

Registered number
4032392

The Hull City Association Football Club (Tigers) Limited

Report and Accounts

31 July 2012



The Hull City Association Football Club (Tigers) Limited
Report and accounts
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The Hull City Association Football Club (Tigers) Limited
Company Information

Directors

Dr A Allam
E Allam

Auditors

Jacksons
751a Holderness Road
Hull
East Yorkshire
HU8 9AR

Registered office

Kingston Communications Stadium
Walton Street
Hull
East Yorkshire
HU3 6HU

Registered number

4032392

The Hull City Association Football Club (Tigers) Limited

Registered number: 4032392

Directors' Report

The directors present their report and accounts for the year ended 31 July 2012

Principal activities

The company's principal activity is that of professional football

Review of the business

The Directors report a loss before tax for the year of £8,771,007 (2011 loss £20,471,924) and consider the company's future prospects to be satisfactory. No dividend is recommended.

The financial year ended 31 July 2012 represented the 2011/2012 season. The Club finished 8 in the Championship League, with 68 points. Key performance indicators are used to measure and evaluate company performance and to monitor various activities. The main key performance indicators employed in the company are

	2012	2011
Turnover	£ 11,042,457	£ 11,448,066
Gross loss	£ 16,302,894	£ 18,269,243
Loss before tax	£ 8,771,007	£ 20,471,924
Staff costs	£ 19,005,220	£ 21,208,560
Net debt	£ 48,752,420	£ 40,485,134
Average league home attendance	18,790	21,170

Directors

The following persons served as directors during the year

Dr A Allam
E Allam
M Maguire (until 23 December 2011)

Directors' responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, 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 accounts,
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Hull City Association Football Club (Tigers) Limited

Registered number: 4032392

Directors' Report

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- 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.

This report was approved by the board on 3 December 2012 and signed on its behalf



Dr A Allam
Director

The Hull City Association Football Club (Tigers) Limited
Independent auditors' report
to the shareholders of The Hull City Association Football Club (Tigers) Limited

We have audited the accounts of The Hull City Association Football Club (Tigers) Limited for the year ended 31 July 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the accounts.

Opinion on the accounts

In our opinion the accounts

- give a true and fair view of the state of the company's affairs as at 31 July 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

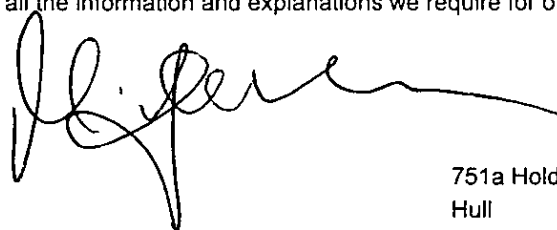
In our opinion the information given in the Directors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the accounts 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.

Mark Jackson
(Senior Statutory Auditor)
for and on behalf of
Jacksens
Accountants and Statutory Auditors
3 December 2012



751a Holderness Road
Hull
East Yorkshire
HU8 9AR

The Hull City Association Football Club (Tigers) Limited
Profit and Loss Account
for the year ended 31 July 2012

	Notes	2012 £	as restated 2011 £
Turnover	1	11,042,457	11,448,066
Cost of sales		(23,711,011)	(23,849,750)
Amortisation of player registrations		(3,634,340)	(5,867,559)
Gross loss		<u>(16,302,894)</u>	<u>(18,269,243)</u>
Administrative expenses		(4,012,542)	(5,654,026)
Operating loss	5	<u>(20,315,436)</u>	<u>(23,923,269)</u>
Exceptional items			
Profit/(loss) on the disposal of player registrations	6	606,740	(8,331,518)
Parachute payments	6	13,015,766	15,563,196
(Loss) on loan write offs	6	-	(2,824,694)
		<u>13,622,506</u>	<u>4,406,984</u>
		(6,692,930)	(19,516,285)
Interest receivable		-	2,723
Interest payable	9	(2,078,077)	(958,362)
Loss on ordinary activities before taxation		<u>(8,771,007)</u>	<u>(20,471,924)</u>
Tax on loss on ordinary activities	10	-	-
Loss for the financial year		<u>(8,771,007)</u>	<u>(20,471,924)</u>

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the loss for the above two financial years

The Hull City Association Football Club (Tigers) Limited
Balance Sheet
as at 31 July 2012

