Registered number 04032392

Hull City Tigers Limited
Report and Accounts
30 June 2014

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Hull City Tigers Limited Report and accounts Contents

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Hull City Tigers Limited Company Information

Directors

Dr A Allam E Allam

Auditors

Jacksons 751a Holderness Road Hull . East Yorkshire HU8 9AR

Registered office KC Stadium West Park Hull East Yorkshire **HU3 6HU**

Registered number 04032392

Hull City Tigers Limited

Registered number:

04032392

Directors' Report

The directors present their report and accounts for the period ended 30 June 2014.

Principal activities

The company's principal activity is that of professional football.

Review of the business

See the strategic report.

Future developments

See the strategic report.

Dividends

No dividends are payable.

Directors

The following persons served as directors during the period:

Dr A Allam

E Allam

NP Thompson (resigned 31 December 2013)

Hull City Tigers Limited

Registered number:

04032392

Directors' Report

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 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 1 October 2014 and signed on its behalf.

Dr A Allam Director

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Hull City Tigers Limited Registered number: Strategic Report

04032392

Review of the business

The Directors report a profit before tax for the year of £9,409,419 (2013 loss £25,628,171) and consider the company's future prospects to be satisfactory.

The financial period ended 30th June 2014 represented the 2013/2014 season. 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:

	2014 £	2013 £
Turnover	84,482,441	11,075,152
Gross profit/(loss)	22,033,829	(26,102,168)
Profit/(loss) before tax	9,409,419	(25,628,171)
Staff costs	43,322,596	25,894,221
Net debt	64,848,406	72,169,455
Average league home attendance	24,112	17,368

During the period a provision of £6,332,562 was made against amounts due from the group company Superstadium Management Company Limited (SMC). This company operates the stadium and holds the leasehold of the stadium, as granted to it by Kingston upon Hull City Council. Previous owners of the football club charged the leasehold to obtain mortgages from the Royal Bank of Scotland. Ultimately, these mortgages have had to be met by SMC, and amounts owed to the company are unlikely to be recovered.

Future Developments

After the year end, in order to continue the very successful season had by the club, new signings costing in excess of £47 million have been made.

This report was approved by the board on 1 October 2014 and signed on its behalf.

Dr A Allam

Director

Hull City Tigers Limited Independent auditors' report to the shareholders of Hull City Tigers Limited

We have audited the accounts of Hull City Tigers Limited for the period ended 30 June 2014 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. In addition, we read all the financial and non-financial information in the directors report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 30 June 2014 and of its profit for the period 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 and the Strategic Report for the financial period 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

Jacksons

Accountants and Statutory Auditors

1 October 2014

751a Holderness Road

Huli

East Yorkshire HU8 9AR

Hull City Tigers Limited Profit and Loss Account for the period from 1 August 2013 to 30 June 2014

	Notes	2014 £	2013 £
Turnover	1	84,482,441	11,075,152
Cost of sales Amortisation of player registrations Gross profit/(loss)		(52,524,304) (9,924,308) 22,033,829	(34,879,460) (2,297,860) (26,102,168)
Administrative expenses		(4,910,933)	(3,035,050)
Operating profit/(loss)	5	17,122,896	(29,137,218)
Exceptional items: Profit on the disposal of player registrations Parachute payments Provision against amounts due from Superstadium Management Company Ltd	6 6	1,700,000 (6,332,562) (4,632,562) 12,490,334	465,300 5,887,363 - - - - - - - (22,784,555)
Interest receivable Interest payable	9	3,557 (3,084,472)	(2,843,616)
Profit/(loss) on ordinary activities before taxation		9,409,419	(25,628,171)
Tax on profit/(loss) on ordinary activities	10	-	-
Profit/(loss) for the period		9,409,419	(25,628,171)

Continuing operations

None of the company's activities were acquired or discontinued during the above two periods.

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the profit/(loss) for the above two periods.

