

Registered number  
07042898

Allamhouse Limited  
Group  
Report and Financial Statements

31 December 2017

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**Allamhouse Limited**  
**Report and accounts**  
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**Allamhouse Limited**  
**Company Information**

**Directors**

A Allam  
E Allam

**Secretary**

E Allam

**Auditors**

Jacksons  
First Floor  
Albion House  
Albion Street  
Hull  
HU1 3TE

**Bankers**

Lloyds Bank PLC  
Marina Court  
Castle Street  
Hull  
HU1 1TJ

**Registered office**

Wyke Way  
Melton  
Hull  
HU14 3BQ

**Registered number**

07042898

**Allamhouse Limited****Registered number:**

07042898

**Directors' Report**

The directors present their report and financial statements for the year ended 31 December 2017.

**Principal activities**

See the strategic report.

**Future developments**

See the strategic report.

**Dividends**

No dividends were paid in the year

**Directors**

The following persons served as directors during the year:

A Allam

E Allam

**Political donations**

Political donations of £15,000 and £5,000 were made to the Rt. Hon David Davies MP and the Labour Party Hull West, respectively.

**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.

**Employment of disabled persons and employee involvement**

The company has a policy of giving full and fair consideration of applications for employment made by disabled persons and will, where possible, arrange appropriate training for employees who are disabled at work to allow their employment to continue. The company also has a policy of engaging and consulting with employees to make them aware of matters of concern to them as employees.

This report was approved by the board on 27 February 2018 and signed on its behalf.



Dr A Allam

Director

## **Allamhouse Limited**

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the report and 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 102 and applicable law). 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 company and of the profit or loss of the company for that period. In preparing these 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 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 financial statements 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.

## **Allamhouse Limited Strategic Report**

### **Principal activities**

The company's principal activity during the year was that of a management holding company with subsidiaries carrying on engineering, football, stadium management and property development.

### **Review of the business**

The group has seen an increase in Turnover from £151 million in 2016 to £184 million in 2017 (+22%). Profit on ordinary activities after taxation was £46 million in 2017 compared to a loss of £6 million in 2016, which reflects the profit on sale of players in the July 2017 window.

### **Engineering**

Engineering has had a good year with sales increasing 28% to £90 million.. Cost of Sales have also increased by 27%.

### **Football**

Turnover has increased slightly in 2017 by 17%. With the Club dropping down to the Championship a number of players were sold and purchased. Although the results have not reflected the efforts made by management and staff, the directors are confident that their longterm approach financially and personnel wise will prove fruitful.

### **Property Development**

Profit before tax for the year has decreased from £525,751 to £407,968, due to sale of two properties to Allam Marine Limited which had been used by that company for their manufacturing facility.

### **Stadium Management**

Income for the year was at similar levels to last year, but losses were reduced to £976,706 from £1,842,064.

### **Future developments**

The directors are confident about the future prospects for the group. Despite the football club being relegated to the Championship, the directors believe careful control over the finances and appointments should lead to longterm success at the Club. The group has very low gearing and is well positioned for the future.

### **Principal risks and uncertainties**

The principal risks and uncertainties in the group are: the international market in generators and the football club performance.

This report was approved by the board on 27 February 2018 and signed on its behalf.



Dr A Allam

Director

**Allamhouse Limited**  
**Independent auditor's report**  
**to the members of Allamhouse Limited**

**Opinion**

We have audited the financial statements of Allamhouse Limited for the year ended 31 December 2017 which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group and the Parent Company Statement of Financial Position, the Group and the Parent Company Statement of Changes in Equity, the Group Statement of Cash Flows 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), 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.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**Allamhouse Limited**  
**Independent auditor's report**  
**to the members of Allamhouse Limited**

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 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; or

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

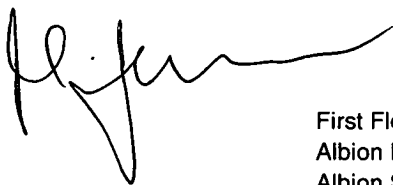
In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

Mark Jackson BA FCA  
(Senior Statutory Auditor)  
for and on behalf of  
Jacksens  
Accountants and Statutory Auditors  
27 February 2018



