

**THE HULL CITY ASSOCIATION  
FOOTBALL CLUB (TIGERS) LIMITED**

**Report and Financial Statements**

**31 July 2006**

THURSDAY



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31/05/2007  
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**THE HULL CITY ASSOCIATION  
FOOTBALL CLUB (TIGERS) LIMITED**

**REPORT AND FINANCIAL STATEMENTS 2006**

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**THE HULL CITY ASSOCIATION  
FOOTBALL CLUB (TIGERS) LIMITED**

**REPORT AND FINANCIAL STATEMENTS 2006**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

A F Pearson (Chairman)  
R M James  
J P Craddock  
A M Dawson

**SECRETARY**

R M James

**ASSOCIATE DIRECTORS**

J Dick  
T Boanas

**REGISTERED OFFICE**

Kingston Communications Stadium  
Walton Street  
Anlaby Road  
Hull  
HU3 6HU

**BANKERS**

Lloyds TSB Bank plc  
2 Silver Street  
Hull  
HU1 1HX

**SOLICITORS**

Walker Morris  
Kings Court  
12 King Street  
Leeds  
LS1 2HL

**AUDITORS**

Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
Leeds

# **THE HULL CITY ASSOCIATION FOOTBALL CLUB (TIGERS) LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report for the year ended 31 July 2006.

### **PRINCIPAL ACTIVITIES**

The principal activity of the company is that of professional football

### **BUSINESS REVIEW INCLUDING KEY PERFORMANCE INDICATORS AND PRINCIPAL RISKS AND UNCERTAINTIES**

The directors are pleased to report the profit for the year of £739,291 (2005 £16,349) and consider the company's future prospects to be satisfactory

The Club measures its business performance against certain key performance indicators ("KPIs") which are principally League table position, match attendance, commercial revenues, control of expenditure and cash management. Significant deterioration in any of these KPI's are the principal risks and uncertainties facing the business and so there are actively managed as below

The financial year ended 31 July 2006 represented the Club's first year in the Coca Cola Championship following promotion from League 1 the previous season, therefore much of the movement in KPIs noted in further detail below is a result of the change in League status

#### ***Revenue***

Average home league attendance for the 2005/06 season increased by 1,796 to 19,841 from the previous year. Total gate revenues (including season passes and cup games) increased from £3.9m to £4.4m. The Club finished 18<sup>th</sup> in the Coca Championship with 52 points. The Directors consider this a very satisfactory result given the back to back promotions during the previous two years.

Commercial revenues (including Football League central distributions) increased from £4.2m to £5m – an increase of £0.8m of which £0.3m relates to the increased central distribution for Championship status, and £0.5m from all other commercial income streams.

We thank our tremendous fan base and commercial partners for their continuing support which is paramount to the future success of the Club.

#### ***Expenditure***

We manage and control our cost base actively in order that the club operates efficiently so as to direct as much resource as possible to the playing squad, whilst endeavouring to deliver best value to our supporters.

Cost of sales (excluding player trading) increased by £1.15m primarily spent on player wages and supporting functions as we built the playing squad to a Championship standard. In addition, the large level of player injuries suffered during the 2005/06 season was also a contributing factor as the squad (including loan players) was enlarged to provide adequate cover.

Administrative expenses increased by £354,201 – again this is a result of investment in our 'back room' operation which was required in order to run a Championship Club and professionally service the increased attendances and commercial income streams.

#### ***Cash***

Using the recognised measure of profit (earnings) before interest, taxation, depreciation and amortisation ("EBITDA"), the year ended 31 July 2006 produced an EBITDA of £275,410 against £586,829 in 2005 as the step-up in expenditure required for the Championship was not fully recovered through turnover. Although EBITDA is lower this year, the result is still very strong.

EBITDA is a relevant measure as it is a closer approximation to cash generation than straight forward profit and loss. Any cash generated by the Club is directly invested into the playing squad and associated training facilities.

# THE HULL CITY ASSOCIATION FOOTBALL CLUB (TIGERS) LIMITED

## DIRECTORS' REPORT

### *Other*

More by way of note, as the playing squad has evolved through the various leagues over the past few years, and will continue to do so, the profit/ loss resulting from player trading becomes a more significant figure in our accounts. However we do not recognise this as a measure of business performance going forward.

