

Registered number
4032392

Hull City Tigers Limited

Report and Accounts

31 July 2013

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Hull City Tigers Limited
Report and accounts
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Hull City Tigers Limited Company Information

Directors

Dr A Allam

E Allam

NP Thompson

Auditors

Jacksons

751a Holderness Road

Hull

East Yorkshire

HU8 9AR

Registered office

KC Stadium

West Park

Hull

East Yorkshire

HU3 6HU

Registered number

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Hull City Tigers Limited

Registered number

4032392

Directors' Report

The directors present their report and accounts for the year ended 31 July 2013

Principal activities

The company's principal activity is that of professional football

Review of the business

The Directors report a loss before tax for the year of £25,628,171 (2012 loss £8,771,007) and consider the company's future prospects to be satisfactory. No dividend is recommended.

The financial year ended 31 July 2013 represented the 2012/2013 season. Key performance indicators are used to measure and evaluate company performance and to monitor various activities. The main key performance indicators employed in the company are

	2013	2012
Turnover	£ 11,075,152	£ 11,042,457
Gross loss	£ 26,102,168	£ 17,353,721
Loss before tax (after parachute payments)	£ 25,628,171	£ 8,771,007
Staff costs	£ 25,894,221	£ 19,005,220
Net debt	£ 72,169,455	£ 48,752,420
Average league home attendance	17,368	18,790

The directors made the ambitious decision to go for promotion and to this end invested heavily in the Club. Steve Bruce, a leading manager, was appointed and he was provided with sufficient funds to augment and improve the squad. An amount of £24million was advanced by the parent company in the year, which brings the total amounts so provided to £72million as at the year end. The ambitions of the directors were realised when on 4 May 2013 the Club achieved automatic promotion to the Premier League. It is with some optimism that the directors now view the future of the Club.

Directors

The following persons served as directors during the year

Dr A Allam

E Allam

NP Thompson (appointed December 2012)

Hull City Tigers Limited

Registered number

4032392

Directors' Report

Directors' responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts,
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business

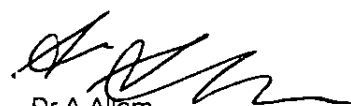
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This report was approved by the board on 26 November 2013 and signed on its behalf



Dr A Allam
Director

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

We have audited the accounts of Hull City Tigers Limited for the year ended 31 July 2013 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the accounts

In our opinion the accounts

- give a true and fair view of the state of the company's affairs as at 31 July 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

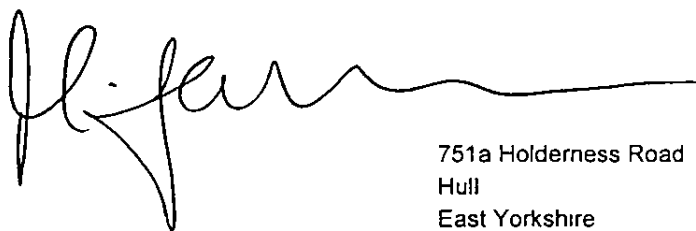
In our opinion the information given in the Directors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the accounts are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Mark Jackson
(Senior Statutory Auditor)
for and on behalf of
Jacksons
Accountants and Statutory Auditors
26 November 2013



751a Holderness Road
Hull
East Yorkshire
HU8 9AR

Hull City Tigers Limited
Profit and Loss Account
for the year ended 31 July 2013

	Notes	2013 £	2012 £
Turnover	1	11,075,152	11,042,457
Cost of sales		(34,879,460)	(24,761,838)
Amortisation of player registrations		(2,297,860)	(3,634,340)
Gross loss		(26,102,168)	(17,353,721)
Administrative expenses		(3,035,050)	(2,961,715)
Operating loss	5	(29,137,218)	(20,315,436)
Exceptional items			
Profit on the disposal of player registrations	6	465,300	606,740
Parachute payments	6	5,887,363	13,015,766
		<u>6,352,663</u>	<u>13,622,506</u>
		(22,784,555)	(6,692,930)
Interest payable	9	(2,843,616)	(2,078,077)
Loss on ordinary activities before taxation		(25,628,171)	(8,771,007)
Tax on loss on ordinary activities	10	-	-
Loss for the financial year		(25,628,171)	(8,771,007)

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the loss for the above two financial years