First Floor  
Albion House  
Albion Street  
Hull  
HU1 3TE



**Allamhouse Limited**  
**Group Income Statement**  
**for the year ended 31 December 2017**

	Notes	2017 £	2016 £
<b>Turnover</b>	3	184,201,627	150,649,031
Cost of sales		(142,337,217)	(114,861,224)
Amortisation of players		(27,653,255)	(21,054,506)
<b>Gross profit</b>		<u>14,211,155</u>	<u>14,733,301</u>
Administrative expenses		(13,478,177)	(11,078,710)
Other operating income		19,158	18,077
<b>Operating Profit/(loss)</b>	4	<u>752,136</u>	<u>3,672,668</u>
(Loss)/Gain on sale of fixed assets		(15,414)	(18,337)
Gain on disposal of players		54,544,727	3,185,872
Amounts payable on promotion to the Premier League		-	(10,357,124)
Income from investments		-	-
Interest receivable		66,520	17,918
Interest payable	7	(2,625,086)	(3,739,982)
<b>Profit on ordinary activities before taxation</b>		<u>52,722,883</u>	<u>(7,238,985)</u>
Tax on profit on ordinary activities	8	(6,693,095)	965,731
<b>(Loss)/Profit for the financial year</b>		<u>46,029,788</u>	<u>(6,273,254)</u>

**Allamhouse Limited**  
**Group Statement of Financial Position**  
**as at 31 December 2017**

	Notes	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	9	29,044,069	30,160,413
Tangible assets	10	14,268,615	15,862,230
		<u>43,312,684</u>	<u>46,022,643</u>
<b>Current assets</b>			
Stocks	12	50,787,972	39,453,342
Debtors	13	46,840,688	22,977,260
Cash at bank and in hand		11,491,502	3,164,562
		<u>109,120,162</u>	<u>65,595,164</u>
<b>Creditors: amounts falling due within one year</b>	14	(86,918,937)	(89,099,863)
<b>Net current liabilities</b>		<u>22,201,225</u>	<u>(23,504,699)</u>
<b>Total assets less current liabilities</b>		<u>65,513,909</u>	<u>22,517,944</u>
<b>Creditors: amounts falling due after more than one year</b>	15	(1,700,000)	(4,725,000)
<b>Provisions for liabilities</b>			
Deferred taxation	17	(129,206)	(131,525)
Other provisions	18	(1,517)	(8,021)
		<u>(130,723)</u>	<u>(139,546)</u>
<b>Net Assets</b>		<u>63,683,186</u>	<u>17,653,398</u>
<b>Capital and reserves</b>			
Called up share capital	19	10,000,000	10,000,000
Profit and loss account	20	53,683,186	7,653,398
<b>Total equity</b>		<u>63,683,186</u>	<u>17,653,398</u>

Approved and authorised for issue by the board on 27 February 2018  
and signed on their behalf by:

Dr A Allam  
Director



**Allamhouse Limited**  
**Company Statement of Financial Position**  
**as at 31 December 2017**

Registered number: 07042898

	Notes	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	10	5,101	12,751
Investments	11	75,225,739	82,250,559
		<u>75,230,840</u>	<u>82,263,310</u>
<b>Current assets</b>			
Debtors	13	873,575	926,008
Cash at bank and in hand		781,145	936
		<u>1,654,720</u>	<u>926,944</u>
<b>Creditors: amounts falling due within one year</b>	14	(33,046,079)	(39,417,687)
<b>Net current liabilities</b>		<u>(31,391,359)</u>	<u>(38,490,743)</u>
<b>Net assets</b>		<u>43,839,481</u>	<u>43,772,567</u>
<b>Capital and reserves</b>			
Called up share capital	19	10,000,000	10,000,000
Profit and loss account	20	33,839,481	33,772,567
<b>Total equity</b>		<u>43,839,481</u>	<u>43,772,567</u>

Approved and authorised for issue by the board on 27 February 2018  
and signed on their behalf by:

  
A Allam  
Director

**Allamhouse Limited**  
**Statement of Changes in Equity**  
**for the year ended 31 December 2017**

	Share capital	Profit and loss account	Total
	£	£	£
<b>Group</b>			
<b>At 1 January 2016</b>	10,000,000	19,926,652	29,926,652
Profit for the financial year	-	(6,273,254)	(6,273,254)
Dividends	-	(6,000,000)	(6,000,000)
<b>At 31 December 2016</b>	<u>10,000,000</u>	<u>7,653,398</u>	<u>17,653,398</u>
<b>At 1 January 2017</b>	10,000,000	7,653,398	17,653,398
Loss for the financial year	-	46,029,788	46,029,788
<b>At 31 December 2017</b>	<u>10,000,000</u>	<u>53,683,186</u>	<u>63,683,186</u>

