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Registered number
04032392

Hull City Tigers Limited

Report and Accounts

30 June 2015

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Hull City Tigers Limited
Report and accounts
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Hull City Tigers Limited

Company Information

Directors

Dr A Allam

E Allam

Auditors

Jacksons

First Floor

Albion House

Albion Street

Hull

HU1 3TE

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 year ended 30 June 2015.

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 year:

Dr A Allam

E Allam

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.

Hull City Tigers Limited

Registered number:

04032392

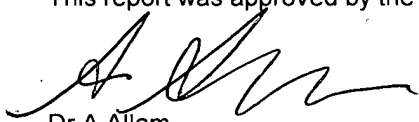
Directors' Report

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 2 October 2015 and signed on its behalf.



Dr A Allam
Director

Hull City Tigers Limited

Registered number:

04032392

Strategic Report

Review of the business

The Directors report a profit before tax for the year of £11,549,445 (2014 £9,409,419) and consider the company's future prospects to be satisfactory.

The financial period ended 30th June 2015 represented the 2014/2015 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:

	2015 £	2014 £
Turnover	84,090,338	84,482,441
Gross profit/(loss)	4,204,287	22,033,829
Profit/(loss) before tax	11,549,445	9,409,419
Staff costs	55,611,076	43,322,596
Net debt	77,424,697	64,848,046
Average league home attendance	23,557	24,112

Future Developments

Our strategy is to regain Premier League status by the end of the 2015/2016 season. We will do this by retaining the services of Steve Bruce who is an International Football League Manager. Last season our squad included 16 players with Premier League experience. We let 4 players leave at the end of the season and have retained 12 players with Premier League experience. Our squad includes 11 players who represent their national teams. This is in additions to prospective players from our Academy.

An element of our strategy includes the development of Hull Tigers Academy which was promoted last season to a Category 2 academy as a result of investment in a new building and the training ground.

This report was approved by the board on 2 October 2015 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 year ended 30 June 2015 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 and the strategic report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in performing the audit. 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 2015 and of its profit 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

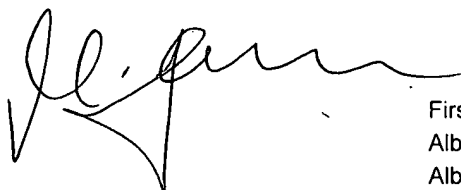
In our opinion the information given in the Directors' Report and the Strategic Report for the financial year for which the accounts are prepared is consistent with the accounts.

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
2 October 2015



First Floor
Albion House
Albion Street
Hull
HU1 3TE

Hull City Tigers Limited
Profit and Loss Account
for the year ended 30 June 2015

	Notes	2015 £	2014 £
Turnover	1	84,090,338	84,482,441
Cost of sales		(58,202,411)	(52,524,304)
Amortisation of player registrations		(21,683,640)	(9,924,308)
Gross profit		<u>4,204,287</u>	<u>22,033,829</u>
Administrative expenses		(5,612,872)	(4,910,933)
Operating (loss)/profit	5	<u>(1,408,585)</u>	<u>17,122,896</u>
Exceptional items:			
Profit on the disposal of player registrations	6	8,962,817	1,700,000
Provision against amounts due from Superstadium Management Company Ltd	6	<u>6,332,562</u>	<u>(6,332,562)</u>
		<u>15,295,379</u>	<u>(4,632,562)</u>
		<u>13,886,794</u>	<u>12,490,334</u>
Interest receivable		292,596	3,557
Interest payable	9	(2,629,945)	(3,084,472)
Profit on ordinary activities before taxation		<u>11,549,445</u>	<u>9,409,419</u>
Tax on profit on ordinary activities	10	-	-
Profit for the financial year		<u>11,549,445</u>	<u>9,409,419</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 profit for the above two financial years.