Hull City Tigers Limited
Balance Sheet
as at 31 July 2013

	Notes	2013 £	2012 £
Fixed assets			
Intangible assets	11	14,356,996	3,212,076
Tangible assets	12	<u>447,637</u>	<u>562,939</u>
		14,804,633	3,775,015
Current assets			
Stocks	13	153,126	342,301
Debtors	14	9,644,202	6,274,323
Cash at bank and in hand		<u>735,052</u>	<u>79,250</u>
		<u>10,532,380</u>	<u>6,695,874</u>
Creditors amounts falling due within one year			
Allamhouse Limited and directors loan	15	(25,494,060)	(8,675,517)
	15	(72,904,507)	(48,831,670)
		<u>(98,398,567)</u>	<u>(57,507,187)</u>
Net current liabilities		(87,866,187)	(50,811,313)
Total assets less current liabilities		<u>(73,061,554)</u>	<u>(47,036,298)</u>
Provisions for liabilities			
Other provisions	16	(476,553)	(873,638)
Net liabilities		<u>(73,538,107)</u>	<u>(47,909,936)</u>
Capital and reserves			
Called up share capital	17	1,316,001	1,316,001
Profit and loss account	18	(74,854,108)	(49,225,937)
Shareholders' funds	19	<u>(73,538,107)</u>	<u>(47,909,936)</u>



Dr A Allam
Director

Approved by the board and authorised for issue on 26 November 2013 and signed on their behalf by
Dr A Allam

Registered Number
4032392

Hull City Tigers Limited
Cash Flow Statement
for the year ended 31 July 2013

	Notes	2013 £	2012 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating loss		(29,137,218)	(20,315,436)
Depreciation and amortisation		2,504,982	3,915,369
Decrease/(increase) in stocks		189,175	(43,756)
(Increase)/decrease in debtors		(3,369,879)	390,047
Increase/(decrease) in creditors		16,421,458	(1,302,714)
Parachute payments		5,887,363	13,015,766
Net cash outflow from operating activities		<u>(7,504,119)</u>	<u>(4,340,724)</u>

CASH FLOW STATEMENT

Net cash outflow from operating activities		(7,504,119)	(4,340,724)
Returns on investments and servicing of finance	20	(2,843,616)	(2,078,077)
Capital expenditure	20	<u>(13,069,300)</u> <u>(23,417,035)</u>	<u>(1,848,485)</u> <u>(8,267,286)</u>
Financing	20	24,072,837	7,825,969
Increase/(decrease) in cash		<u>655,802</u>	<u>(441,317)</u>

Reconciliation of net cash flow to movement in net debt

Increase/(decrease) in cash in the period		655,802	(441,317)
Increase in loan from parent company		(24,072,837)	(7,825,969)
Change in net debt	21	<u>(23,417,035)</u>	<u>(8,267,286)</u>
Net debt at 1 August		<u>(48,752,420)</u>	<u>(40,485,134)</u>
Net debt at 31 July		<u>(72,169,455)</u>	<u>(48,752,420)</u>

Hull City Tigers Limited
Notes to the Accounts
for the year ended 31 July 2013

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards

Turnover

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

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Fixtures and fittings	over 2/3/4/5/10 years on a straight line basis
Motor vehicles	33% per annum

Stocks

Stock is valued at the lower of cost and net realisable value. Cost is the purchase price of the goods plus the cost of carriage. Net realisable value is based on estimated selling price less all costs.

Deferred taxation

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes.

Deferred tax is calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Hull City Tigers Limited
Notes to the Accounts
for the year ended 31 July 2013

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Parachute payments

Parachute payments received from the Premier League are shown in exceptional items due to their size and incidence. They are paid to relegated clubs to enable them to re-structure their finances, commensurate with the income generated in the Championship League.

2 Player registrations

Players transfer fees and related costs of player registrations are capitalised as intangible fixed assets and are amortised over the period of the players contracts. Coaching staff contracts are also capitalised. Where there has been an impairment in value provisions are made to reflect this.

Purchased goodwill was amortised over a period of ten years.

3 Grants

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

4 Going concern

The accounts are prepared on the going concern basis which assumes the business will continue to trade for the foreseeable future. The company made a loss for the year of £25,628,171 and at the year end had a net deficit of £73,538,107. The holding company has provided funds to meet all trading obligations and will continue to support the company. In the opinion of the directors it is correct to prepare the accounts on this basis.

