

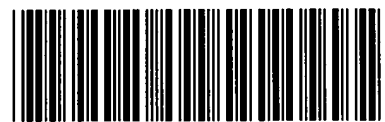
Fulham Football Leisure Limited

Annual Report and Consolidated Financial Statements

30 June 2016



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Fulham Football Leisure Limited Offices and Advisors

For the year ended 30 June 2016

Registered Office:

Fulham Football Club Training Ground
Motspur Park
New Malden
Surrey
KT3 6PT

Auditor:

KPMG LLP
15 Canada Square
London
E14 5GL

Bankers:

Metro Bank Plc
One Southampton Row
London
WC1B 5HA

Solicitor:

Squire Patton Boggs (UK) LLP
7 Devonshire Square
Cutlers Gardens
London
EC2M 4YH



Fulham Football Leisure Limited

Strategic Report

For the year ended 30 June 2016

Review of the business

The 2015/16 financial year provided many challenges as the Club continued to adapt to competing in the Football League Championship. The Group benefited from increased profits from the disposal of player registrations and reduced amortisation charges which helped to compensate for a reduction in Premier League parachute distributions. As a result, the Group's loss for the year was significantly reduced from £27.1m in 2014/15 to £12.5m in 2015/16.

This improvement in financial performance, along with the issue of £8m in new share capital to the Group's immediate parent company, resulted in the lifting of a transfer embargo imposed by the Football League in December 2015, leaving the Club free to invest in the playing squad during the summer of 2016.

Despite a somewhat disappointing 20th place league finish, the investment in playing and management staff during the year and since the year end have left the Club in a strong position to deliver a more fruitful 2016/17 Championship campaign and further the Group's overriding aim of achieving promotion back to the Premier League at the earliest opportunity.

The Group continues to explore opportunities for the redevelopment of its stadium and has commenced a significant refurbishment of the listed Craven Cottage and turnstile buildings. At the Motspur Park training ground, an extensive development programme is underway including the provision of new floodlit indoor and outdoor artificial pitches, the extension of existing buildings and improvements to natural playing surfaces, drainage and irrigation. These works will provide the facilities to support the Club's promotion ambitions and serve its EPPP category 1 Academy.

During the year to 30 June 2016, the Group saw the following changes in the key indicators of financial and non-financial performance.

<u>Indicator</u>	<u>2016</u>	<u>Year to 30 June</u>		<u>%</u>
		<u>2015</u>	<u>+/- change</u>	
Turnover (£m)	36.0	43.3	(7.3)	(16.9)
Total staff costs (£m)	36.1	37.0	(0.9)	(2.4)
Staff costs as % of revenues	100.3%	85.5%	14.8%	17.3
Net operating (loss) / profit before dep'n, amort'n & impairment (£m)	(11.3)	(7.1)	(4.2)	(59.2)
Final position in Championship	20 th	17 th	-	-
Total Championship	404,023	418,761	(14,738)	(3.5)
Average Championship	17,566	18,207	(641)	(3.5)

The Directors consider these to be the most useful measures of performance, as they link on-field performance by the team to financial results achieved by the Group.



Fulham Football Leisure Limited

Strategic Report (continued)

For the year ended 30 June 2016

Principal risks and uncertainties

The principal risk affecting the Group is its exposure to the financial impacts of changes in on the pitch performance of the Club. As experienced over recent seasons, the Club's league status has a significant impact on its revenue generating capacity, with broadcasting, sponsorship and other revenues being significantly reduced whilst playing in the Football League Championship as compared to the Premier League. The Club will see further reductions in revenue over the coming seasons as Premier League parachute distributions come to an end, unless it is able to secure promotion back to the top flight.

To mitigate this risk, the Directors have taken steps to reduce the Group's cost base, most notably its player payroll expenditure (although staff costs as % of revenues have increased), and continue to monitor financial and footballing performance so that further adjustments can be made as necessary.

In recent years and in line with forecast financial performance in coming seasons, the Group has been and will continue to be reliant on the ongoing support of its Chairman and ultimate controlling party, Mr Shahid R Khan. The Directors work closely with the Chairman to keep him informed of the financial performance and position of the business and agree future funding requirements in advance in order to ensure the ongoing viability of the Group. The Chairman and the Group's immediate parent company, Cougar Holdco London Limited, have provided written assurances that future funding will be forthcoming in accordance with agreed forecasts.

The Directors are also mindful of financial fair play regulations imposed by the Football League and other footballing bodies when preparing future operating budgets.

From time to time the Group engages in transactions in foreign currencies. These include significant player transfer agreements denominated in Euros which may include provisions for deferred settlements. In these cases, the Group's policy is to accept the risk of a movement in the exchange rate to Sterling. No forward purchases of currency are made, nor does the Group use hedging instruments.

The Directors are aware of the uncertainty created by the upcoming departure of the United Kingdom from the European Union and will continue to monitor developments in this area over the coming year to ensure that the Group is able to mitigate any negative impacts whilst maximizing any opportunities arising.

Post balance sheet events

Since the year-end the Group has acquired and disposed of a number of player registrations. The net committed expenditure from these transactions is £1.3m (2015: £1.9m)



By order of the Board

A J Mackintosh

Chief Executive

29 November 2016



Fulham Football Leisure Limited

Directors' Report

For the year ended 30 June 2016

The Directors present their report and the accounts for the year ended 30 June 2016.

Principal activities

The Group's principal activity during the period was the operation of a professional football club.

Financial Instruments

The Group does not routinely engage in complex financial instruments in the operation of its business. The Company receives funding from its parent entity under loan facilities that are repayable on demand. The Company in turn funds its own subsidiary entities, including Fulham Football Club Limited, through intercompany accounts which are undocumented and deemed to be repayable on demand. All such loans are included in creditors repayable within one year in the balance sheet.