Hull City Tigers Limited Balance Sheet as at 30 June 2014

N	otes		2014 £	2013 £
Fixed assets Intangible assets Tangible assets	11 12		24,932,400 801,176 25,733,576	14,356,996 447,637 14,804,633
Current assets Stocks Debtors Cash at bank and in hand	13 14	108,150 7,052,131 2,500,114 9,660,395		153,126 9,644,202 735,052 10,532,380
Creditors: amounts falling due within one year Allamhouse Limited and directors loan	15 15	(27,662,579) (67,348,160) (95,010,739)		(25,494,060) (72,904,507) (98,398,567)
Net current liabilities			(85,350,344)	(87,866,187)
Total assets less current liabilities		÷	(59,616,768)	(73,061,554)
Creditors: amounts falling due after more than one year	16		(4,500,000)	-
Provisions for liabilities Other provisions	17		(11,920)	(476,553)
Net liabilities			(64,128,688)	(73,538,107)
Capital and reserves Called up share capital Profit and loss account	18 19	·	1,316,001 (65,444,689)	1,316,001 (74,854,108)
Shareholders' funds	20		(64,128,688)	(73,538,107)

Dr A Allam

Approved by the board and authorised for issue on 1 October 2014 and signed on their behalf by Dr A Allam.

Registered Number 04032392

Hull City Tigers Limited Cash Flow Statement for the period from 1 August 2013 to 30 June 2014

	Notes	2014 £	2013 £
Reconciliation of operating profit to net cash inflow from operating activities		2	~
Operating profit/(loss) Depreciation and amortisation Decrease in stocks Increase in debtors Increase in creditors Parachute payments		17,122,896 10,102,138 44,976 (3,740,491) 6,203,886	(29,137,218) 2,504,982 189,175 (3,369,879) 16,421,458 5,887,363
Net cash inflow/(outflow) from operating activities		29,733,405	(7,504,119)
CASH FLOW STATEMENT			
Net cash inflow/(outflow) from operating activities		29,733,405	(7,504,119)
Returns on investments and servicing of finance	21	(3,080,915)	(2,843,616)
Capital expenditure	21	<u>(19,331,081)</u> 7,321,409	(13,069,300) (23,417,035)
Financing	21	(5,556,347)	24,072,837
Increase in cash		1,765,062	655,802
Reconciliation of net cash flow to movement in net	debt		
Increase in cash in the period		1,765,062	655,802
Decrease in loan from group companies - reduction in Lloyds Bank bridging loan Repayment of director loan		4,731,347 825,000	(24,072,837)
Change in net debt	22	7,321,409	(23,417,035)
Net debt at 1 August Net debt at 30 June		(72,169,455) (64,848,046)	(48,752,420) (72,169,455)
			

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:

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

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 and amortised over the length of the contract. Where there has been an impairment in value provisions are made to reflect this.

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 profit for the year of £9,409,419 but at the period end had a net deficit of £64,128,688. 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 profit/(loss)	2014 £	2013 £
	This is stated after charging:	2	~
	Depreciation of owned fixed assets	177,830	207,122
	Amortisation of player costs	9,924,308	2,297,860
	Management charges from Allamhouse Limited	165,000	112,000
	Operating lease rentals - land buildings	425,103	508,724
	Auditors' remuneration for audit services	7,500	6,000

6	Exceptional items	2014 £	2013 £
	Parachute payment Gain on disposal of player registrations Provision against amounts due from Superstadium	1,700,000	5,887,363 465,300
	Management Company Limited	(6,332,562)	
		(4,632,562)	6,352,663
7	Directors' emoluments	2014 £	2013 £
	Remuneration	46,011	37,702
	Highest paid director: Remuneration	46,011	37,702
	The Chairman and the Vice Chairman are employed by the parent of the Club is charged monthly management fees by the parent compa		
8	Staff costs	2014 £	2013 £
	Wages and salaries	38,587,231	22,862,843
	Social security costs	4,711,039	3,007,052
	Other pension costs	24,326	24,326
		43,322,596	25,894,221
	Average number of employees during the year	Number	Number
	Players and coaches	137	102
	Administration	23	23
	Sales and marketing	25_	25
		185	150_