	Notes	2012 £	2011 £
Fixed assets			
Intangible assets	11	3,212,076	4,779,773
Tangible assets	12	<u>562,939</u>	<u>455,386</u>
		3,775,015	5,235,159
Current assets			
Stocks	13	342,301	298,545
Debtors	14	6,274,323	6,664,370
Cash at bank and in hand		<u>79,250</u>	<u>520,567</u>
		6,695,874	7,483,482
Creditors amounts falling due within one year			
Allamhouse Limited and directors loan	15	(8,675,517)	(10,169,633)
	15	(48,831,670)	(41,005,701)
		<u>(57,507,187)</u>	<u>(51,175,334)</u>
Net current liabilities		(50,811,313)	(43,691,852)
Total assets less current liabilities		<u>(47,036,298)</u>	<u>(38,456,693)</u>
Provisions for liabilities			
Other provisions	16	(873,638)	(682,236)
Net liabilities		<u>(47,909,936)</u>	<u>(39,138,929)</u>
Capital and reserves			
Called up share capital	17	1,316,001	1,316,001
Profit and loss account	18	(49,225,937)	(40,454,930)
Shareholders' funds	19	<u>(47,909,936)</u>	<u>(39,138,929)</u>



Dr A Allam
Director

Approved by the board and authorised for issue on 3 December 2012 and signed on their behalf by
Dr A Allam

Registered Number
4032392

The Hull City Association Football Club (Tigers) Limited
Cash Flow Statement
for the year ended 31 July 2012

	Notes	2012 £	2011 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating loss		(20,315,436)	(23,923,269)
Depreciation and amortisation		3,915,369	6,045,409
(Increase)/decrease in stocks		(43,756)	103,991
Decrease in debtors		390,047	388,814
Decrease in creditors		(1,302,714)	(15,482,805)
Parachute payments		13,015,766	15,563,196
Net cash outflow from operating activities		<u>(4,340,724)</u>	<u>(17,304,664)</u>
CASH FLOW STATEMENT			
Net cash outflow from operating activities		(4,340,724)	(17,304,664)
Returns on investments and servicing of finance	20	(2,078,077)	(955,639)
Capital expenditure	20	<u>(1,848,485)</u> <u>(8,267,286)</u>	<u>(5,458,787)</u> <u>(23,719,090)</u>
Financing	20	7,825,969	24,084,572
(Decrease)/increase in cash		<u>(441,317)</u>	<u>365,482</u>
Reconciliation of net cash flow to movement in net debt			
(Decrease)/increase in cash in the period		(441,317)	365,482
Increase in debt and lease financing		(7,825,969)	(24,084,572)
Change in net debt	21	<u>(8,267,286)</u>	<u>(23,719,090)</u>
Net debt at 1 August		<u>(40,485,134)</u>	<u>(16,766,044)</u>
Net debt at 31 July		<u>(48,752,420)</u>	<u>(40,485,134)</u>

The Hull City Association Football Club (Tigers) Limited
Notes to the Accounts
for the year ended 31 July 2012

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards

Turnover

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

Depreciation

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

Fixtures and fittings	over 2/3/4/5/10 years on a straight line basis
Motor vehicles	33% per annum

Stocks

Stock is valued at the lower of cost and net realisable value. Cost is the purchase price of the goods plus the cost of carriage. Net realisable value is based on estimated selling price less all costs.

Deferred taxation

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes.

Deferred tax is calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

The Hull City Association Football Club (Tigers) Limited
Notes to the Accounts
for the year ended 31 July 2012

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Parachute payments

Parachute payments received from the Premier League are shown in exceptional items due to their size and incidence. They are paid to relegated clubs to enable them to re-structure their finances, commensurate with the income generated in the Championship League.

2 Player registrations

Players transfer fees and related costs of player registrations are capitalised as intangible fixed assets and are amortised over the period of the players contracts. Coaching staff contracts are also capitalised. Where there has been an impairment in value provisions are made to reflect this.

Purchased goodwill was amortised over a period of ten years.

3 Grants

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

4 Going concern

The accounts are prepared on the going concern basis which assumes the business will continue to trade for the foreseeable future. The company made a loss for the year of £8,771,007 and at the year end had a net deficit of £47,909,936. The holding company has provided funds to meet all trading obligations and will continue to support the company. In the opinion of the directors it is correct to prepare the accounts on this basis.

5 Operating loss

	2012	2011
	£	£
This is stated after charging		
Depreciation of owned fixed assets	281,029	150,537
Depreciation of assets held under finance leases and hire purchase contracts	-	10,000
Amortisation of goodwill	-	17,314
Amortisation of player costs	3,634,340	5,867,559
Management charges from Allamhouse Limited	112,000	42,000
Operating lease rentals - motor vehicles	56,204	172,412
Operating lease rentals - land buildings	428,724	389,743
Auditors' remuneration for audit services	6,000	8,500
Auditors' remuneration for other services	-	1,500

The Hull City Association Football Club (Tigers) Limited
Notes to the Accounts
for the year ended 31 July 2012