From time to time, the Company issues new equity shares to its parent entity in exchange for the cancellation of loan balances outstanding in order to improve the financial position of the Group and comply with financial fair play regulations. However, there is no pre-existing right or obligation to do so attached to any of the loan instruments in place.

The Group enters into contracts for the purchase and sale of player registrations which may provide for the deferred payment or receipt of transfer fee installments. Such installments are measured at amortised cost using the effective interest rate method where this value is materially different to the transaction price.

Further explanation of the accounting for financial instruments is included in the accounting policies from page 15 of these financial statements.

Directors

The Directors who served during the year and up to the signing date of these financial statements are as follows:-

S R Khan

M Lamping

A J Mackintosh

S E O'Loughlin

Charitable donations

During the year, the Group donated £15,000 (2015: £15,000) to the Fulham Football Club Foundation.

Political donations

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.



Fulham Football Leisure Limited

Directors' Report (continued)

For the year ended 30 June 2016

Employees

The Directors believe that all persons, regardless of age, race, religion, sex, sexuality or disability should have equal opportunities to work and are committed to the promotion of equal opportunities within the Group.

It is the Group's policy to keep all staff informed as to the development of the business and encourage them to contribute their ideas, criticisms and comments through a management process which recognises and rewards genuine involvement in the success of the Group.

Dividends

The Directors do not recommend the payment of a dividend (2015: £nil).

Disclosure of information to auditor

Each of the Directors has confirmed that:

- (a) so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- (b) 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.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.



By order of the Board

A J Mackintosh

Chief Executive

29 November 2016.



Fulham Football Leisure Limited

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and Financial Statements

For the year ended 30 June 2016

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of their profit or loss for that period. In preparing each of the group and parent company 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



Independent Auditor's Report to the Members of Fulham Football Leisure Limited

We have audited the financial statements of Fulham Football Leisure Limited for the year ended 30 June 2016 set out on pages 9 to 39. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements 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 of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2016 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements 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.

Andrew Turner (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London
E14 5GL

30 November 2016.

Fulham Football Leisure Limited

Consolidated Profit and Loss Account and Other Comprehensive Income

For the year ended 30 June 2016

		2016	2015
	Notes	£'000	£'000
Turnover	2	35,992	43,342
Operating expenses before depreciation and amortisation	3	(47,265)	(50,434)
Operating loss before depreciation, amortisation and impairment		(11,273)	(7,092)
Depreciation and amortisation	3	(8,150)	(12,806)
Impairment	4	-	(11,255)
Operating loss after depreciation, amortisation and impairment		(19,423)	(31,153)
Profit on disposal of players' registrations		7,273	4,245
(Loss)/profit on disposal of other assets		(169)	4
Loss before interest and taxation		(12,319)	(26,904)
Net interest payable	7	(158)	(165)
Loss on ordinary activities before taxation		(12,477)	(27,069)
Taxation of (loss) on ordinary activities	8	-	-
Loss for the year		(12,477)	(27,069)
Other comprehensive income			
Revaluation of tangible fixed assets	16	6,600	-
Taxation of other comprehensive income	8	-	-
Other comprehensive income for the year, net of tax		6,600	-
Total comprehensive loss for the year		(5,877)	(27,069)

All amounts relate to continuing operations.

The notes on pages 15 to 39 form part of these financial statements.



Fulham Football Leisure Limited

Consolidated Balance Sheet

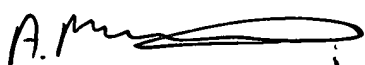
Company number: 3374347

As at 30 June 2016

	Notes	2016	2015
		£'000	£'000
Fixed assets			
Intangible assets	9	12,780	11,296
Tangible assets	10	<u>126,047</u>	<u>114,154</u>
		138,827	125,450
Current assets			
Stocks		256	295
Debtors	12	2,607	2,283
Cash at bank and in hand		<u>5,632</u>	<u>2,483</u>
		8,495	5,061
Creditors: amounts falling due within one year	13	<u>(46,102)</u>	<u>(30,446)</u>
Net current liabilities		<u>(37,607)</u>	<u>(25,385)</u>
Total assets less current liabilities		101,220	100,065
Creditors: amounts falling due after more than one year	13	(330)	(488)
Deferred income	14	(2,589)	(3,399)
Net Assets		<u>98,301</u>	<u>96,178</u>
Capital and reserves			
Called up share capital	15	275,836	267,836
Revaluation reserve	16	97,426	92,189
Profit and loss account	17	<u>(274,961)</u>	<u>(263,847)</u>
Shareholders' funds		<u>98,301</u>	<u>96,178</u>

The notes on pages 15 to 39 form part of these financial statements.

These financial statements were approved by the board of directors on 29 November 2016 and signed on its behalf by:



A J Mackintosh
Director



Fulham Football Leisure Limited

Company Balance Sheet

Company number: 3374347

As at 30 June 2016

	Notes	2016 £'000	2015 £'000
Fixed assets			
Investments	11	42,442	32,305
Current assets			
Debtors	12	4,491	821
Cash at bank and in hand		1	-
		<u>4,492</u>	<u>821</u>
Creditors: amounts falling due within one year	13	<u>(36,411)</u>	<u>(12,534)</u>
Net current liabilities		<u>(31,919)</u>	<u>(11,713)</u>
Total assets less current liabilities		<u>10,523</u>	<u>20,592</u>
Net assets		<u><u>10,523</u></u>	<u><u>20,592</u></u>
Capital and reserves			
Called up share capital	15	275,836	267,836
Profit and loss account	17	<u>(265,313)</u>	<u>(247,244)</u>
Shareholders' funds		<u><u>10,523</u></u>	<u><u>20,592</u></u>

The notes on pages 15 to 39 form part of these financial statements.