### DIVIDENDS AND TRANSFERS TO RESERVES

The results for the year are set out in detail on page 6. The directors do not recommend the payment of a dividend leaving the profit of £739,291 (2005 £16,349) to be transferred to reserves.

### ENVIRONMENT

The company is committed to minimising the harm caused by its activities. The company seeks to dispose of waste in an environmentally aware way.

### EMPLOYEE INVOLVEMENT

The company maintains an open management style and involves its employees both in daily decisions and longer term matters. The company is fully committed to keeping all of its employees informed about the wider business, as well as discussing the implications of major business changes and other relevant matters.

### DIRECTORS AND THEIR INTERESTS

The directors who served during the year, together with their interests in the share capital of the company, are as follows:

	£1 Ordinary shares	
	2006	2005
A F Pearson	1,316,001	1,316,001
R M James	-	-
J P Craddock (appointed on 6 March 2006)	-	-
M Brannigan (resigned on 15 December 2005)	-	-
J S Holmes (resigned on 14 January 2006)	-	-
A M Dawson (appointed on 1 December 2006)	-	-

### AUDITORS

The directors at the date of approval of this report confirm that:

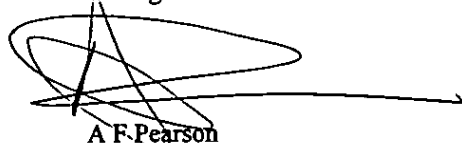
(1) so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(2) the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



A F Pearson

Director

30 May 2007

**THE HULL CITY ASSOCIATION  
FOOTBALL CLUB (TIGERS) LIMITED**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements. The directors have chosen to prepare the accounts for the company in accordance with United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare such financial statements for each financial year which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of affairs of the company and of the profit or loss of the company for that period and comply with UK GAAP and the Companies Act 1985. 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,
- state whether applicable accounting standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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 the system of internal control, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE HULL CITY ASSOCIATION FOOTBALL CLUB (TIGERS) LIMITED**

We have audited the financial statements of The Hull City Association Football Club (Tigers) Limited for the year ended 31 July 2006, which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes 1 to 22. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements within it or material inconsistencies with the financial statements.

## **Basis of audit opinion**

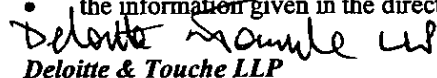
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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.

## **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 July 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

  
**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors  
Leeds, United Kingdom

30 May 2007

**THE HULL CITY ASSOCIATION  
FOOTBALL CLUB (TIGERS) LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 July 2006**

		2006		2005	
	Note	Operations excluding player trading £	Player trading £	Total £	Total £
<b>TURNOVER</b>	2	9,504,447	-	9,504,447	8,194,039
Cost of sales		(7,465,663)	(753,113)	(8,218,776)	(6,550,550)
Gross profit		<u>2,038,784</u>	<u>(753,113)</u>	<u>1,285,671</u>	<u>1,643,489</u>
Administrative expenses		<u>(1,819,243)</u>	<u>-</u>	<u>(1,819,243)</u>	<u>(1,465,042)</u>
<b>OPERATING PROFIT/(LOSS)</b>	4	219,541	(753,113)	(533,572)	178,447
Profit/(loss) on disposal of players registrations		<u>-</u>	<u>1,266,233</u>	<u>1,266,233</u>	<u>(166,310)</u>
<b>Profit before interest and taxation</b>		<u>219,541</u>	<u>513,120</u>	<u>732,661</u>	<u>12,137</u>
Interest receivable and similar income				9,321	9,986
Interest payable and similar charges	5			<u>(2,508)</u>	<u>(5,774)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>				739,474	16,349
Tax on profit on ordinary activities	6			<u>(183)</u>	<u>-</u>
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>	16			739,291	16,349
<b>RETAINED LOSS BROUGHT FORWARD</b>				<u>(3,142,771)</u>	<u>(3,159,120)</u>
<b>RETAINED LOSS CARRIED FORWARD</b>				<u>(2,403,480)</u>	<u>(3,142,771)</u>

