

**FULHAM FOOTBALL CLUB  
(1987) LIMITED**

**DIRECTORS' REPORT AND**

**FINANCIAL STATEMENTS**

**for the year ended 30 June 1995**

Company number 2114486

BINDER HAMLYN



**FULHAM FOOTBALL CLUB (1987) LIMITED**

**DIRECTORS AND ADVISORS**

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**DIRECTORS**

JWT Hill (Chairman)  
WF Muddyman  
AM Muddyman  
DE Shrimpton  
CAF Swain

**SECRETARY**

CAF Swain

**REGISTERED OFFICE**

Craven Cottage  
Stevenage Road  
London  
SW6 6HH

**AUDITORS**

Binder Hamlyn  
20 Old Bailey  
London  
EC4M 7BH

**PRINCIPAL BANKERS**

Robert Fleming & Co Ltd  
25 Copthall Avenue  
London  
EC2R 7DR

Lloyds Bank Plc  
39 Old Bond Street  
London  
W1X 4BH

**SOLICITORS**

Frere Cholmeley Bischoff  
4 John Carpenter Street  
London  
EC4Y ONH

Roodyn Porter Manski  
Greener House  
3rd Floor  
66/68 Haymarket  
London SW1Y 4RF

## **FULHAM FOOTBALL CLUB (1987) LIMITED**

### **DIRECTORS' REPORT for the year ended 30 June 1995**

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#### **FINANCIAL STATEMENTS**

The directors present their report and financial statements for the year ended 30 June 1995.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. In assessing going concern for the purpose of preparing the financial statements, the directors have paid particular attention to the period 18 months after the balance sheet date.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

#### **PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The company's principal activity is the operation of a professional football league club.

The loss for the year before accounting for transfer fees and taxation amounted to £476,711 (1994: £168,082). After crediting net transfer fees receivable of £89,923 (1994: payable £30,795), which the company treats as a revenue item the directors considering such treatment to be prudent in view of the problems of valuing players for accounts purposes, the loss for the year amounted to £386,788 (1994: £198,877).

The directors are unable to recommend the payment of a dividend (1994: £Nil).

The directors continue to actively plan for the future development of the club.

A planning application has been submitted to the local authority outlining a substantial redevelopment of the club's ground at Craven Cottage, including the construction of private housing as well as fundamental improvement of the ground and its facilities. The directors view the proposed development as vital to the longer term success of the club.

#### **POST BALANCE SHEET EVENTS**

The directors are not aware of any events since the balance sheet date which would have a material impact in the financial statements.

## FULHAM FOOTBALL CLUB (1987) LIMITED

### DIRECTORS' REPORT for the year ended 30 June 1995

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#### FIXED ASSETS

Details of changes in fixed assets are set out in note 10 to the financial statements.

#### DIRECTORS

The directors at 30 June 1995, all of whom served throughout the year were as follows:

JWT Hill	(Chairman)
WF Muddyman	(Vice Chairman) (resigned 8 February 1996, re-appointed 6 August 1996)
AM Muddyman	(resigned 8 February 1996, re-appointed 6 August 1996)
DE Shrimpton	
CAF Swain	

The directors had no interests in the shares of the company at any time during the year.

Mr JWT Hill, Mr WF Muddyman, Mr AM Muddyman, Mr DE Shrimpton and Mr CAF Swain are also directors of the ultimate parent company and as such their interests are shown in the financial statements of that company.

#### AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Binder Hamlyn be re-appointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 12 August 1996 .



**CAF Swain**  
Director

# BINDER HAMLYN

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20 Old Bailey  
London EC4M 7BH

## **AUDITORS' REPORT**

**to the members of Fulham Football Club (1987) Limited**

We have audited the financial statements on pages 5 to 16 which have been prepared on the basis of the accounting policies set out on pages 8 and 9.

### **Respective responsibilities of directors and auditors**

As described on page 1, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### **Basis of opinion**

We conducted our audit in accordance with Auditing Standards 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.