	Share Capital	Profit and loss account	Total
	£	£	£
<b>Company</b>			
<b>At 1 January 2016</b>	10,000,000	41,508,359	51,508,359
Profit for the financial year	-	(1,735,792)	(1,735,792)
Dividends	-	(6,000,000)	(6,000,000)
<b>At 31 December 2016 as restated</b>	<u>10,000,000</u>	<u>33,772,567</u>	<u>43,772,567</u>
<b>At 1 January 2017</b>	10,000,000	33,772,567	43,772,567
Loss for the financial year	-	66,914	66,914
<b>At 31 December 2017</b>	<u>10,000,000</u>	<u>33,839,481</u>	<u>43,839,481</u>

**Allamhouse Limited**  
**Group Statement of Cash Flows**  
**for the year ended 31 December 2017**

	Notes	2017 £	2016 £
<b>Operating activities</b>			
Operating profit/(loss)		752,136	3,672,668
Adjustments for:			
Exchange rate differences not realised		(883,869)	1,688,168
Depreciation		1,717,519	1,731,296
Amortisation of goodwill		27,653,255	21,054,506
Decrease in stocks		(11,334,630)	(2,616,431)
Decrease/(increase) in debtors		(23,863,428)	10,479,349
Increase/(decrease) in creditors		(17,489,671)	28,681,435
		<u>(23,448,688)</u>	<u>64,690,991</u>
Amounts payable on promotion to the PL		-	(10,357,124)
Interest received		66,520	17,918
Interest paid		(2,625,086)	(3,739,982)
Corporation tax paid		(774,429)	147,891
		<u>(26,781,683)</u>	<u>50,759,694</u>
<b>Cash generated by/(used in) operating activities</b>			
<b>Investing activities</b>			
Payments to acquire intangible fixed assets		(29,437,028)	(21,477,191)
Payments to acquire tangible fixed assets		(505,000)	(1,572,563)
Proceeds from sale of intangible fixed assets		57,434,696	4,139,535
Proceeds from sale of tangible fixed assets		365,682	79,422
		<u>27,858,350</u>	<u>(18,830,797)</u>
<b>Cash used in/generated by investing activities</b>			
<b>Financing activities</b>			
Equity dividends paid		-	(6,000,000)
Advance/(Repayment) of loans		8,130,029	(17,542,654)
		<u>8,130,029</u>	<u>(23,542,654)</u>
<b>Cash (used in)/generated by financing activities</b>			
<b>Net cash generated/(used)</b>			
Cash generated by/(used in) operating activities		(26,781,683)	50,759,694
Cash (used in)/generated by investing activities		27,858,350	(18,830,797)
Cash (used in)/generated by financing activities		8,130,029	(23,542,654)
		<u>9,206,696</u>	<u>8,386,243</u>
<b>Net cash generated/(used)</b>			
Cash and cash equivalents at 1 January		2,284,806	(6,101,437)
Cash and cash equivalents at 31 December		<u>11,491,502</u>	<u>2,284,806</u>
<b>Cash and cash equivalents comprise:</b>			
Cash at bank		11,491,502	3,164,562
Bank overdrafts	14	-	(879,756)
		<u>11,491,502</u>	<u>2,284,806</u>

**Allamhouse Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2017**

**1 Summary of significant accounting policies**

***Basis of preparation***

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

***Basis of consolidation***

The group financial statements consolidate the financial statements of Allamhouse Limited and its subsidiary undertakings. The acquisition method of accounting has been adopted and goodwill arising on consolidation is amortised to the profit and loss account over its estimated useful economic life, except where this is deemed to be indefinite, when an annual impairment review is carried out.

Advantage has been taken of the exemption not to present the parent company's profit and loss account. The parent company made a profit for the year, after tax, of £66,914.

***Consolidated goodwill***

Consolidated goodwill arising on the acquisition of Allam Developments Limited is not amortised, a departure from the companies legislation to amortise goodwill over a finite period, as in the opinion of the directors, due to the profitability of the company, no amortisation is required. They consider that this treatment gives a true and fair view. Annual impairment reviews are carried out, and where a fall in value is found, provision is made.