These financial statements were approved by the board of directors on 29 November 2016 and signed on its behalf by:



A J Mackintosh
Director



Fulham Football Leisure Limited

Consolidated Statement of Changes in Equity

For the year ended 30 June 2016

	Called up share capital	Revaluation reserve	Profit & loss account	Total equity
	£'000	£'000	£'000	£'000
Balance at 1 July 2014	218,059	-	(237,863)	(19,804)
Effect of change to FRS 102 (see note 26)	-	93,529	(255)	93,274
Balance at 1 July 2014 restated	218,059	93,529	(238,118)	73,470
Total comprehensive income for the period				
Profit or loss	-	-	(27,069)	(27,069)
Transfer between reserves	-	(1,340)	1,340	-
	-	(1,340)	(25,729)	(27,069)
Transactions with owners, recorded directly in equity				
Issue of shares	49,777	-	-	49,777
Total contributions by owners	49,777	-	-	49,777
Balance at 30 June 2015	267,836	92,189	(263,847)	96,178
	Called up share capital	Revaluation reserve	Profit & loss account	Total equity
	£'000	£'000	£'000	£'000
Balance at 1 July 2015	267,836	92,189	(263,847)	96,178
Total comprehensive income for the period				
Profit or loss	-	-	(12,477)	(12,477)
Other comprehensive income	-	6,600	-	6,600
Transfer between reserves	-	(1,363)	1,363	-
	-	5,237	(11,114)	(5,877)
Transactions with owners, recorded directly in equity				
Issue of shares	8,000	-	-	8,000
Total contributions by owners	8,000	-	-	8,000
Balance at 30 June 2016	275,836	97,426	(274,961)	98,301



Fulham Football Leisure Limited

Company Statement of Changes in Equity

For the year ended 30 June 2016

	Called up share capital	Profit & loss account	Total equity
	£'000	£'000	£'000
Balance at 1 July 2014	218,059	(198,384)	19,675
Effect of change to FRS 102*	-	13,890	13,890
Balance at 1 July 2014 restated	218,059	(184,494)	33,565
Total comprehensive income for the period			
Profit or loss	-	(62,750)	(62,750)
	-	(62,750)	(62,750)
Transactions with owners, recorded directly in equity			
Issue of shares	49,777	-	49,777
Total contributions by owners	49,777	-	49,777
Balance at 30 June 2015	267,836	(247,244)	20,592
	Called up share capital	Profit & loss account	Total equity
	£'000	£'000	£'000
Balance at 1 July 2015	267,836	(247,244)	20,592
Total comprehensive income for the period			
Profit or loss	-	(18,069)	(18,069)
	-	(18,069)	(18,069)
Transactions with owners, recorded directly in equity			
Issue of shares	8,000	-	8,000
Total contributions by owners	8,000	-	8,000
Balance at 30 June 2016	275,836	(265,313)	10,523

*Further details of the restatement upon the adoption of FRS102 are provided in note 26 of these financial statements



Fulham Football Leisure Limited

Consolidated Cash Flow Statement

For the year ended 30 June 2016

	2016	2015
	£'000	£'000
Cash flows from operating activities		
Loss for the year	(12,477)	(27,069)
Profit on disposal of players registrations	(7,273)	(4,245)
Loss / (profit) on disposal of other assets	169	(4)
Net interest payable	158	165
Depreciation charges	1,882	2,078
Amortisation of players' registrations	6,268	10,728
Impairment of players' registrations	-	11,255
	<u>(11,273)</u>	<u>(7,092)</u>
Decrease / (increase) in stocks	39	(115)
(Increase) / decrease in debtors	(711)	1,332
Decrease in creditors	(271)	(3,183)
Unrealised exchange gain on transfer debtors and creditors	-	(483)
Decrease in deferred income	(810)	(1,684)
	<u>(13,026)</u>	<u>(11,225)</u>
Interest paid	-	(6)
Net cash outflow from operating activities	<u>(13,026)</u>	<u>(11,231)</u>
Cash flows from investing activities		
Purchase of players' registrations	(16,041)	(28,881)
Sale of players' registrations	7,851	7,142
Sale of tangible fixed assets	4	6
Purchase of tangible fixed assets	(7,348)	(2,555)
Interest received	4	25
Net cash from investing activities	<u>(15,530)</u>	<u>(24,263)</u>
Cash flows from financing activities		
Finance lease repayments	(10)	(12)
Advance from group companies	-	23,575
Advance from immediate parent company	31,715	12,514
Net cash from financing activities	<u>31,705</u>	<u>36,077</u>
Net increase in cash and cash equivalents	3,149	583
Cash and cash equivalents at 1 July 2015	2,483	1,900
Cash and cash equivalents at 30 June 2016	<u>5,632</u>	<u>2,483</u>

The notes on pages 15 to 39 form part of these financial statements.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements

For the year ended 30 June 2016

1 Accounting policies

Fulham Football Leisure Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

In the transition to FRS 102 from old UK GAAP, the Group has made measurement and recognition adjustments. An explanation of how the transition to FRS 102 has affected financial position and financial performance of the Group is provided in note 26.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements:

- Business combinations – Business combinations that took place prior to 1 July 2014 have not been restated.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company Cash Flow Statement with related notes is included

The parent company and subsidiaries are also included in the consolidated financial statements of Cougar Holdco London Limited. As these financial statements include the equivalent disclosures, the Company has also taken the exemption under FRS 102 available in respect of the following disclosures:

- Key Management Personnel compensation.
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 24.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2016

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value:

- Freehold land and buildings are measured in accordance with the revaluation model.
- Player registrations are carried at cost less impairment based on directors' assessment of net realisable value, taking into account current conditions in the transfer market.
- Deferred installments payable / receivable on player transfer contracts are carried at amortised cost using the effective interest rate method, where the difference between this and transaction value is material.
- Trade debtors are carried at transaction value less impairment provision where there is an indication that the debt may not be recoverable.