9	Interest payable	2014 £	2013 £
	Bank loans and overdrafts	- 2 084 472	21,647 2,821,969
	Loans from group companies	3,084,472 3,084,472	2,843,616
	Loans from group companies		

Interest is charged at various rates by group companies as follows, depending on the source of the loan and its cost:

- Lloyds Bank bridging loan	2.25%
- Parent company funds	4.00%
- External borrowing	5.00%

10	Taxation	2014 £	2013 £
	Analysis of charge in period	~	
	Tax on profit on ordinary activities		

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:

	2014 £	2013 £
Profit/(loss) on ordinary activities before tax	9,409,419	(25,628,171)
Standard rate of corporation tax in the UK	20%	20%
Profit on ordinary activities multiplied by the standard rate of	£	£
	1,881,884	(5,125,634)
Effects of: Unutilisation of tax losses brought forward Depreciation in excess of capital allowances Items not deductible for tax purposes Current tax charge for period	(3,161,882) 13,485 1,266,513	5,117,674 7,960

Factors that may affect future tax charges

The company has losses available to carry forward against future profits of £22,070,730 ($2013 \pm 45,475,921$).

11	Intangible fixed assets Goodwill:	Players, transfer fees and related costs
	Cost	£
	At 1 August 2013	21,241,937
	Additions	20,499,712
	At 30 June 2014	41,741,649
	Amortisation	·
	At 1 August 2013	6,884,941
	Provided during the period Impairment provision	9,924,308
	At 30 June 2014	16,809,249
	Net book value	
	At 30 June 2014	24,932,400
	At 31 July 2013	14,356,996

12 Tangible fixed assets

	Land and buildings £	Motor vehicles £	Plant and machinery £	Total E
Cost				
At 1 August 2013	-	164,292	1,132,715	1,297,007
Additions	450,000	48,773	57,271	556,044
Disposals	<u> </u>	(31,822)	(25,700)	(57,522)
At 30 June 2014	450,000	181,243	1,164,286	1,795,529
Depreciation				
At 1 August 2013	-	87,625	761,745	849,370
Charge for the period	500	65,547	111,783	177,830
On disposals	<u> </u>	(23,423)	(9,424)	(32,847)
At 30 June 2014	500_	129,749	864,104	994,353
Net book value				
At 30 June 2014	449,500	51,494	300,182	801,176
At 31 July 2013		76,667	370,970	447,637

13	Stocks	2014 £	2013 £
	Finished goods and goods for resale	108,150	153,126
	The difference between purchase price or production cost of stocks not material.	s and their repla	cement cost is
14	Debtors	2014 £	2013 £
	Trade debtors	6,335,935	3,110,221
	Amounts owed by group undertakings and undertakings in which the company has a participating interest Other debtors Prepayments and accrued income	404,535 127,860 183,801	4,702,679 1,083,386 747,916
		7,052,131	9,644,202
	Included within trade debtors are amounts arising from player transf	ers of £780,000	
15	Creditors: amounts falling due within one year	2014	2013
		£	£
	Trade creditors Other taxes and social security costs Other creditors Accruals and deferred income inluding season tickets in advance	9,945,537 3,948,717 299,930 13,468,395 27,662,579	14,222,880 1,499,229 158,018 9,613,933 25,494,060
	Directors Loan (see note 24) Amounts owed to group companies Allamhouse Limited and	-	825,000
	Allam Marine Limited	67,348,160 67,348,160	72,079,507 72,904,507
		95,010,739	98,398,567
	Included within trade creditors are amounts arising from player trans	sfers of £9,500,0	000.
16	Creditors: amounts falling due after one year	2014	2013
		£	£
	Trade creditors Accruals and deferred income	4,000,000 500,000	-
		4,500,000	

Included within trade creditors are amounts arising from player transfers of £4,000,000.