All activities derive from continuing operations

There are no recognised gains and losses for the current and previous financial year other than as stated in the profit and loss account. Accordingly, no statement of total recognised gains and losses has been presented



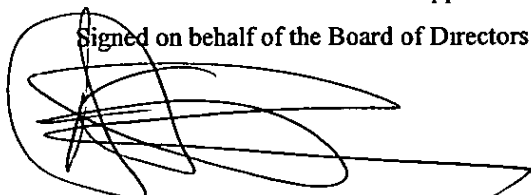
**THE HULL CITY ASSOCIATION  
FOOTBALL CLUB (TIGERS) LIMITED**

**BALANCE SHEET  
31 July 2006**

	Note	2006 £	2005 £
<b>FIXED ASSETS</b>			
Intangible assets	7	2,717,913	1,156,100
Tangible assets	8	93,479	46,010
		<u>2,811,392</u>	<u>1,202,110</u>
<b>CURRENT ASSETS</b>			
Stocks	9	274,558	201,661
Debtors	10	1,450,406	1,331,966
Cash at bank and in hand		187,381	73,867
		<u>1,912,345</u>	<u>1,607,494</u>
<b>CREDITORS: amounts falling due within one year</b>	11	<u>(5,634,556)</u>	<u>(4,620,252)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(3,722,211)</u>	<u>(3,012,758)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(910,819)	(1,810,648)
<b>CREDITORS: amounts falling due after more than one year</b>	12	<u>(176,660)</u>	<u>(16,122)</u>
<b>NET LIABILITIES</b>		<u>(1,087,479)</u>	<u>(1,826,770)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	1,316,001	1,316,001
Profit and loss account		<u>(2,403,480)</u>	<u>(3,142,771)</u>
<b>TOTAL EQUITY SHAREHOLDERS' DEFICIT</b>	16	<u>(1,087,479)</u>	<u>(1,826,770)</u>

These financial statements were approved by the Board of Directors on 30 May 2007.

Signed on behalf of the Board of Directors



A F Pearson

Director

**THE HULL CITY ASSOCIATION  
FOOTBALL CLUB (TIGERS) LIMITED**

**CASH FLOW STATEMENT**  
**Year ended 31 July 2006**

	<b>Note</b>	<b>2006 £</b>	<b>2005 £</b>
<b>Net cash inflow from operating activities</b>	<b>17</b>	<b>997,919</b>	<b>880,925</b>
<b>Returns on investments and servicing of finance</b>			
Bank interest received	9,321	9,986	
Bank overdraft interest paid	(48)	(3,315)	
Interest element of hire purchase repayments	(2,460)	(2,459)	
<b>Net cash inflow from returns on investments and servicing of finance</b>		<b>6,813</b>	<b>4,212</b>
<b>Capital expenditure</b>			
Payments to acquire intangible fixed assets	(2,428,374)	(928,435)	
Payments to acquire tangible fixed assets	(73,657)	(36,929)	
Receipts from sales of intangible fixed assets	1,350,000	-	
<b>Net cash outflow from capital expenditure</b>		<b>(1,152,031)</b>	<b>(965,364)</b>
<b>Net cash (outflow) before financing</b>		<b>(147,299)</b>	<b>(80,227)</b>
<b>Financing</b>			
New loans	265,000	-	
Capital element of hire purchase repayments	(4,187)	(4,188)	
<b>Net cash inflow/(outflow) from financing</b>		<b>260,813</b>	<b>(4,188)</b>
<b>Increase/(decrease) in cash</b>	<b>18/19</b>	<b>113,514</b>	<b>(84,415)</b>

**THE HULL CITY ASSOCIATION  
FOOTBALL CLUB (TIGERS) LIMITED**

**NOTES TO THE ACCOUNTS  
Year ended 31 July 2006**

**1. ACCOUNTING POLICIES**

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year.

**Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

**Intangible fixed assets**

Players' transfer fees and associated costs related to player registrations are capitalised as intangible fixed assets and are amortised over the period of the players' contracts including subsequent agreed extensions

Purchased goodwill is amortised over a period of ten years

**Tangible fixed assets**

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows

Fixtures and fittings	10% per annum
Motor vehicles	25% per annum

**Stocks**

Stocks which consist of goods for resale, are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving stock.

Cost is defined as the purchase price of the goods plus the cost of carriage. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs

**Taxation**

Current tax, including UK Corporation Tax, is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is measured on a non discounted basis

**THE HULL CITY ASSOCIATION  
FOOTBALL CLUB (TIGERS) LIMITED**

**NOTES TO THE ACCOUNTS**  
**Year ended 31 July 2006**

**1. ACCOUNTING POLICIES (continued)**

**Leases**

Assets obtained under finance leases and hire purchase contracts are capitalised at their fair value on acquisition and depreciated over their estimated useful lives. The capital elements of future lease and hire purchase obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the contracts to produce a constant rate of charge on the balance of capital repayments outstanding.

Operating lease rentals are charged to the profit and loss account in equal annual amounts over the lease term.

**Pension costs**

The company operates a money purchase scheme for the benefit of its employees. Contributions are charged to the profit and loss account in the period in which they are payable.

**Deferred income**

Deferred income represents income from sponsorship agreements and other contractual agreements which is credited to the profit and loss account over the period of the agreement, and season ticket renewals for the forthcoming season.

**Grants**

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

**2. TURNOVER**

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

**3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	2006 £	2005 £
<b>Directors' emoluments</b>		
Emoluments	156,660	177,171
Pension contributions	-	6,083
	<u>156,660</u>	<u>183,254</u>
	No.	No.
<b>Average number of persons employed:</b>		
Players and coaching staff	53	52
Office and administration	26	22
Sales and marketing	9	9
	<u>88</u>	<u>83</u>
	£	£
<b>Staff costs during the year (including directors):</b>		
Wages and salaries	5,230,815	4,226,698
Social security costs	590,745	425,566
Pension costs	46,665	47,026
	<u>5,868,225</u>	<u>4,699,290</u>

**THE HULL CITY ASSOCIATION  
FOOTBALL CLUB (TIGERS) LIMITED**

**NOTES TO THE ACCOUNTS  
Year ended 31 July 2006**

**4. OPERATING PROFIT/(LOSS)**

	2006 £	2005 £
<b>Operating profit/(loss) is after charging:</b>		
Depreciation and other amounts written off tangible and intangible fixed assets		
Owned assets	18,743	1,827
Leased assets	7,445	7,444
Amortisation of players and goodwill	782,794	398,931
Rentals under operating leases		
- other	312,909	279,012
Auditors' remuneration	8,500	8,000
	<u>          </u>	<u>          </u>

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	2006 £	2005 £
Bank overdraft	48	3,315
Hire purchase	2,460	2,459
	<u>          </u>	<u>          </u>
	2,508	5,774
	<u>          </u>	<u>          </u>

**6. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2006 £	2005 £
Corporation tax charge for the year and total current tax	183	-
	<u>          </u>	<u>          </u>

The standard rate of tax for the year, based on the UK standard small company rate of corporation tax is 19% (2005 19%) The actual tax charge varies from the standard rate due to the reasons set out in the following reconciliation

	2006 £	2005 £
Profit on activities before taxation	739,474	16,349
	<u>          </u>	<u>          </u>
Tax on profit on ordinary activities at standard rate	140,500	3,106
	<u>          </u>	<u>          </u>
<i>Factors affecting charge for the year</i>		
Expenses not allowable for corporation tax purposes	5,640	31,100
Capital allowances for period in excess of depreciation	(4,171)	(2,876)
Prior year losses utilised	(141,786)	(31,330)
	<u>          </u>	<u>          </u>
Total amount of current tax	183	-
	<u>          </u>	<u>          </u>

**THE HULL CITY ASSOCIATION  
FOOTBALL CLUB (TIGERS) LIMITED**

**NOTES TO THE ACCOUNTS**  
**Year ended 31 July 2006**

**6. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)**

Deferred tax assets have not been recognised in respect of timing differences relating to tax losses available for offset against future profits of the same trade, accelerated capital allowances, provisions and capital losses. Deferred tax assets have not been recognised in respect of these items as the directors are of the opinion it would not be prudent to do so.

