48
Hire purchase	615	2,460
	<u>52,076</u>	<u>2,508</u>

THE HULL CITY ASSOCIATION FOOTBALL CLUB (TIGERS) LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 July 2007

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2007 £	2006 £
Corporation tax charge/(credit) for the year and total current tax	-	183
The standard rate of tax for the year, based on the UK standard small company rate of corporation tax is 20% (2006 19%) The actual tax charge varies from the standard rate due to the reasons set out in the following reconciliation		
	2007 £	2006 £
(Loss)/profit on activities before taxation	(2,381,183)	739,474
Tax on loss on ordinary activities at standard rate	(476,237)	140,500
<i>Factors affecting charge for the year</i>		
Expenses not allowable for corporation tax purposes	5,936	5,640
Capital allowances for period in excess of depreciation	1,324	(4,171)
Unutilised losses carried forward	468,977	-
Prior year losses utilised	-	(141,786)
Total amount of current tax charge/(credit)	-	183

Deferred tax assets have not been recognised in respect of timing differences relating to tax losses available for offset against future profits of the same trade, accelerated capital allowances, provisions and capital losses. Deferred tax assets have not been recognised in respect of these items as the directors are of the opinion it would not be appropriate to do so.

THE HULL CITY ASSOCIATION FOOTBALL CLUB (TIGERS) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 July 2007

7. INTANGIBLE FIXED ASSETS

	Players transfer fees and related costs £	Goodwill £	Total £
Cost			
At 1 August 2006	3,823,659	296,814	4,120,473
Additions	1,992,894	-	1,992,894
Disposals	(1,988,500)	-	(1,988,500)
At 31 July 2007	<u>3,828,053</u>	<u>296,814</u>	<u>4,124,867</u>
Accumulated amortisation			
At 1 August 2006	1,241,787	160,773	1,402,560
Charge for the year	1,370,565	29,682	1,400,247
Disposals	(909,311)	-	(909,311)
At 31 July 2007	<u>1,703,041</u>	<u>190,455</u>	<u>1,893,496</u>
Net book value			
At 31 July 2007	<u>2,125,012</u>	<u>106,359</u>	<u>2,231,371</u>
At 31 July 2006	<u>2,581,872</u>	<u>136,041</u>	<u>2,717,913</u>

Transfer agreements sometimes involve additional payments or receipts depending on the future performance of the player. At 31 July 2007, possible further payments amounting to £292,000 (2006 £125,000) exist under such agreements. These are not provided for in the financial statements.

8. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Total £
Cost			
At 1 August 2006	115,942	33,500	149,442
Additions	38,030	-	38,030
At 31 July 2007	<u>153,972</u>	<u>33,500</u>	<u>187,472</u>
Accumulated depreciation			
At 1 August 2006	22,463	33,500	55,963
Charge for the year	21,831	-	21,831
At 31 July 2007	<u>44,294</u>	<u>33,500</u>	<u>77,794</u>
Net book value			
At 31 July 2007	<u>109,678</u>	<u>-</u>	<u>109,678</u>
At 31 July 2006	<u>93,479</u>	<u>-</u>	<u>93,479</u>

The net book value of tangible fixed asset includes £nil (2006: £7,445) in respect of assets held under hire purchase contracts.

THE HULL CITY ASSOCIATION FOOTBALL CLUB (TIGERS) LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 July 2007

9. STOCKS

	2007 £	2006 £
Goods for resale	152,711	274,558

10. DEBTORS

	2007 £	2006 £
Trade debtors	755,037	1,156,122
Other debtors	57,637	175,899
Prepayments and accrued income	194,959	118,385
	<u>1,007,633</u>	<u>1,450,406</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Bank overdraft	816,696	-
Other loans (note 13)	240,660	222,340
Obligations under hire purchase contracts (note 13)	-	16,122
Trade creditors	1,397,392	1,206,885
Current corporation tax	-	183
Other taxes and social security	778,255	401,532
Other creditors	54,389	387
Accruals and deferred income	3,097,275	3,452,617
Amounts owed to related party (note 20)	592,592	334,490
	<u>6,977,259</u>	<u>5,634,556</u>

The other loan is unsecured. Obligations under hire purchase contracts are secured on the assets concerned.