1.2 Going concern

The Company and consolidated financial statements have been prepared on the going concern basis, notwithstanding consolidated net current liabilities of £37,607,000 (2015: £25,385,000) and a consolidated loss after tax for the year ended 30 June 2016 of £12,477,000 (2015: £27,069,000).

The Directors believe the use of the going concern basis to be appropriate, having received written indications from Mr Shahid Khan that continued funding will be made available to finance the Group's working capital requirements throughout the 2016/17 & 2017/18 football seasons and for the foreseeable future, if required, irrespective as to which league Fulham Football Club is competing in during the 2017/18 season. Although there is no legal obligation for Mr Khan to provide this continued financial support, the Directors are confident that such funding, if required, will be forthcoming.

1.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 30 June 2016. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

In the parent financial statements, investments in subsidiaries are carried at cost less impairment.

1.4 Foreign currency

Transactions in foreign currencies are translated to the Group companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. The Group does not hold any non-monetary asset or liabilities that are recorded in foreign currencies. Foreign exchange differences arising on translation are recognised in the profit and loss account.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements

For the year ended 30 June 2016

1.5 Classification of financial instruments issued by the group

In accordance with FRS 102.22, financial instruments issued by the group are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the group; and
- (b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.6 Financial instruments

All of the entities financial instruments are classified as 'Basic Financial Instruments' as defined by FRS 102 Section 11.

1.6.1 Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

1.6.2 Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.6.3 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements

For the year ended 30 June 2016

1.7 Tangible fixed assets

Freehold land and buildings are stated at fair value, less any accumulated depreciation and accumulated impairment losses.

Gains on revaluation are recognised in other comprehensive income and accumulated in equity in the revaluation reserve. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease previously recognised in profit or loss.

Losses arising on revaluation are recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity, in respect of that asset. Any excess is recognised in profit or loss.

All other classes of tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described at 1.16 below.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Plant, equipment, fixtures & fittings	3-25 years
Freehold land & buildings	10-25 years
Assets in the course of construction	Not depreciated

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements

For the year ended 30 June 2016

1.8 Business combinations

FRS 102.35 grants certain exemptions from the full requirements of FRS 102 in the transition period. The Group elected not to restate business combinations that took place prior to 1 July 2014. In respect of acquisitions prior to 1 July 2014, goodwill is included on the basis of its deemed cost, which represents the amount recorded under old UK GAAP. Intangible assets previously included in goodwill, are not recognised separately.

1.9 Intangible assets

1.9.1 Player registrations

Fees payable in connection with the transfer of players' registrations, including transfer fees and compensation payable to other clubs, agents' fees and league levies, are recorded as intangible fixed assets and stated at cost less any accumulated amortisation and accumulated impairment losses. Fees payable which are contingent on a future event are recognised at fair value, taking into account the Directors assessment of the likelihood of that event occurring during the life of the players' employment contract. Only amounts in respect of contingent events that are considered probable to occur are recognised. The probability of such events occurring is reassessed at each balance sheet date. Player registration costs are amortised over the life of the players' contract with the club. These intangible assets are written down for impairment when the carrying amount exceeds the amount recoverable through use or sale.

1.9.2 Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

1.9.3 Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Player registrations	Over the life of the contract
Goodwill	1-10 years

Goodwill is amortised on a straight line basis over its useful life. Goodwill has no residual value. The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date. Goodwill and other intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements

For the year ended 30 June 2016

1.11 Impairment excluding stocks and deferred tax assets

1.11.1 Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1.11.2 Non-financial assets

The carrying amounts of the entity's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire group of entities into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements

For the year ended 30 June 2016

1.12 Employee benefits

1.12.1 Defined contribution plans and other long term employee benefits

The Group operates an optional, contributory defined contribution pension plan for its employees. The Group pays fixed contributions on behalf of member employees to an external pension provider and has no legal or constructive obligation to pay further amounts. Obligations for contributions to the scheme are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Professional football players employed by the Group are also members of the Professional Footballers Association pension scheme which is a non-contributory scheme funded out of transfer levy payments.

1.12.2 Termination benefits

Termination benefits are recognised as an expense when the entity is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the entity has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

1.13 Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the parent Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1.14 Turnover

Turnover represents broadcasting, sponsorship, gate receipts, catering and hospitality and all other income associated with the principal activity of running a professional football club. Match related income is only recognised as revenue once the match is completed. Broadcasting and central sponsorship income is recognised in the financial year which contains the football season to which it relates. Other sponsorship income is recognised over the period of the underlying contract. Income from the loan of football players to other Clubs which is in excess of the wages paid to those players is recognised in turnover.

Income from season tickets, sponsorship, broadcasting and other commercial contracts, which has been received prior to the year end in respect of future football seasons, is treated as deferred income.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements

For the year ended 30 June 2016

1.15 Expenses

1.15.1 Operating leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

1.15.2 Finance leases

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

1.15.3 Signing-on fees

Signing on fees relating to players' contracts are charged to the profit and loss account in the period in which they become due. Signing on fees are considered to be part of players' emoluments packages and are included in these financial statements as part of staff costs.

1.15.4 Interest receivable and interest payable

Interest payable and similar charges include interest payable, finance charges on finance leases recognised in profit or loss using the effective interest method and the unwinding of the discount on provisions.