**7. INTANGIBLE FIXED ASSETS**

	<b>Players transfer fees and related costs £</b>	<b>Goodwill £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 August 2005	1,641,685	296,814	1,938,499
Additions	2,428,374	-	2,428,374
Disposals	(246,400)	-	(246,400)
At 31 July 2006	<u>3,823,659</u>	<u>296,814</u>	<u>4,120,473</u>
<b>Accumulated amortisation</b>			
At 1 August 2005	651,307	131,092	782,399
Charge for the year	753,113	29,681	782,794
Disposals	(162,633)	-	(162,633)
At 31 July 2006	<u>1,241,787</u>	<u>160,773</u>	<u>1,402,560</u>
<b>Net book value</b>			
At 31 July 2006	<u>2,581,872</u>	<u>136,041</u>	<u>2,717,913</u>
At 31 July 2005	<u>990,378</u>	<u>165,722</u>	<u>1,156,100</u>

Transfer agreements sometimes involve additional payments or receipts depending on the future performance of the player. At 31 July 2006, possible further payments amounting to £125,000 (2005: £15,000) exist under such agreements. These are not provided for in the financial statements.

**THE HULL CITY ASSOCIATION  
FOOTBALL CLUB (TIGERS) LIMITED**

**NOTES TO THE ACCOUNTS  
Year ended 31 July 2006**

**8. TANGIBLE FIXED ASSETS**

	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 August 2005	42,285	33,500	75,785
Additions	73,657	-	73,657
	<u>115,942</u>	<u>33,500</u>	<u>149,442</u>
At 31 July 2006			
<b>Accumulated depreciation</b>			
At 1 August 2005	3,720	26,055	29,775
Charge for the year	18,743	7,445	26,188
	<u>22,463</u>	<u>33,500</u>	<u>55,963</u>
At 31 July 2006			
<b>Net book value</b>			
At 31 July 2006	93,479	-	93,479
At 31 July 2005	<u>38,565</u>	<u>7,445</u>	<u>46,010</u>

The net book value of tangible fixed asset includes £nil (2005 £7,445) in respect of assets held under hire purchase contracts

**9. STOCKS**

	2006 £	2005 £
Goods for resale	<u>274,558</u>	<u>201,661</u>

**10. DEBTORS**

	2006 £	2005 £
Trade debtors	1,156,122	516,379
Other debtors	175,899	69,320
Prepayments and accrued income	118,385	124,894
Amounts owed by related party (note 20)	-	621,373
	<u>1,450,406</u>	<u>1,331,966</u>

**THE HULL CITY ASSOCIATION  
FOOTBALL CLUB (TIGERS) LIMITED**

**NOTES TO THE ACCOUNTS**  
**Year ended 31 July 2006**

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2006 £	2005 £
Other loans (note 13)	222,340	134,000
Obligations under hire purchase contracts (note 13)	16,122	4,187
Trade creditors	1,206,885	280,750
Current corporation tax	183	-
Other taxes and social security	401,532	306,776
Other creditors	387	-
Accruals and deferred income	3,452,617	3,894,539
Amounts owed to related party (note 20)	334,490	-
	<u>5,634,556</u>	<u>4,620,252</u>

The other loan is unsecured. Obligations under hire purchase contracts are secured on the assets concerned

**12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2006 £	2005 £
Other loans	176,660	-
Obligations under hire purchase contracts (note 13)	-	16,122
	<u>176,660</u>	<u>16,122</u>

**13. BORROWINGS**

	2006 £	2005 £
Other loans	399,000	134,000
Obligations under finance leases and hire purchase contracts	16,122	20,309
	<u>415,122</u>	<u>154,309</u>

The maturity of the above amounts is as follows

	2006 £	2005 £
In one year or less, or on demand	238,462	138,187
Within one to two years	88,340	16,122
Within two to five years	88,320	-
	<u>415,122</u>	<u>154,309</u>