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2007 £	2006 £
Other loans	-	176,660
	<u>-</u>	<u>176,660</u>

THE HULL CITY ASSOCIATION FOOTBALL CLUB (TIGERS) LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 July 2007

13. BORROWINGS

	2007 £	2006 £
Other loans	240,660	399,000
Obligations under finance leases and hire purchase contracts	-	16,122
	<u>240,660</u>	<u>415,122</u>

The maturity of the above amounts is as follows

	2007 £	2006 £
In one year or less, or on demand	240,660	238,462
Within one to two years	-	88,340
Within two to five years	-	88,320
	<u>240,660</u>	<u>415,122</u>

14. PROVISIONS FOR LIABILITIES AND CHARGES

The amounts provided in the accounts and the amounts not provided are as follows:

	Provided 2007 £	2006 £	Not provided 2007 £	2006 £
Depreciation in excess of capital allowances	-	-	6,061	7,161
Trading losses	-	-	941,326	406,148
	<u>-</u>	<u>-</u>	<u>947,387</u>	<u>413,309</u>
Deferred tax credit not provided	-	-	947,387	413,309

15. CALLED UP SHARE CAPITAL

	2007 £	2006 £
Called up, allotted and fully paid 1,316,001 ordinary shares of £1 each	<u>1,316,001</u>	<u>1,316,001</u>

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2007 £	2006 £
Opening shareholders' deficit	(1,087,479)	(1,826,770)
(Loss)/profit attributable to members of the company	<u>(2,381,183)</u>	<u>739,291</u>
Closing shareholders' deficit	<u>(3,468,662)</u>	<u>(1,087,479)</u>

THE HULL CITY ASSOCIATION FOOTBALL CLUB (TIGERS) LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 July 2007

17. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2007 £	2006 £
Operating loss	(2,691,176)	(533,572)
Depreciation	21,831	26,188
Amortisation	1,400,247	782,794
Decrease/(increase) in stock	121,847	(72,897)
Decrease/(increase) in debtors	442,773	(118,440)
Increase in creditors	523,756	913,846
Net cash (outflow)/inflow from operating activities	<u>(180,722)</u>	<u>997,919</u>

18. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2007 £	2006 £
Decrease/(increase) in cash in the year	(996,873)	113,514
Net cash (inflow)/outflow from decrease/(increase) in debt and lease financing	<u>174,462</u>	<u>(260,813)</u>
Change in net debt resulting from cash flows	(822,411)	(147,299)
Opening net debt	<u>(227,741)</u>	<u>(80,442)</u>
Closing net debt	<u>(1,050,152)</u>	<u>(227,741)</u>

19. ANALYSIS OF NET DEBT

	1 August 2006 £	Cash flows £	Non-cash movements £	31 July 2007 £
Cash in hand and at bank	187,381	(180,177)	-	7,204
Overdraft	-	(816,696)	-	(816,696)
	<u>187,381</u>	<u>(996,873)</u>	<u>-</u>	<u>(809,492)</u>
Other loans	(399,000)	158,340	-	(240,660)
Obligations under hire purchase contracts	(16,122)	16,122	-	-
	<u>(415,122)</u>	<u>174,462</u>	<u>-</u>	<u>(240,660)</u>
	<u>(227,741)</u>	<u>(822,411)</u>	<u>-</u>	<u>(1,050,152)</u>

THE HULL CITY ASSOCIATION FOOTBALL CLUB (TIGERS) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 July 2007

20. RELATED PARTY TRANSACTIONS

The directors consider Superstadium Management Company Limited to be a related party by virtue of common control. A summary of the aggregate transactions, which have been undertaken by The Hull City Association Football Club (Tigers) Limited and the related party, is as follows

	2007 £	2006 £
Purchase of goods and services	54,618	46,472
Rental costs	348,952	308,042
Amount included in debtors	-	-
Amount included in creditors	<u>592,592</u>	<u>334,490</u>

21. OPERATING LEASE COMMITMENTS

At 31 July 2007, the company was committed to making the following payments during the next year in respect of operating leases

	Land and buildings £
Leases which expire Over five years	<u>305,000</u>

22. PENSIONS

The company operates a money purchase pension scheme. Company contributions to the scheme amounted to £46,658 in the year (2006: £46,665). There were accrued pension contributions of £Nil at 31 July 2007 (2006: £Nil).

23. ULTIMATE CONTROLLING PARTY

On 4 June 2007, the entire issued share capital of the company was acquired by Tiger Holdings Limited (company registration number 6229628) from A M Pearson (previously a director). The date of the acquisition and transfer of control of this company is deemed to be 4 June 2007, by all parties.

The parent company is Tiger Holdings Limited, a company incorporated in Great Britain and registered in England and Wales.

The directors consider the ultimate controlling party to be Isis Nominees Limited.