### **Going concern**

In forming our opinion, we have considered the adequacy of the disclosures made in notes 1 and 20 to the financial statements concerning the adequacy of the company's funding, its future development and its obligations. The company meets its working capital requirement through banking facilities which are dependent on the continuing guarantees of the directors. The level of its future obligations, in part, is further dependent on renegotiation of its property tenure and realisation of its development plans. In view of the matters referred to above, there are significant doubts as to the appropriateness of the going concern basis, to which we draw your attention. Our opinion is not qualified in this respect.

# BINDER HAMLYN

**AUDITORS' REPORT** *continued*  
to the members of Fulham Football Club (1987) Limited

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'Binder Hamlyn', written in a cursive style.

Chartered Accountants  
Registered Auditors

15 August 1996

**FULHAM FOOTBALL CLUB (1987) LIMITED****PROFIT AND LOSS ACCOUNT  
for the year ended 30 June 1995**

	Notes	1995	1994
		£	£
Turnover	3	1,247,553	1,410,489
Other operating income		123,136	162,598
		1,370,689	1,573,087
External charges		(627,919)	(613,687)
Exceptional rates refund	7	54,105	-
Staff costs	4	(1,123,165)	(1,004,093)
Depreciation		(19,791)	(23,824)
Operating loss	5	(346,081)	(68,517)
Transfer fees	6	89,923	(30,795)
		(256,158)	(99,312)
Interest payable	8	(130,630)	(99,565)
Loss on ordinary activities before taxation		(386,788)	(198,877)
Tax on loss on ordinary activities	9	-	-
Loss for the year transferred to reserves	17	(386,788)	(198,877)

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

There are no recognised gains or losses other than the amounts included in profit and loss account. All profits and losses are calculated by reference to historical cost.

**CONTINUING OPERATIONS**

All of the above results derive from continuing activities and there were no acquisitions in the period.

# FULHAM FOOTBALL CLUB (1987) LIMITED

## BALANCE SHEET as at 30 June 1995

	Notes	1995	1994
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	10	49,699	31,799
<b>CURRENT ASSETS</b>			
Stocks	11	24,616	16,657
Debtors	12	191,068	146,379
Cash at bank and in hand		1,346	1,406
		217,030	164,442
<b>CREDITORS: amounts falling due within one year</b>	13	(806,516)	(698,657)
<b>Net current liabilities</b>		(589,486)	(534,215)
<b>Total assets less current liabilities</b>		(539,787)	(502,416)
<b>CREDITORS: amounts falling due after more than one year</b>	14	(1,589,925)	(1,264,558)
<b>Deferred income</b>	15	(106,291)	(82,241)
		(1,696,216)	(1,346,799)
<b>Net liabilities</b>		(2,236,003)	(1,849,215)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	2	2
Profit and loss account	17	(2,236,005)	(1,849,217)
<b>Shareholders' funds</b>	18	(2,236,003)	(1,849,215)

The financial statements on pages 5 to 16 were approved by the Board on 12 August 1996.



DE Shrimpton  
Director

**FULHAM FOOTBALL CLUB (1987) LIMITED**

**CASH FLOW STATEMENT**  
for the year ended 30 June 1995

	Notes	1995		1994 Restated	
		£	£	£	£
Net cash outflow from operating activities	22		(307,591)		(255,769)
Returns on investments and servicing of finance					
Interest paid		(127,472)		(68,714)	
Interest element of finance loan rental payments		(4,684)		-	
Net cash outflow from servicing of finance			(132,156)		(68,714)
Investing activities					
Purchase of tangible fixed assets		(1,626)		(8,169)	
Sale of tangible fixed assets		6,300		6,470	
Transfer fees paid		(33,326)		(30,795)	
Transfer fees received		128,333		-	
Net cash inflow/(outflow) from investing activities			99,681		(32,494)
Net cash outflow before financing			(340,066)		(356,977)
Financing					
Capital element of finance lease rental payments		28,202		16,350	
Additional loan		(197,000)		(182,838)	
Bank loan		(115,000)		(150,000)	
Net cash outflow from financing			(283,798)		(316,488)
(Decrease) in cash and cash equivalents	23		(56,268)		(40,489)
			(340,066)		(356,977)

# FULHAM FOOTBALL CLUB (1987) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The company meets its working capital requirements through its banking facilities. The facilities available to the company amounted to £1,135,000 (1994: £1,150,000) at the balance sheet date. Of this amount, some £750,000 is a term loan available to 2002, with £235,000 available for the same period as an 'on demand' facility repayable on demand.