6 Exceptional items	2012	2011
	£	£
Parachute payment	13,015,766	15,563,196
Gain/(loss) on disposal of player registrations	606,740	(8,331,518)
	<u>13,622,506</u>	<u>7,231,678</u>
Loans written off	-	(2,824,694)
	<u>13,622,506</u>	<u>4,406,984</u>

7 Directors' emoluments	2012	2011
	£	£
Remuneration	37,702	166,684
Compensation for loss of office	-	37,600
	<u>37,702</u>	<u>204,284</u>
Highest paid director		
Remuneration	<u>37,702</u>	<u>87,676</u>

The Chairman and Vice Chairman are employed by the parent company, Allamhouse Limited, by whom the Club are charged quarterly management fees as shown in Note 5

8 Staff costs	2012	2011
	£	£
Wages and salaries	16,914,546	18,787,899
Social security costs	2,076,977	2,404,354
Other pension costs	13,697	16,307
	<u>19,005,220</u>	<u>21,208,560</u>

Average number of employees during the year	Number	Number
Players and coaches	89	92
Administration	29	37
Sales and marketing	18	21
	<u>136</u>	<u>150</u>

9 Interest payable	2012	2011
	£	£
Bank loans and overdrafts	-	113,280
Other loans	2,078,077	842,617
Finance charges payable under finance leases and hire purchase contracts	-	2,465
	<u>2,078,077</u>	<u>958,362</u>

The Hull City Association Football Club (Tigers) Limited
Notes to the Accounts
for the year ended 31 July 2012

10 Taxation	2012	2011
	£	£
Analysis of charge in period		
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows

	2012	2011
	£	£
Loss on ordinary activities before tax	<u>(8,771,007)</u>	<u>(20,471,924)</u>
Standard rate of corporation tax in the UK	24%	27%
Profit on ordinary activities multiplied by the standard rate of	£	£
	(2,105,042)	(5,527,419)
Effects of		
Unutilised tax losses carried forward	2,065,557	4,594,147
Depreciation in excess of capital allowances	34,981	14,918
Expenses not deductible for tax purposes	4,504	918,354
Current tax charge for period	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

The company has losses available to carry forward against future profits of £33,146,015 (2011 £35,175,599), after surrendering losses of £10,636,072 to group companies

The Hull City Association Football Club (Tigers) Limited
Notes to the Accounts
for the year ended 31 July 2012

11 Intangible fixed assets	Players, transfer fees and related costs	Goodwill	£
Goodwill			
Cost			
At 1 August 2011	18,149,079	296,814	18,445,893
Additions	2,387,000	-	2,387,000
Disposals	(8,924,422)	-	(8,924,422)
At 31 July 2012	<u>11,611,657</u>	<u>296,814</u>	<u>11,908,471</u>
Amortisation			
At 1 August 2011	13,369,306	296,814	13,666,120
Provided during the year	1,621,305		1,621,305
Impairment provision	2,013,035		2,013,035
On disposals	(8,604,065)	-	(8,604,065)
At 31 July 2012	<u>8,399,581</u>	<u>296,814</u>	<u>8,696,395</u>
Net book value			
At 31 July 2012	<u>3,212,076</u>	<u>-</u>	<u>3,212,076</u>
At 31 July 2011	<u>4,779,773</u>	<u>-</u>	<u>4,779,773</u>

12 Tangible fixed assets

	Motor vehicles	Fixtures, fittings, tools and equipment	Total
	£	£	£
Cost			
At 1 August 2011	16,851	899,135	915,986
Additions	305,464	133,913	439,377
Disposals	(69,945)	-	(69,945)
At 31 July 2012	<u>252,370</u>	<u>1,033,048</u>	<u>1,285,418</u>
Depreciation			
At 1 August 2011	13,480	447,120	460,600
Charge for the year	96,147	184,882	281,029
On disposals	(19,150)	-	(19,150)
At 31 July 2012	<u>90,477</u>	<u>632,002</u>	<u>722,479</u>
Net book value			
At 31 July 2012	<u>161,893</u>	<u>401,046</u>	<u>562,939</u>
At 31 July 2011	<u>3,371</u>	<u>452,015</u>	<u>455,386</u>
		2012	2011
		£	£
Net book value of fixed assets included above held under finance leases and hire purchase contracts		<u>-</u>	<u>20,833</u>

The Hull City Association Football Club (Tigers) Limited
Notes to the Accounts
for the year ended 31 July 2012

13 Stocks	2012	2011
	£	£
Finished goods and goods for resale	<u>342,301</u>	<u>298,545</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material