Interest receivable represents the return from on-demand deposit accounts and interest charges on the late payment of transfer fees receivable and other trade debtors.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

1.16 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements

For the year ended 30 June 2016

1.16 Taxation (continued)

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2 Turnover

	2016	2015
	£'000	£'000
Gate Receipts	5,676	7,035
Central Awards	24,343	29,198
Broadcasting	241	392
Compensation	-	151
Sponsorship and other Commercial Activities	4,691	5,214
Loan fees receivable	1,041	1,352
	35,992	43,342



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements

For the year ended 30 June 2016

3 Operating expenses

	2016	2015
	£'000	£'000
Auditors' remuneration for audit services		
- Company	10	8
- Subsidiaries	30	29
Auditor's remuneration for audit related assurance services	19	24
Staff costs	36,132	37,024
Amounts paid under operating leases		
- Plant and machinery	82	66
- Land and buildings	1	192
Other external charges	10,991	13,091
	<u>47,265</u>	<u>50,434</u>
Depreciation		
- Owned fixed assets	1,875	2,074
- Assets under finance leases	7	4
Amortisation of player registrations	6,268	10,728
	<u>8,150</u>	<u>12,806</u>
	<u>55,415</u>	<u>63,240</u>

4 Impairment

	2016	2015
	£'000	£'000
Impairment loss	-	11,255

5 Staff costs

Group staff costs during the year (including Directors' emoluments) amounted to:

	2016	2015
	£'000	£'000
Wages and salaries	31,470	32,084
Social security costs	4,345	4,612
Payments to defined contribution pension schemes	317	328
	<u>36,132</u>	<u>37,024</u>



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2016

5 Staff costs Cont.

The average monthly number of employees in the Group during the year was made up as follows:

	2016 Number	2015 Number
Administrative and ground staff	137	143
Players	67	65
	<u>204</u>	<u>208</u>
Part-time staff for match days	<u>284</u>	<u>334</u>

The Company had no staff costs during the year (2015: £Nil).

6 Directors' remuneration

No director received any remuneration from the Company during the period.

Group aggregate Directors' remuneration during the year totalled £795,000 (2015: £747,000) excluding defined contribution pension contributions of £42,000 (2015: £56,000). The highest paid Director's emoluments totalled £582,000 (2015: £555,000) excluding pension contributions of £33,000 (2015: £43,000). Retirement benefits are accruing to 2 directors (2015: 2) under defined contribution schemes.

No charge has been recognised for the services of Mr S R Khan and Mr M Lamping as this is immaterial.

7 Net interest payable

	2016 £'000	2015 £'000
Interest receivable:		
Bank interest	4	1
Other interest receivable	-	24
	<u>4</u>	<u>25</u>
Interest payable on borrowings repayable within five years:		
Term loan interest – amounts due to immediate parent company	(161)	(182)
Other charges	(1)	(8)
	<u>(162)</u>	<u>(190)</u>
Net interest payable	<u>(158)</u>	<u>(165)</u>



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2016

8 Tax on loss on ordinary activities

	2016 £'000	2015 £'000
(a) The tax for the year comprises:		
Current tax charge	-	-
Total current tax (note 8 (b))	-	-

(b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The difference is explained below:

(Loss) on ordinary activities before tax	(12,477)	(27,069)
(Loss) on ordinary activities at standard rate of corporation tax in the UK of 20% (2015: 20.75%)	(2,495)	(5,617)
Effects of:		
Expenses not deductible for tax purposes	395	551
Tax exempt revenues	(20)	-
Current year losses for which no deferred tax asset was recognised	2,120	5,066
Current tax charge for the year	-	-

(c) Factors that may affect future tax charges

At the year end, the Group has an unrecognised deferred tax asset of £45,018,000 (2015: £47,289,000), as analysed overleaf. This asset has not been recognised as the Group is currently incurring operating losses and recoverability is dependent on there being future taxable trading profits against which to offset the asset.

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. The unrecognised deferred tax asset of £45,018,000 has been calculated based on these rates.

An additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future tax charge accordingly and reduce the deferred tax asset by approximately £2,500,000.



Fulham Football Leisure Limited
Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2016

8 Tax on loss on ordinary activities (continued)

(c) Factors that may affect future tax charges (continued)

The unrecognised deferred tax asset is analysed below:

	2016	2015
	£'000	£'000
Depreciation in excess of capital allowances	2,038	1,302
Short term timing differences	196	250
Tax losses not recognised	42,784	45,737
	45,018	47,289

9 Intangible fixed assets (Group)

	Goodwill	Player registrations	Total
	£'000	£'000	£'000
Cost			
01 July 2015	2,940	66,879	69,819
Additions	-	7,943	7,943
Disposals	-	(18,047)	(18,047)
30 June 2016	2,940	56,775	59,715
Amortisation and impairment			
01 July 2015	2,940	55,583	58,523
Charge for the year	-	6,268	6,268
Disposals	-	(17,856)	(17,856)
30 June 2016	2,940	43,995	46,935
Net book amount			
30 June 2016	-	12,780	12,780
01 July 2015	-	11,296	11,296

The Company has no intangible fixed assets.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2016

10 Tangible fixed assets (Group)

	Freehold Land & Buildings £'000	Plant, Equipment, Fixtures & Fittings £'000	Assets in the Course of Construction £'000	Total £'000
Cost				
01 July 2015	108,750	9,137	5,818	123,705
Additions	917	444	5,987	7,348
Revaluations	3,898	-	-	3,898
Disposals	(170)	(168)	-	(338)
30 June 2016	113,395	9,413	11,805	134,613
Depreciation				
01 July 2015	1,340	8,211	-	9,551
Disposals	-	(165)	-	(165)
Charge for the year	1,362	520	-	1,882
Reversed on revaluation	(2,702)	-	-	(2,702)
30 June 2016	-	8,566	-	8,566
Net book amount				
30 June 2016	113,395	847	11,805	126,047
01 July 2015	107,410	926	5,818	114,154

The net book value of fixed assets above includes an amount of £13,000 (2015: £20,000) in respect of assets held under finance leases and hire purchase contracts. Depreciation charged on these assets was £7,000 (2015: £4,000).