Hull City Tigers Limited
Balance Sheet
as at 30 June 2015

	Notes	2015 £	2014 £
Fixed assets			
Intangible assets	11	37,714,551	24,932,400
Tangible assets	12	<u>726,418</u>	<u>801,176</u>
		38,440,969	25,733,576
Current assets			
Stocks	13	209,987	108,150
Debtors	14	19,018,139	7,052,131
Cash at bank and in hand		<u>995,528</u>	<u>2,500,114</u>
		20,223,654	9,660,395
Creditors: amounts falling due within one year			
Allamhouse Limited and directors loan	15	(29,387,749)	(27,662,579)
	15	(78,420,225)	(67,348,160)
		<u>(107,807,974)</u>	<u>(95,010,739)</u>
Net current liabilities		(87,584,320)	(85,350,344)
Total assets less current liabilities		<u>(49,143,351)</u>	<u>(59,616,768)</u>
Creditors: amounts falling due after more than one year			
	16	(3,418,115)	(4,500,000)
Provisions for liabilities			
Other provisions	17	(17,777)	(11,920)
Net liabilities		<u>(52,579,243)</u>	<u>(64,128,688)</u>
Capital and reserves			
Called up share capital	18	1,316,001	1,316,001
Profit and loss account	19	(53,895,244)	(65,444,689)
Shareholders' funds	20	<u>(52,579,243)</u>	<u>(64,128,688)</u>



Dr A Allam
Director

Approved by the board and authorised for issue on 2 October 2015 and signed on their behalf by Dr A Allam.

Registered Number
04032392

Hull City Tigers Limited
Cash Flow Statement
for the year ended 30 June 2015

	Notes	2015 £	2014 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating (loss)/profit		(1,408,585)	17,122,896
Depreciation and amortisation		21,803,547	10,102,138
(Increase)/decrease in stocks		(101,837)	44,976
Increase in debtors		(5,633,446)	(3,740,491)
Increase in creditors		649,142	6,203,886
Net cash inflow from operating activities		<u>15,308,821</u>	<u>29,733,405</u>

CASH FLOW STATEMENT

Net cash inflow from operating activities		15,308,821	29,733,405
Returns on investments and servicing of finance	21	(2,337,349)	(3,080,915)
Capital expenditure	21	<u>(25,548,123)</u> <u>(12,576,651)</u>	<u>(19,331,081)</u> <u>7,321,409</u>
Financing	21	11,072,065	(5,556,347)
(Decrease)/increase in cash		<u>(1,504,586)</u>	<u>1,765,062</u>

Reconciliation of net cash flow to movement in net debt

(Decrease)/increase in cash in the period		(1,504,586)	1,765,062
Decrease in loan from group companies - reduction in Lloyds Bank bridging loan		(11,072,065)	4,731,347
Repayment of director loan		-	825,000
Change in net debt	22	<u>(12,576,651)</u>	<u>7,321,409</u>
Net debt at 1 July		<u>(64,848,046)</u>	<u>(72,169,455)</u>
Net debt at 30 June		<u>(77,424,697)</u>	<u>(64,848,046)</u>

Hull City Tigers Limited
Notes to the Accounts
for the year ended 30 June 2015

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	2% per annum on buildings
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.

Hull City Tigers Limited
Notes to the Accounts
for the year ended 30 June 2015

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.

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 £11,549,445 but at the period end had a net deficit of £52,579,243 and relies upon the continued support of its holding company. 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)

2015 **2014**
£ **£**

This is stated after charging:

Depreciation of owned fixed assets	119,907	177,830
Amortisation of player costs	21,683,640	9,924,308
Management charges from Allamhouse Limited	165,000	112,000
Operating lease rentals - land buildings	570,623	508,724
Auditors' remuneration for audit services	<u>7,500</u>	<u>7,500</u>

Hull City Tigers Limited
Notes to the Accounts
for the year ended 30 June 2015

6 Exceptional items	2015	2014
	£	£
Gain on disposal of player registrations	8,962,817	1,700,000
Provision against amounts due from Superstadium Management Company Limited	<u>6,332,562</u>	<u>(6,332,562)</u>
	<u>15,295,379</u>	<u>(4,632,562)</u>

A provision of £6,332,562 was created in 2014 to provide against amounts due from Superstadium Management Company Limited. This provision has been reversed in the current financial period because Allamhouse Limited (Parent Company) has guaranteed the amounts due from Superstadium Management Company Limited.