The balance of £150,000 represents an overdraft facility which the company's bankers have requested be reduced by fixed amounts at specified dates. It was reduced by £50,000 in August 1995 and cleared in June 1996.

The directors have prepared projected cash flow information covering a period ending on 31 December 1996. On the basis of:

- (1) the cash flow information;
- (2) financial and other information covering the period thereafter;
- (3) the value to the company of the players' contracts;
- (4) the company's relationships with its bankers; and
- (5) the possible availability of funding from other sources of finance.

The directors consider it is likely that facilities adequate for the company's requirements will be made available. Accordingly the directors consider it appropriate to prepare the financial statements on a going concern basis.

### 2 ACCOUNTING POLICIES

#### Turnover

Turnover represents match receipts and all other income associated with the principal activity of running a professional football club and excludes value added tax. Season ticket and other revenues relating to future periods are accounted for in the period to which they relate.

#### Grants

Grants receivable in respect of ground safety and maintenance are credited to the profit and loss account in the same period as the expenditure is incurred.

#### Signing on fees

Signing on fees relating to players' contracts are charged to the profit and loss account on a payable basis. Signing on fees are considered to be part of players' emoluments packages and are included in the accounts as part of staff costs.

#### Transfer fees

Fees payable to and receivable from other football clubs on the transfer of players' registrations, together with associated costs, are dealt with through the profit and loss account in the year in which the transfer takes place. Transfer fees contingent on, for example, future appearances, are taken to the profit and loss account in the period they become payable.

## FULHAM FOOTBALL CLUB (1987) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

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#### 2 ACCOUNTING POLICIES *continued*

##### **Players' contracts**

No value has been attributed to players' contracts in the financial statements.

##### **Tangible fixed assets and depreciation**

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, which is reviewed annually. The depreciation rates used are as follows:

Ground equipment and furniture	- 10-25 % per annum
Motor vehicles	- 25 % per annum
Computer equipment	- 25 % per annum

##### **Leases and hire purchase contracts**

Assets acquired under hire or lease purchase agreements are capitalised in the balance sheet as tangible fixed assets and are depreciated in accordance with their classification. The related finance charges are charged to the profit and loss account evenly over the term of the relevant agreement.

Operating lease rentals are charged to the profit and loss account on a straight line basis over the term of the lease, except as stated in note 20.

##### **Stocks**

Stocks, which comprise of goods held for resale, are valued at the lower of cost and net realisable value.

##### **Pensions**

Eligible administrative staff of the club are members of the Football League Limited Pensions and Life Assurance Scheme. The scheme is a defined benefit scheme based on final pensionable salary with both the club and staff making contributions into the fund. Contributions to the scheme, as calculated by the actuary, are accounted for as they fall due. The assets of the scheme do not form part of these financial statements. Further details of the scheme are given in note 21 to the financial statements.

##### **Deferred taxation**

Deferred taxation, calculated on the liability basis, is provided on timing differences to the extent that a liability for the payment of such taxation is expected to arise in the foreseeable future.

##### **Compliance with accounting standards**

The financial statements have been prepared in accordance with applicable accounting standards.

# FULHAM FOOTBALL CLUB (1987) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

<b>3</b>	<b>TURNOVER</b>	<b>1995</b>	<b>1994</b>
		<b>£</b>	<b>£</b>
	Match receipts	629,753	732,947
	Football League and Football Association Distribution	223,309	239,443
	Revenue from commercial activities	394,491	438,099
		<b>1,247,553</b>	<b>1,410,489</b>

## 4 STAFF NUMBERS AND COSTS

Staff costs during the year amounted to:

Wages and salaries	962,653	881,107
Signing on fees	58,000	37,750
Social security costs	86,945	75,161
Pension costs	15,567	10,075
	<b>1,123,165</b>	<b>1,004,093</b>

The average weekly number of employees during the year was 53 made up as follows:

	<b>Number</b>	<b>Number</b>
Administrative and ground staff	16	16
Players	37	38
	<b>53</b>	<b>54</b>

None of the directors received any remuneration during the year.