17 Provisions for liabilities

	At 1 August 2013 HMRC Enquiry settled in year Pension fund movement At 30 June 2014				£ 476,553 (460,297) (4,336) 11,920
	The closing provision relates to the Fo	ootball League	pension.		
18	Share capital	Nominal value	2014 Number	. 2014 £	2013 £
	Allotted, called up and fully paid: Ordinary shares	£1 each	1,316,001	1,316,001	1,316,001
19	Profit and loss account			2014 £	
	At 1 August 2013 Profit for the period			(74,854,108) 9,409,419	
	At 30 June 2014			(65,444,689)	
20	Reconciliation of movement in share	reholders' fun	nds	2014 £	2013 £
	At 1 August Profit/(loss) for the financial period			(73,538,107) 9,409,419	(47,909,936) (25,628,171)
	At 30 June			(64,128,688)	(73,538,107)

21	Gross cash flows		2014 £	2013 £
	Returns on investments and servicing of finance interest received interest paid	e	3,557 (3,084,472) (3,080,915)	(2,843,616) (2,843,616)
	Capital expenditure Payments to acquire players Payments to acquire tangible fixed assets Receipts from sales of playing staff Receipts from sales of tangible fixed assets		(20,499,712) (556,044) 1,700,000 24,675 (19,331,081)	(13,442,780) (137,513) 465,300 45,693 (13,069,300)
	Financing Loans (repaid)/received from Allamhouse Limited - Lloyds Bank bridging loan Directors Loan repaid	reduction in	(4,731,347) (825,000) (5,556,347)	24,072,837
22	Analysis of changes in net debt	At 1 Aug 2013	Cash flows	At 30 Jun 2014
		£	£	£
	Cash at bank and in hand	735,052	1,765,062	2,500,114
	Directors loan Group loans	(825,000) (72,079,507)	825,000 4,731,347 5,556,347	- (67,348,160)
	Total	(72,169,455)	7,321,409	(64,848,046)

23 Other financial commitments

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

	Land and buildings 2014 £	Land and buildings 2013	Other 2014 £	Other 2013 £
Operating leases which expire:				
in over five years	475,519	552,076		

24 Contingent liabilities

At the year end the company had future obligations in respect of payments to players, depending on appearances and results, amounting to £3,376,000.

25 Ultimate controlling party

The parent company is Allamhouse Limited, a company incorporated in Great Britain and registered in England and Wales under company number 07042898. The company is controlled by Dr A Allam.

Hull City Tigers Limited Profit and Loss Account for the period from 1 August 2013 to 30 June 2014

for the information of the directors only

	2014 £	2013 £
Sales	84,482,441	11,075,152
Cost of sales Amortisation of player registrations	(52,524,304) (9,924,308)	(34,879,460) (2,297,860)
Gross profit/(loss)	22,033,829	(26,102,168)
Administrative expenses	(4,910,933)	(3,035,050)
Operating profit/(loss)	17,122,896	(29,137,218)
Exceptional items Interest receivable Interest payable	(4,632,562) 3,557 (3,084,472)	6,352,663 (2,843,616)
Profit/(loss) before tax	9,409,419	(25,628,171)

Hull City Tigers Limited Schedule to the Profit and Loss Account for the period from 1 August 2013 to 30 June 2014

for the information of the directors only		
	2014	2013
·	£	£
Sales		
Attendance	7,713,180	5,107,800
Other match day	4,147,807	701,913
TV and FL distributions	68,165,658	2,244,731
Commercial	2,843,883	1,667,525
Retail	1,225,446	1,064,064
Catering concession	386,467	285,119
Other		4,000
	84,482,441	11,075,152
Cost of sales	•	
Match day	5,302,645	2,609,807
Players, managers and coaches	46,562,717	31,156,610
Retail	658,942	1,113,043
	52,524,304	34,879,460
Administrative expenses		
Employee costs:		
Wages and salaries	888,746	608,340
Youth development	405,477	666,601
Stadium	2,183,229	989,740
General	1,433,481	770,369
 	4,910,933	3,035,050
		'''