5 Operating loss

	2013	2012
	£	£
This is stated after charging		
Depreciation of owned fixed assets	207,122	281,029
Amortisation of player costs	2,297,860	3,634,340
Management charges from Allamhouse Limited	148,000	112,000
Operating lease rentals - motor vehicles	2,488	56,204
Operating lease rentals - land buildings	551,585	508,724
Auditors' remuneration for audit services	<u>6,500</u>	<u>6,000</u>

Hull City Tigers Limited
Notes to the Accounts
for the year ended 31 July 2013

6 Exceptional items	2013 £	2012 £
Parachute payment	5,887,363	13,015,766
Gain on disposal of player registrations	465,300	606,740
	<u>6,352,663</u>	<u>13,622,506</u>

7 Directors' emoluments	2013 £	2012 £
Remuneration	<u>26,667</u>	<u>37,702</u>
	<u>26,667</u>	<u>37,702</u>
Highest paid director Remuneration	<u>26,667</u>	<u>37,702</u>

The Chairman and the Vice Chairman are employed by the parent company, Allamhouse Limited, as was the managing director, until April 2013 when he was employed directly by the club. The Club is charged monthly management fees by the parent company as shown in Note 5.

8 Staff costs	2013 £	2012 £
Wages and salaries	22,862,843	16,914,546
Social security costs	3,007,052	2,076,977
Other pension costs	24,326	13,697
	<u>25,894,221</u>	<u>19,005,220</u>

Average number of employees during the year	Number	Number
Players and coaches	102	89
Administration	23	29
Sales and marketing	25	18
	<u>150</u>	<u>136</u>

9 Interest payable	2013 £	2012 £
Bank loans and overdrafts	21,647	-
Other loans	2,821,969	2,078,077
	<u>2,843,616</u>	<u>2,078,077</u>

Hull City Tigers Limited
Notes to the Accounts
for the year ended 31 July 2013

10 Taxation	2013	2012
	£	£
Analysis of charge in period		
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows

	2013	2012
	£	£
Loss on ordinary activities before tax	<u>(25,628,171)</u>	<u>(8,771,007)</u>
Standard rate of corporation tax in the UK	20%	24%
Profit on ordinary activities multiplied by the standard rate of	£	£
	(5,125,634)	(2,105,042)
Effects of		
Unutilised tax losses carried forward	5,117,674	2,065,557
Depreciation in excess of capital allowances	7,960	34,981
Expenses not deductible for tax purposes	-	4,504
Current tax charge for period	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

The company has losses available to carry forward against future profits of £45,475,921 (2012 £25,364,947), after surrendering losses of £5,477,398 to group companies

Hull City Tigers Limited
Notes to the Accounts
for the year ended 31 July 2013

11 Intangible fixed assets	Players, transfer fees and related costs	Goodwill	£
Goodwill			
Cost			
At 1 August 2012	11,611,657	296,814	11,908,471
Additions	13,442,780	-	13,442,780
Disposals	(3,812,500)	-	(3,812,500)
At 31 July 2013	<u>21,241,937</u>	<u>296,814</u>	<u>21,538,751</u>
Amortisation			
At 1 August 2012	8,399,581	296,814	8,696,395
Provided during the year	2,297,860		2,297,860
Impairment provision	-		-
On disposals	(3,812,500)	-	(3,812,500)
At 31 July 2013	<u>6,884,941</u>	<u>296,814</u>	<u>7,181,755</u>
Net book value			
At 31 July 2013	<u>14,356,996</u>	<u>-</u>	<u>14,356,996</u>
At 31 July 2012	<u>3,212,076</u>	<u>-</u>	<u>3,212,076</u>

12 Tangible fixed assets

	Motor vehicles	Fixtures, fittings, tools and equipment	Total
	£	£	£
Cost			
At 1 August 2012	252,370	1,033,048	1,285,418
Additions	37,846	99,667	137,513
Disposals	(125,924)	-	(125,924)
At 31 July 2013	<u>164,292</u>	<u>1,132,715</u>	<u>1,297,007</u>
Depreciation			
At 1 August 2012	90,477	632,002	722,479
Charge for the year	77,379	129,743	207,122
On disposals	(80,231)	-	(80,231)
At 31 July 2013	<u>87,625</u>	<u>761,745</u>	<u>849,370</u>
Net book value			
At 31 July 2013	<u>76,667</u>	<u>370,970</u>	<u>447,637</u>
At 31 July 2012	<u>161,893</u>	<u>401,046</u>	<u>562,939</u>