Assets under construction are comprised primarily of property developments at the Motspur Park training ground and preliminary works for the redevelopment of the Riverside Stand as well as the refurbishment of the listed Craven Cottage and turnstile buildings at Craven Cottage.

Freehold land and buildings are valued by independent valuers every 3 years. The Directors consider whether there are any indications of material changes in valuation in the intervening years and make adjustments to the carrying amount as necessary. The latest independent valuation was carried out on 30 June 2016. The valuation was carried out on a depreciated replacement cost basis. The historical cost net book value of revalued freehold land and buildings is £13,165,000 (2015: £13,605,000).

The Company has no tangible fixed assets.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2016

11 Fixed asset investments (Company)

	Shares in group understakings £'000	Total £'000
Cost		
01 July 2015	269,600	269,600
Additions	-	-
30 June 2016	269,600	269,600
Provision		
01 July 2015	237,295	237,295
Reversal of previous impairment	(10,137)	(10,137)
30 June 2016	227,158	227,158
Net book amount		
30 June 2016	42,442	42,442
01 July 2015	32,305	32,305

At 30 June 2016, the Company owned the following principal subsidiaries all of which are incorporated in Great Britain, operate in the United Kingdom and are included within these consolidated group financial statements.

Interest in Company	Principal Activity	Ordinary shares
Fulham Football Club Limited	Operation of a professional football club	100%
Fulham Stadium Limited	Football stadium development	100%
FL Property Management Limited*	Training ground development	100%

* Owned via Fulham Stadium Limited.

The directors performed an assessment of the carrying value of the investments in subsidiaries and reduced the previous impairment in respect of the Company's investment in Fulham Stadium Limited by £10,137,000. The remaining value is supported by the net asset value of the subsidiaries.



Fulham Football Leisure Limited
Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2016

12 Debtors

	Group 2016	Group 2015	Company 2016	Company 2015
	£'000	£'000	£'000	£'000
Trade debtors	775	460	-	-
Player transfer debtors	565	952	-	-
Other debtors	15	12	-	-
Amounts due from group undertakings	-	-	4,161	231
Other taxes and social security	39	39	330	590
Prepayments and accrued income	1,213	820	-	-
	2,607	2,283	4,491	821

Amounts due from group undertakings (Fulham Football Club Limited and Fulham Stadium Limited) represent unsecured loans with no fixed repayment date. No interest is payable.

13 Creditors

	Group 2016	Group 2015	Company 2016	Company 2015
	£'000	£'000	£'000	£'000
Due within one year:				
Hire and lease purchase obligations	9	10	-	-
Trade creditors	3,524	2,916	-	-
Player transfer creditors	1,507	9,605	-	-
Amounts due to related parties	252	387	-	-
Amounts due to immediate parent company	36,400	12,524	36,400	12,524
Other taxes and social security	1,888	1,468	-	-
Accruals	2,522	3,536	11	10
	46,102	30,446	36,411	12,534

Amounts due to the Group's immediate parent undertaking (Cougar HoldCo London Limited) represent unsecured loans with no fixed repayment date. Interest is payable at 0.25% above LIBOR.

	Group 2016	Group 2015	Company 2016	Company 2015
	£'000	£'000	£'000	£'000
Due after more than one year:				
Player transfer creditors	-	-	-	-
Trade creditors	320	469	-	-
Hire and lease purchase obligations	10	19	-	-
	330	488	-	-



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2016

14 Deferred income

	Group 2016 £'000	Group 2015 £'000
Season ticket sales in advance	2,186	2,430
Commercial income and sponsorship	403	969
	<u>2,589</u>	<u>3,399</u>

15 Share capital

Group & Company Ordinary shares of £1 each	2016 '000	2015 '000
Allotted, called up and fully paid		
1 July	267,836	218,059
Issued in the period	8,000	49,777
30 June	<u>275,836</u>	<u>267,836</u>

Issue of share capital

During the year, the Company issued 8,000,000 new ordinary shares of £1 each to Cougar Holdco London Limited, the Company's immediate parent company. In consideration for these shares, loans of the same value from Cougar Holdco London Limited were cancelled.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2016

16 Revaluation reserve

	Group 2016	Group 2015
	£'000	£'000
1 July	92,189	93,529
Revaluation gain for the year	6,600	-
Transfer to profit and loss reserve	(1,363)	(1,340)
30 June	<u>97,426</u>	<u>92,189</u>

Where tangible fixed assets are revalued, the cumulative increase in the fair value of the property at the date of reclassification in excess of any previous impairment losses is included in the revaluation reserve.

The company has no revaluation reserve.

17 Profit and loss account

	Group 2016	Group 2015	Company 2016	Company 2015
	£'000	£'000	£'000	£'000
1 July	(263,847)	(238,118)	(247,244)	(184,494)
Loss for the year	(12,477)	(27,069)	(18,069)	(62,750)
Transfer from revaluation reserve	1,363	1,340	-	-
30 June	<u>(274,961)</u>	<u>(263,847)</u>	<u>(265,313)</u>	<u>(247,244)</u>

18 Operating leases

Non-cancellable operating lease rentals are payable by the Group as follows (Company: £Nil in both periods):

	Group 2016 £'000	Group 2015 £'000
Less than one year	53	56
Between one and five years	37	55
More than five years	32	-
	<u>122</u>	<u>111</u>

During the year £83,000 was recognised as an expense in the profit and loss account in respect of operating leases (2015: 258,000).



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2016

19 Capital commitments

Amounts contracted for by the Group but not provided for in the accounts in respect of tangible fixed assets amounted to £3,685,000 (2015: £140,000) (Company: £Nil in both periods).