**THE HULL CITY ASSOCIATION  
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**NOTES TO THE ACCOUNTS**  
**Year ended 31 July 2006**

**14. PROVISIONS FOR LIABILITIES AND CHARGES**

The amounts provided in the accounts and the amounts not provided are as follows:

	<b>Provided</b>		<b>Not provided</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Depreciation in excess of capital allowances	-	-	(7,161)	(9,698)
Trading losses	-	-	(406,148)	(505,934)
	<u>-</u>	<u>-</u>	<u>(413,309)</u>	<u>(515,632)</u>
Deferred tax credit not provided	-	-	(413,309)	(515,632)
	<u>-</u>	<u>-</u>	<u>(413,309)</u>	<u>(515,632)</u>

**15. CALLED UP SHARE CAPITAL**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
2,500,000 ordinary shares of £1 each	<u>2,500,000</u>	<u>2,500,000</u>
<b>Called up, allotted and fully paid</b>		
1,316,001 ordinary shares of £1 each	<u>1,316,001</u>	<u>1,316,001</u>

**16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S DEFICIT**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Opening shareholders' deficit	(1,826,770)	(1,843,119)
Profit attributable to members of the company	<u>739,291</u>	<u>16,349</u>
Closing shareholders' deficit	<u>(1,087,479)</u>	<u>(1,826,770)</u>

**17. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Operating (loss)/profit	(533,572)	178,447
Depreciation	26,188	9,271
Amortisation	782,794	398,931
(Increase) in stock	(72,897)	(102,777)
(Increase) in debtors	(118,440)	(813,950)
Increase in creditors	<u>913,846</u>	<u>1,211,003</u>
Net cash inflow from operating activities	<u>997,919</u>	<u>880,925</u>

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**NOTES TO THE ACCOUNTS**  
**Year ended 31 July 2006**

**18. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	2006 £	2005 £
<b>Increase/(decrease) in cash in the year</b>	113,514	(84,415)
Net cash (inflow)/outflow from (increase)/ decrease in debt and lease financing	<u>(260,813)</u>	<u>4,188</u>
Change in net debt resulting from cash flows	(147,299)	(80,227)
Opening net debt	<u>(80,442)</u>	<u>(215)</u>
Closing net debt	<u><u>(227,741)</u></u>	<u><u>(80,442)</u></u>

**19. ANALYSIS OF NET DEBT**

	1 August 2005 £	Cash flows £	Non-cash movements £	31 July 2006 £
Cash in hand and at bank	73,867	113,514	-	187,381
	<u>73,867</u>	<u>113,514</u>	<u>-</u>	<u>187,381</u>
Other loans	(134,000)	(265,000)	-	(399,000)
Obligations under hire purchase contracts	<u>(20,309)</u>	<u>4,187</u>	<u>-</u>	<u>(16,122)</u>
	<u>(154,309)</u>	<u>(260,813)</u>	<u>-</u>	<u>(415,122)</u>
	<u><u>(80,442)</u></u>	<u><u>(147,299)</u></u>	<u><u>-</u></u>	<u><u>(227,741)</u></u>

**20. RELATED PARTY TRANSACTIONS**

The directors consider Superstadium Management Company Limited to be a related party by virtue of common control. A summary of the aggregate transactions, which have been undertaken by The Hull City Association Football Club (Tigers) Limited and the related party, is as follows:

	2006 £	2005 £
Purchase of goods and services	46,472	52,892
Rental costs	308,042	233,333
Amount included in debtors	-	621,373
Amount included in creditors	<u>334,490</u>	<u>-</u>

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**NOTES TO THE ACCOUNTS  
Year ended 31 July 2006**

**21. OPERATING LEASE COMMITMENTS**

At 31 July 2006, the company was committed to making the following payments during the next year in respect of operating leases.

	<b>Land and buildings £</b>
Leases which expire:	
Over five years	<u>305,000</u>

**22. PENSIONS**

The company operates a money purchase pension scheme. Company contributions to the scheme amounted to £46,665 in the year (2005: £47,026). There were accrued pension contributions of £Nil at 31 July 2006 (2005 £Nil).