## 5 OPERATING LOSS

is stated after charging:	<b>£</b>	<b>£</b>
Directors' remuneration	-	-
Auditors' remuneration	9,500	8,000
Payments under sundry operating leases (see note 20)	8,333	3,478
Depreciation		
- Owned fixed assets	6,341	10,124
- Assets under finance lease	13,450	13,700

## 6 TRANSFER FEES

Transfer fees and levies receivable/(payable)	<b>89,923</b>	<b>(30,795)</b>
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# FULHAM FOOTBALL CLUB (1987) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

<b>7</b>	<b>EXCEPTIONAL ITEMS</b>	<b>1995</b>	<b>1994</b>
		<b>£</b>	<b>£</b>
	The exceptional item represents general rates refunds for the rating years 1990-1994/5 plus interest	54,105	-

<b>8</b>	<b>INTEREST PAYABLE</b>		
	On borrowing repayable within five years:		
	Hire and lease purchase loans	4,684	2,277
	Bank overdraft and other loans	25,817	18,849
	Other interest	46,332	38,052
		<b>76,833</b>	<b>59,178</b>
	On borrowing repayable over five years:		
	Bank loan	53,797	40,387
		<b>130,630</b>	<b>99,565</b>

<b>9</b>	<b>TAXATION</b>
	No tax arises on the results for the year. The company has taxable losses available for offset against future taxable profits.

<b>10</b>	<b>TANGIBLE FIXED ASSETS</b>				
		<b>Motor vehicles</b>	<b>Computer equipment</b>	<b>Ground equipment and furniture</b>	<b>Total</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	<b>Cost</b>				
	1 July 1994	40,525	13,935	54,221	108,681
	Additions	34,500	5,858	2,933	43,291
	Disposals	(22,825)	-	-	(22,825)
	<b>30 June 1995</b>	<b>52,200</b>	<b>19,793</b>	<b>57,154</b>	<b>129,147</b>
	<b>Depreciation</b>				
	1 July 1994	27,775	11,876	37,231	76,882
	Disposals	(17,225)	-	-	(17,225)
	Charge for the year	12,400	2,276	5,115	19,791
	<b>30 June 1995</b>	<b>22,950</b>	<b>14,152</b>	<b>42,346</b>	<b>79,448</b>
	<b>Net book value</b>				
	<b>30 June 1995</b>	<b>29,250</b>	<b>5,641</b>	<b>14,808</b>	<b>49,699</b>
	<b>30 June 1994</b>	<b>12,750</b>	<b>2,059</b>	<b>16,990</b>	<b>31,799</b>

# FULHAM FOOTBALL CLUB (1987) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 10 TANGIBLE FIXED ASSETS

The net book value of fixed assets includes an amount of £36,848 (1994: £14,234) in respect of assets held under hire and lease purchase contracts.

11 STOCKS	1995 £	1994 £
Goods for resale	24,616	16,657

### 12 DEBTORS

Trade debtors	19,535	12,586
Amounts due from ultimate holding company	50	50
Taxation recoverable	17,522	17,522
Other debtors	64,962	92,955
Prepayments	88,999	23,266
	191,068	146,379

### 13 CREDITORS: amounts falling due within one year

Bank overdraft	203,521	147,313
Bank loan (note 14)	235,000	220,000
Hire and lease purchase (note 19)	14,671	8,292
Trade creditors	114,707	109,493
Other taxes and social security	109,536	70,643
Other creditors	35,584	28,503
Accruals	93,497	114,413
	806,516	698,657

### 14 CREDITORS: amounts falling due after more than one year

Bank loan	750,000	650,000
Other loan	828,085	584,754
Hire and lease purchase (note 19)	11,840	4,756
Other creditors	-	25,048
	1,589,925	1,264,558

# FULHAM FOOTBALL CLUB (1987) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 14 CREDITORS: amounts falling due after more than one year

The other loan is due to a director, WF Muddyman, is unsecured and bears interest at 1% above bank base rate. It is not repayable before 1 July 1996.

The bank loan is secured by a fixed and floating charge over the assets of the company. The amount of the loan included in note 13 is repayable on demand, the balance of £750,000 is repayable after more than five years. Interest is charged on bank borrowings at 1% over LIBOR on the long term borrowings and at 1% over base rate on bank loans due within one year.