14 Debtors	2012	2011
	£	£
Trade debtors	1,137,937	1,172,277
Amounts owed by group undertakings and undertakings in which the company has a participating interest	4,271,257	3,966,054
Other debtors	61,745	726,959
Prepayments and accrued income	803,384	792,429
Directors loan account	-	6,651
	<u>6,274,323</u>	<u>6,664,370</u>

15 Creditors amounts falling due within one year	2012	2011
	£	£
Trade creditors	3,012,234	4,365,982
Other taxes and social security costs	1,607,562	978,237
Other creditors	3,098	6,186
Accruals and deferred income including season tickets in advance	<u>4,052,623</u>	<u>4,819,228</u>
	<u>8,675,517</u>	<u>10,169,633</u>
Directors Loan (see note 24)	825,000	-
Amounts owed to parent company - Allamhouse Limited	<u>48,006,670</u>	<u>41,005,701</u>
	<u>48,831,670</u>	<u>41,005,701</u>
	<u>57,507,187</u>	<u>51,175,334</u>

Interest at 5% per annum is payable on the Parent company loan. There is no set repayment date.

The Hull City Association Football Club (Tigers) Limited
Notes to the Accounts
for the year ended 31 July 2012

16 Provisions for liabilities

	£
At 1 August 2011	682,236
Provisions made in year	191,402
	<hr/>
At 31 July 2012	873,638

A provision of £873,638 has been made in respect of potential tax liabilities arising from an ongoing HMRC enquiry

17 Share capital	Nominal value	2012 Number	2012 £	2011 £
Allotted, called up and fully paid Ordinary shares	£1 each	1,316,001	<u>1,316,001</u>	<u>1,316,001</u>

18 Profit and loss account

	2012 £
At 1 August 2011	(40,454,930)
Loss for the financial year	(8,771,007)
	<hr/>
At 31 July 2012	<u>(49,225,937)</u>

19 Reconciliation of movement in shareholders' funds

	2012 £	2011 £
At 1 August	(39,138,929)	(18,667,005)
Loss for the financial year	(8,771,007)	(20,471,924)
	<hr/>	<hr/>
At 31 July	<u>(47,909,936)</u>	<u>(39,138,929)</u>

The Hull City Association Football Club (Tigers) Limited
Notes to the Accounts
for the year ended 31 July 2012

20 Gross cash flows	2012	2011
	£	£
Returns on investments and servicing of finance		
Interest received	-	2,723
Interest paid	(2,078,077)	(955,897)
Interest element of finance lease rental payments	-	(2,465)
	<u>(2,078,077)</u>	<u>(955,639)</u>
Capital expenditure		
Payments to acquire players	(2,387,000)	(5,730,354)
Payments to acquire tangible fixed assets	(439,377)	(92,835)
Receipts from sales of playing staff	927,097	364,402
Receipts from sales of tangible fixed assets	50,795	-
	<u>(1,848,485)</u>	<u>(5,458,787)</u>
Financing		
Loans received from Allamhouse Limited - parent company	7,000,969	41,000,000
Directors Loan	825,000	-
Loan repayments	-	(16,898,761)
Capital element of finance lease rental payments	-	(16,667)
	<u>7,825,969</u>	<u>24,084,572</u>

21 Analysis of changes in net debt

	At 1 Aug 2011	Cash flows	Non-cash changes	At 31 Jul. 2012
	£	£	£	£
Cash at bank and in hand	520,567	(441,317)		79,250
Directors loan		(825,000)		(825,000)
Group loans	(41,005,701)	(7,000,969)		(48,006,670)
		(7,825,969)		
Total	<u>(40,485,134)</u>	<u>(8,267,286)</u>	<u>-</u>	<u>(48,752,420)</u>

The Hull City Association Football Club (Tigers) Limited
Notes to the Accounts
for the year ended 31 July 2012

22 Other financial commitments

At the year end the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2012 £	Land and buildings 2011 £	Other 2012 £	Other 2011 £
Operating leases which expire within one year	-	-	750	27,913
in over five years	471,590	428,718	-	-
	<u>471,590</u>	<u>428,718</u>	<u>750</u>	<u>27,913</u>

23 Contingent liabilities

At the year end the company had future obligations in respect of payments to players, depending on appearances and results, amounting to £2,528,333

24 Related party transactions

2012
£

2012
£

Tiger Holdings Limited

Former parent company, controlled by RD Bartlett

On the change of ownership of the Club a loan outstanding from this company was written off

- 2,944,647

A Allam has made an interest free loan to the company of £825,000 with no fixed repayment date

25 Ultimate controlling party

The parent company is Allamhouse Limited, a company incorporated in Great Britain and registered in England and Wales, controlled by Dr A Allam

26 Restatement of prior year

The prior year profit and loss account has been restated with the Premier League parachute payments being shown as an exceptional income, in accordance with accounting policies