Hull City Tigers Limited
Notes to the Accounts
for the year ended 31 July 2013

13 Stocks	2013	2012
	£	£
Finished goods and goods for resale	<u>153,126</u>	<u>342,301</u>

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

14 Debtors	2013	2012
	£	£
Trade debtors	3,110,221	1,137,937
Amounts owed by group undertakings and undertakings in which the company has a participating interest	4,702,679	4,271,257
Other debtors	1,083,386	61,745
Prepayments and accrued income	<u>747,916</u>	<u>803,384</u>
	<u>9,644,202</u>	<u>6,274,323</u>

15 Creditors amounts falling due within one year	2013	2012
	£	£
Trade creditors	14,222,880	3,012,234
Other taxes and social security costs	1,499,229	1,607,562
Other creditors	158,018	3,098
Accruals and deferred income including season tickets in advance	<u>9,613,933</u>	<u>4,052,623</u>
	<u>25,494,060</u>	<u>8,675,517</u>
Directors Loan (see note 24)	825,000	825,000
Amounts owed to parent company - Allamhouse Limited	<u>72,079,507</u>	<u>48,006,670</u>
	<u>72,904,507</u>	<u>48,831,670</u>
	<u>98,398,567</u>	<u>57,507,187</u>

Interest at 5% per annum is payable on the Parent company loan. There is no set repayment date.

Hull City Tigers Limited
Notes to the Accounts
for the year ended 31 July 2013

16 Provisions for liabilities

	£
At 1 August 2012	873,638
Settled in year	(397,085)
	<u>476,553</u>
At 31 July 2013	

The provision of £476,553 relates to an ongoing HMRC enquiry

17 Share capital	Nominal value	2013 Number	2013 £	2012 £
Allotted, called up and fully paid Ordinary shares	£1 each	1,316,001	<u>1,316,001</u>	<u>1,316,001</u>

18 Profit and loss account	2013 £
At 1 August 2012	(49,225,937)
Loss for the financial year	(25,628,171)
	<u>(74,854,108)</u>
At 31 July 2013	

19 Reconciliation of movement in shareholders' funds	2013 £	2012 £
At 1 August	(47,909,936)	(39,138,929)
Loss for the financial year	(25,628,171)	(8,771,007)
	<u>(73,538,107)</u>	<u>(47,909,936)</u>
At 31 July		

Hull City Tigers Limited
Notes to the Accounts
for the year ended 31 July 2013

20 Gross cash flows	2013 £	2012 £
Returns on investments and servicing of finance		
Interest paid	<u>(2,843,616)</u>	<u>(2,078,077)</u>
Capital expenditure		
Payments to acquire players	(13,442,780)	(2,387,000)
Payments to acquire tangible fixed assets	(137,513)	(439,377)
Receipts from sales of playing staff	465,300	320,357
Receipts from sales of tangible fixed assets	45,693	657,535
	<u>(13,069,300)</u>	<u>(1,848,485)</u>
Financing		
Loans received from Allamhouse Limited - parent company	24,072,837	7,000,969
Directors Loan	-	825,000
	<u>24,072,837</u>	<u>7,825,969</u>

21 Analysis of changes in net debt

	At 1 Aug 2012	Cash flows	Non-cash changes	At 31 Jul 2013
	£	£	£	£
Cash at bank and in hand	79,250	655,802		735,052
Directors loan	(825,000)	-		(825,000)
Group loans	(48,006,670)	(24,072,837)		(72,079,507)
Total	<u>(48,752,420)</u>	<u>(23,417,035)</u>	<u>-</u>	<u>(72,169,455)</u>

Hull City Tigers Limited
Notes to the Accounts
for the year ended 31 July 2013

22 Other financial commitments

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

	Land and buildings 2013 £	Land and buildings 2012 £	Other 2013 £	Other 2012 £
Operating leases which expire within one year	-	-	750	750
in over five years	552,076	551,585	-	-
	<u>552,076</u>	<u>551,585</u>	<u>750</u>	<u>750</u>

23 Contingent liabilities

At the year end the company had future obligations in respect of payments to players, depending on appearances and results, amounting to £2,728,050

24 Related party transactions

Dr A Allam has made an interest free loan to the company of £825,000 with no fixed repayment date

25 Ultimate controlling party

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