20 Contingent transfer fees

The estimated commitment for additional transfer fees payable in respect of future possible appearances amounts to £310,000 (2015: £402,000). These amounts have not been included in the financial statements.

The Group has in place a number of transfer contracts that give rise to contingent receivables. The Directors have assessed such contracts and the Group can receive additional transfer fees in respect of future events in relation to those contracts up to a maximum of £200,000 (2015: £216,000). These amounts have not been included in the financial statements.

21 Related party transactions (Group)

During the year and the prior year there were arm's length trading transactions between the Group and Flex-N-Gate Corporation and Jacksonville Jaguars, companies incorporated in the USA and under the common control of the Group's current ultimate controlling party.

	2016	2016	2015	2015
	Purchases	Sales	Purchases	Sales
	£'000	£'000	£'000	£'000
Flex-N-Gate Corporation	-	-	-	2
Jacksonville Jaguars	5	709	-	162
Total	5	709	-	164

Balances with related parties as at 30 June 2016 are as follows:

	2016	2016	2015	2015
	Due To	Due From	Due To	Due From
	£'000	£'000	£'000	£'000
Flex-N-Gate Corporation	-	-	-	-
Fulham Football Club Foundation	252	-	387	-
Total	252	-	387	-

During the year, the Group donated £15,000 (2015: £15,000) to the Fulham Football Club Foundation. The balance outstanding as at 30 June 2016 represents donations from players received by the Group for the benefit of Fulham Football Club Foundation.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2016

21 Related party transactions (Group) (continued)

The Group received loans during the period totalling £31,715,000 (2015: £12,514,000) from Cougar HoldCo London Limited, the immediate parent company. Further information on this balance is provided in note 13.

22 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Cougar Holdco London Limited. The ultimate controlling party is Mr Shahid Khan.

The largest group in which the results of the Company and its group are consolidated is that headed by Cougar Holdco London Limited, incorporated in the United Kingdom. The consolidated financial statements of this group is available to the public and may be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.

23 Subsequent events

Since the year-end the Company has acquired and disposed of a number of player registrations. The net expenditure from these transactions is £1.3m (2015: £1.9m).

24 Accounting estimates and judgements

The Directors assessment of the carrying amount of intangible fixed assets and any related impairment is a key area of estimation uncertainty in these financial statements. The valuation of player registrations is highly subjective and can be subject to frequent and sudden change dependant on individual player performance and the general conditions in the transfer market. To mitigate the risks arising from such uncertainty, the Directors adopt a prudent approach when conducting impairment reviews.

In light of the recurring trading losses experienced by the Group and the resulting reliance on funding from the Group's ultimate controlling party, the Group's status as a going concern is also an area of potential uncertainty. Further information about the Directors considerations in this area is provided in note 1.2.

25 Long term employee benefits

Payments are made into a number of defined contribution schemes. Total contributions paid during the year amounted to £317,000 (2015: £328,000). An amount of £59,000 (2015: £31,000) remained outstanding at the balance sheet date.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2016

26 Explanation of transition to FRS 102 from old UK GAAP

As stated in note 1, these are the Group and Company's first financial statements prepared in accordance with FRS 102. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 30 June 2016 and the comparative information presented in these financial statements for the year ended 30 June 2015.

In preparing its FRS 102 balance sheet, the Group and Company have adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting, UK GAAP. An explanation of how the transition from UK GAAP to FRS 102 has affected the Group and Company's financial position and financial performance is set out in the following tables.

26.1 Impact on balance sheet (Group)

Note	1 July 2014				
	UK GAAP	Effect of transition to FRS 102			FRS 102
	£'000	26.2.1 £'000	26.2.2 £'000	26.2.3 £'000	£'000
Fixed assets					
Intangible assets	12,177	-	263	-	12,440
Tangible assets	20,118	-	-	93,529	113,647
	32,295	-	263	93,529	126,087
Current assets					
Stocks	180	-	-	-	180
Debtors	4,634	-	-	-	4,634
Cash at bank and in hand	1,900	-	-	-	1,900
	6,714	-	-	-	6,714
Creditors: amounts falling due within one year	(47,641)	(255)	(263)	-	(48,159)
Net current liabilities	(40,927)	(255)	(263)	-	(41,445)
Total assets less current liabilities	(8,632)	(255)	-	93,529	84,642
Creditors: amounts falling due after more than one year	(6,089)	-	-	-	(6,089)
Deferred income	(5,083)	-	-	-	(5,083)
Net (liabilities) / assets	(19,804)	(255)	-	93,529	73,470
Capital and reserves					
Called up share capital	218,059	-	-	-	218,059
Revaluation reserve	-	-	-	93,529	93,529
Profit and loss account	(237,863)	(255)	-	-	(238,118)
Shareholders' (deficit) / funds	(19,804)	(255)	-	93,529	73,470



Fulham Football Leisure Limited
Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2016

	30 June 2015				
	UK GAAP	Effect of transition to FRS 102			FRS 102
		26.2.1	26.2.2	26.2.3	
	£'000	£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	10,981	-	315	-	11,296
Tangible assets	20,706	-	-	93,448	114,154
	31,687	-	315	93,448	125,450
Current assets					
Stocks	295	-	-	-	295
Debtors	2,283	-	-	-	2,283
Cash at bank and in hand	2,483	-	-	-	2,483
	5,061	-	-	-	5,061
Creditors: amounts falling due within one year	(29,921)	(210)	(315)	-	(30,446)
Net current liabilities	(24,860)	(210)	(315)	-	(25,385)
Total assets less current liabilities	6,827	(210)	-	93,448	100,065
Creditors: amounts falling due after more than one year	(488)	-	-	-	(488)
Deferred income	(3,399)	-	-	-	(3,399)
Net liabilities	2,940	(210)	-	93,448	96,178
Capital and reserves					
Called up share capital	267,836	-	-	-	267,836
Revaluation reserve	-	-	-	92,189	92,189
Profit and loss account	(264,896)	(210)	-	1,259	(263,847)
Shareholders' deficit	2,940	(210)	-	93,448	96,178

26.2 Notes to the reconciliation of equity (group)

26.2.1 Short term employee benefits

An adjustment has been made at each year end to provide for the value of holiday leave accrued by employees but untaken at the balance sheet date. This has resulted in an increase in creditors falling due within one year of £210,000 at 30 June 2015 (1 July 2014: £255,000). There has been a corresponding increase in retained losses on the profit and loss account.