### 15 DEFERRED INCOME

This represents payments received in advance amounting to £99,271 (1994: £82,241) in respect of season tickets for the 1995/96 season, and sales of £7,020 (1994: Nil) invoiced in advance.

16 SHARE CAPITAL	1995 Number	1994 Number
Authorised		
Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid	£	£
Ordinary shares of £1 each	2	2
17 PROFIT AND LOSS ACCOUNT	£	£
1 July 1994	(1,849,217)	(1,650,340)
Loss for the year	(386,788)	(198,877)
30 June 1995	(2,236,005)	(1,849,217)
18 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	1995 £	1994 £
Opening shareholders' funds	(1,849,215)	(1,650,338)
Loss for the financial year	(386,788)	(198,877)
Closing shareholders' funds	(2,236,003)	(1,849,215)

## FULHAM FOOTBALL CLUB (1987) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

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19	<b>HIRE AND LEASE PURCHASE CREDITORS</b>	<b>1995</b>	<b>1994</b>
		<b>£</b>	<b>£</b>
	Amounts payable:		
	Within one year	14,671	8,292
	Two to five years	11,840	4,756
		<hr/>	<hr/>
		26,511	13,048

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#### 20 FINANCIAL COMMITMENTS

##### Operating leases

At 30 June 1995 the company had an average annual commitment of £518,125 (1994: £414,500) in respect of its lease at Craven Cottage. The lease was granted for a period of ten years from 1 June 1993.

As set out in the directors' report a planning application has been submitted to the local authority in respect of a major development of the ground. The need for such a development is vital to the future success of the company and would necessarily involve a renegotiation of the tenure of the ground. Consequently rental payments are being accounted for as they fall due in the expectation that the higher levels of rental will not ultimately be payable.

##### Other commitments

Signing on fees of £57,250 (1994: £8,250) are payable to players under existing contracts of employment.

#### 21 PENSION SCHEME COMMITMENTS

The company is one of 70 participating employers in the Football League Pension and Life Assurance Scheme, a contracted-out defined benefit pension scheme.

At 30 June 1995, 1 (1994: one) of the company's employees were members of the scheme. Contributions payable by the company are 10.4% (1994: 10.4%) of the members' pensionable salary.

Playing staff are responsible for their own pension arrangements.

# FULHAM FOOTBALL CLUB (1987) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 22 RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	1995	1994
	£	£
Operating loss	(346,081)	(68,517)
Depreciation	19,791	23,824
(Profit)/loss on sale of tangible fixed assets	(700)	(1,412)
(Increase)/decrease in stocks	(7,959)	(7,121)
(Increase)/decrease in debtors	(43,523)	(21,033)
(Decrease)/increase in creditors	46,831	(164,961)
(Decrease)/increase in deferred income	24,050	(16,549)
Net cash outflow from operating activities	(307,591)	(255,769)

The comparatives have been adjusted on the cash flow statement to be consistent with the classifications used in 1995.

### 23 CASH AND CASH EQUIVALENTS

#### Balance of cash and cash equivalents

Cash at bank and in hand	1,346	1,406
Bank overdraft	(203,521)	(147,313)
	(202,175)	(145,907)

#### Change in the balance of cash and cash equivalents

1 July	(145,907)	(105,418)
Net cash (outflow) for year	(56,268)	(40,489)
30 June	(202,175)	(145,907)

#### Analysis of changes in financing during the year

	Bank loan £	Other loan £	Finance leases £
Balance at 1 July 1994	870,000	584,754	13,048
Inception of finance lease contracts	-	-	41,665
Cash inflow from financing	115,000	197,000	-
Rolled over interest on loan	-	46,331	-
Repayments of capital element of finance leases	-	-	(28,202)
	985,000	828,085	26,511

## **FULHAM FOOTBALL CLUB (1987) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

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#### **24 PARENT UNDERTAKING**

The directors regard Fulham Football Club Limited (by Guarantee), a company registered in England and Wales, as the company's ultimate parent undertaking. The group qualifies as a small-sized group under Section 248 of the Companies Act 1985 and does not prepare group accounts.