7 Directors' emoluments	2015	2014
	£	£
Remuneration	-	46,011
Highest paid director: Remuneration	<u>-</u>	<u>46,011</u>

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

8 Staff costs	2015	2014
	£	£
Wages and salaries	50,120,787	38,587,231
Social security costs	5,454,779	4,711,039
Other pension costs	<u>35,510</u>	<u>24,326</u>
	<u>55,611,076</u>	<u>43,322,596</u>

Average number of employees during the year	Number	Number
Players and coaches	140	137
Administration	10	23
Sales and marketing	<u>58</u>	<u>25</u>
	<u>208</u>	<u>185</u>

Hull City Tigers Limited
Notes to the Accounts
for the year ended 30 June 2015

9 Interest payable	2015	2014
	£	£
Loans from group companies	<u>2,629,945</u>	<u>3,084,472</u>

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	2015	2014
	£	£
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:

	2015	2014
	£	£
Profit on ordinary activities before tax	<u>11,549,445</u>	<u>9,409,419</u>
Standard rate of corporation tax in the UK	20%	20%
Profit on ordinary activities multiplied by the standard rate of	£	£
	2,309,889	1,881,884
Effects of:		
Unutilisation of tax losses brought forward	(1,037,879)	(3,161,882)
Depreciation in excess of capital allowances	(5,497)	13,485
Items not deductible for tax purposes	<u>(1,266,513)</u>	<u>1,266,513</u>
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 £10,548,774 (2014 £22,070,730).

Hull City Tigers Limited
Notes to the Accounts
for the year ended 30 June 2015

11 Intangible fixed assets

Goodwill:

**Players,
transfer fees
and related
costs**
£

Cost

At 1 July 2014

41,741,649

Additions

40,809,473

Disposals

(17,533,700)

At 30 June 2015

65,017,422

Amortisation

At 1 July 2014

16,809,249

Provided during the year

21,683,640

Impairment provision

-

On disposals

(11,190,018)

At 30 June 2015

27,302,871

Net book value

At 30 June 2015

37,714,551

At 30 June 2014

24,932,400

12 Tangible fixed assets

	Freehold Land and buildings £	Motor vehicles £	Plant and machinery £	Total £
Cost				
At 1 July 2014	450,000	181,243	1,164,286	1,795,529
Additions	-	3,499	41,650	45,149
At 30 June 2015	<u>450,000</u>	<u>184,742</u>	<u>1,205,936</u>	<u>1,840,678</u>
Depreciation				
At 1 July 2014	500	129,749	864,104	994,353
Charge for the year	2,000	24,405	93,502	119,907
At 30 June 2015	<u>2,500</u>	<u>154,154</u>	<u>957,606</u>	<u>1,114,260</u>
Net book value				
At 30 June 2015	<u>447,500</u>	<u>30,588</u>	<u>248,330</u>	<u>726,418</u>
At 30 June 2014	<u>449,500</u>	<u>51,494</u>	<u>300,182</u>	<u>801,176</u>

Hull City Tigers Limited
Notes to the Accounts
for the year ended 30 June 2015

13 Stocks	2015	2014
	£	£
Finished goods and goods for resale	<u>209,987</u>	<u>108,150</u>

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

14 Debtors	2015	2014
	£	£
Trade debtors	8,690,335	6,335,935
Amounts owed by group undertakings and undertakings in which the company has a participating interest	9,248,042	404,535
Other debtors	144,432	127,860
Prepayments and accrued income	<u>935,330</u>	<u>183,801</u>
	<u>19,018,139</u>	<u>7,052,131</u>