Fulham Football Leisure Limited

Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2016

26.2.2 Contingent transfer payables

The Group's accounting policy under UK GAAP was to recognise contingent transfer payables only when all conditions associated with the amount had been met. Under FRS 102, amounts have been recognised where, in the directors assessment, it is probable that the associated conditions will be met. This has resulted in certain amounts being recognised in intangible fixed assets at an earlier point than under the previous accounting policy. The effect of this change is to increase intangible fixed assets by £315,000 at 30 June 2015 (1 July 2014: £263,000). There is a corresponding increase in creditors due within one year.

26.2.3 Revaluation of freehold land and buildings

In accordance with FRS102, Craven Cottage Stadium and the Motspur Park Training Ground have been restated at valuation. The effect of this change in accounting policy is to increase the carrying value of the freehold to the sites by £93,448,000 at 30 June 2015 (1 July 2014: £93,529,000). The revaluation gain has been recorded in a revaluation reserve. The profit and loss account has been adjusted by the movement of the UK GAAP depreciation.

26.3 Impact on balance sheet (Company)

Note	UK GAAP £'000	1 July 2014 Effect of transition to FRS 102		FRS 102 £'000
		26.4.1 £'000	26.4.2 £'000	
Fixed assets				
Investments	18,697	13,608	-	32,305
Current assets				
Debtors	988	-	282	1,270
	988	-	282	1,270
Creditors: amounts falling due within one year	(10)	-	-	(10)
Net current assets	978	-	282	1,260
Total assets less current liabilities	19,675	13,608	282	33,565
Net assets	19,675	13,608	282	33,565
Capital and reserves				
Called up share capital	218,059	-	-	218,059
Profit and loss account	(198,384)	13,608	282	(184,494)
Shareholders' funds	19,675	13,608	282	33,565



Fulham Football Leisure Limited
Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2016

Note	30 June 2015			
	UK GAAP	Effect of transition to FRS 102		FRS 102
		26.4.1	26.4.2	
	£'000	£'000	£'000	£'000
Fixed assets				
Investments	19,474	12,831	-	32,305
Current assets				
Debtors	590	-	231	821
	590	-	231	821
Creditors: amounts falling due within one year	(12,534)	-	-	(12,534)
Net current assets/liabilities	(11,944)	-	231	(11,713)
Total assets less current liabilities	7,530	12,831	231	20,592
Net assets	7,530	12,831	231	20,592
Capital and reserves				
Called up share capital	267,836	-	-	267,836
Profit and loss account	(260,306)	12,831	231	(247,244)
Shareholders' deficit	7,530	12,831	231	20,592

26.4 Notes to the reconciliation of equity (Company)

26.4.1 Increase in investments

Following the reclassification and revaluation of investment property in Fulham Stadium Limited and Fulham Property Management Limited the directors have re-assessed the value of provisions held against investments in these subsidiaries. This has resulted in the reversal of previously recognised impairment provisions and therefore increased the carrying value of investments by £12,831,000 at 30th June 2015 (1 July 2014: £13,608,000).

26.4.2 Increase in debtors

Also following the revaluation of investment property in Fulham Stadium Limited and Fulham Property Management Limited the directors have reduced the provisions held against debtors due from Fulham Stadium Limited, increasing the carrying amount of debtors by £231,000 at 30th June 2015 (1 July 2014: £282,000).



Fulham Football Leisure Limited
Accompanying Notes to the Financial Statements (continued)

For the year ended 30 June 2016

26.5 Reconciliation of loss for the year ending 30 June 2015 (Group)

	Year ended 30 June 2015		
	UK GAAP	Effect of transiton to FRS 102	FRS 102
	£'000	£'000	£'000
Turnover	43,342	-	43,342
Operating expenses before depreciation, amortisation and impairment	(50,478)	44	(50,434)
Operating loss before depreciation, amortisation and impairment	(7,136)	44	(7,092)
Depreciation and amortisation	(12,726)	(80)	(12,806)
Impairment	(11,255)	-	(11,255)
Operating loss after depreciation, amortisation and impairment	(31,117)	(36)	(31,153)
Profit on disposal of players' registrations	4,245	-	4,245
Profit on disposal of other assets	4	-	4
Loss before interest and taxation	(26,868)	(36)	(26,904)
Net interest payable	(165)	-	(165)
Loss on ordinary activities before taxation	(27,033)	(36)	(27,069)
Taxation of loss on ordinary activities	-	-	-
Loss for the year	(27,033)	(36)	(27,069)

26.6.1 Short term employee benefits

As a result of the recognition of an accrual for holiday pay accrued but not taken at 1 July 2014 and 30 June 2015, as described at note 26.2.1, there is a corresponding adjustment to operating expenses in the year ended 30 June 2015. This amounts to a reduction in expenses of £44,000 as the balance of untaken holiday decreased during the year.

26.6.2 Depreciation and amortisation

Following the adoption of the revaluation model for freehold land and buildings as described in note 26.2.3 above, there has been an increase in the depreciation charge for the period of £80,000.