Included within trade debtors are amounts arising from player transfers of £6,000,000 (2014: £780,000)

15 Creditors: amounts falling due within one year	2015	2014
	£	£
Trade creditors	18,156,172	9,945,537
Other taxes and social security costs	3,468,596	3,948,717
Other creditors	15,413	299,930
Accruals and deferred income including season tickets in advance	<u>7,747,568</u>	<u>13,468,395</u>
	<u>29,387,749</u>	<u>27,662,579</u>
Amounts owed to group companies Allamhouse Limited and Allam Marine Limited	<u>78,420,225</u>	<u>67,348,160</u>
	<u>78,420,225</u>	<u>67,348,160</u>
	<u>107,807,974</u>	<u>95,010,739</u>

Included within trade creditors are amounts arising from player transfers of £14,624,876 (2014: £9,500,000)

Included within accruals and deferred income are amounts arising from player transfers of £3,448,855 (2014: £Nil).

16 Creditors: amounts falling due after one year	2015	2014
	£	£
Trade creditors	3,418,115	4,000,000
Accruals and deferred income	<u>-</u>	<u>500,000</u>
	<u>3,418,115</u>	<u>4,500,000</u>

Included within trade creditors are amounts arising from player transfers of £3,418,115 (2014: £4,000,000)

Hull City Tigers Limited
Notes to the Accounts
for the year ended 30 June 2015

17 Provisions for liabilities

	£
At 1 July 2014	11,920
Pension fund movement	<u>5,857</u>
At 30 June 2015	<u>17,777</u>

The closing provision relates to the Football League pension.

18 Share capital	Nominal value	2015 Number	2015 £	2014 £
Allotted, called up and fully paid:				
Ordinary shares	£1 each	1,316,001	<u>1,316,001</u>	<u>1,316,001</u>

19 Profit and loss account

	2015 £
At 1 July 2014	(65,444,689)
Profit for the financial year	11,549,445
At 30 June 2015	<u>(53,895,244)</u>

20 Reconciliation of movement in shareholders' funds

	2015 £	2014 £
At 1 July	(64,128,688)	(73,538,107)
Profit for the financial year	11,549,445	9,409,419
At 30 June	<u>(52,579,243)</u>	<u>(64,128,688)</u>

Hull City Tigers Limited
Notes to the Accounts
for the year ended 30 June 2015

21 Gross cash flows	2015	2014
	£	£
Returns on investments and servicing of finance		
Interest received	292,596	3,557
Interest paid	(2,629,945)	(3,084,472)
	<u>(2,337,349)</u>	<u>(3,080,915)</u>
Capital expenditure		
Payments to acquire players	(40,809,473)	(20,499,712)
Payments to acquire tangible fixed assets	(45,149)	(556,044)
Receipts from sales of playing staff	15,306,499	1,700,000
Receipts from sales of tangible fixed assets	-	24,675
	<u>(25,548,123)</u>	<u>(19,331,081)</u>
Financing		
Loans (repaid)/received from Allamhouse Limited - reduction in		
Lloyds Bank bridging loan	11,072,065	(4,731,347)
Directors Loan repaid	-	(825,000)
	<u>11,072,065</u>	<u>(5,556,347)</u>

22 Analysis of changes in net debt

	At 1 July 2014	Cash flows	At 30 Jun. 2015
	£	£	£
Cash at bank and in hand	2,500,114	(1,504,586)	995,528
Group loans	(67,348,160)	(11,072,065) (11,072,065)	(78,420,225)
Total	<u>(64,848,046)</u>	<u>(12,576,651)</u>	<u>(77,424,697)</u>

Hull City Tigers Limited
Notes to the Accounts
for the year ended 30 June 2015

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 2015 £	Land and buildings 2014 £	Other 2015 £	Other 2014 £
Operating leases which expire: in over five years	<u>570,623</u>	<u>475,519</u>	<u>-</u>	<u>-</u>

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 £5,061,111.

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.