***Turnover***

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract.

Engineering turnover represents the value, net of value added tax, of goods supplied to customers.

Football turnover represents income receivable, net of value added tax, 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 their respective contracts. The fixed element of the broadcasting revenues and facility fees is recognised over the duration of the financial year, additional facility fees arising are taken when earned.

Stadium management income represents the value, net of value added tax, from charging for the use of the stadium and facilities, ticketing services and hospitality.

Property income, presently, represents the value, net of value added tax, of rental income received and income from the operation of a car park.

***Player registrations***

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

***Tangible fixed assets***

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold buildings	2% straight line
Leasehold land and buildings	over the lease term
Plant and machinery	10% straight line
Fixtures, fittings, tools and equipment	10-25% straight line
Motor vehicles	10-25% straight line

***Investment property***

Investment property is initially recognised at cost and then subsequently measured at fair value. Changes in value are recognised in profit or loss.

***Investments***

Investments in unquoted equity instruments are measured at fair value. Changes in fair value are recognised in profit or loss. Fair value is estimated by using a valuation technique.

**Allamhouse Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2017**

**Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method. The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

Properties for development are stated at their valuation when put into trading stock, based upon the directors' valuations and surveyors valuations carried out in 2006.

**Debtors**

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

**Creditors**

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

**Financial Instruments**

Basic financial instruments are recognised at amortised cost using the effective interest method.

**Taxation**

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

**Provisions**

Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

**Foreign currency translation**

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

**Leased assets**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

**Pensions**

Contributions to defined contribution plans are expensed in the period to which they relate.

**Allamhouse Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2017**

**2 Critical accounting estimates and judgements**

In order to apply the company's accounting policies, as described in note 1 above, the directors are required to make judgements and estimates in respect of the carrying value of assets and liabilities which may not be apparent from other sources of information. The directors base these critical accounting judgements and estimations on previous historical experience and other factors which the directors judge to be relevant. Judgements and estimates will invariably differ from actual results and hence such judgements and estimates are reviewed by the directors on an ongoing basis.

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on the amounts recognised in the financial statements:

**Valuation of investments**

Investments in unquoted equity and loan instruments are measured at cost less any impairment. The directors constantly review values to assess if any impairment has occurred. Cost is compared to realisable value and impairment made when realisable value is deemed to be less than cost. When considering realisable value the directors take into account potential sales value of the investments together with financial performance and net asset value.

**Stocks**

The directors constantly review values of stock to assess if any requirement is necessary to provide for slow moving or obsolete stock, based upon the time held, potential sales and realisable value, and make a provision based upon their best estimate.

When properties were first transferred into trading stock they were recorded at the directors valuation, based upon advice from external surveyors and valuers during 2006. Subsequent additions to trading stock are stated at cost. The directors constantly review values to assess if any impairment has occurred.

**Player values**

Players contracts are capitalised and amortised over the period of their contracts. The carrying value of player contracts is reviewed for impairment by the directors regularly in the light of performance and injury.

**3 Analysis of turnover**

	2017 £	2016 £
Property	245,324	243,625
Engineering	90,025,937	70,009,954
Football	89,288,593	76,958,145
Stadium management	4,641,773	3,437,307
	<u>184,201,627</u>	<u>150,649,031</u>
By geographical market:		
UK	105,896,298	91,613,020
Europe	3,816,875	1,954,998
Rest of world	74,488,454	57,081,013
	<u>184,201,627</u>	<u>150,649,031</u>



**Allamhouse Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2017**

<b>4 Operating profit</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Depreciation of owned fixed assets	1,717,528	1,731,296
Exchange losses arising in the year	(477,245)	1,322,369
Amortisation of intangibles	27,653,255	21,054,506
Auditors' remuneration for audit services - group	27,925	27,948
Auditors' remuneration for audit services - company	5,000	4,000
Key management personnel compensation (including directors' emoluments)	185,000	185,000
Carrying amount of stock sold	80,942,137	63,551,261
<b>5 Directors' emoluments</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Emoluments	185,000	185,000
	<u>185,000</u>	<u>185,000</u>
<b>6 Staff costs</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Wages and salaries	41,899,902	42,962,632
Social security costs	6,401,272	4,547,153
Other pension costs	131,630	41,146
	<u>48,432,804</u>	<u>47,550,931</u>
<b>Average number of employees during the year</b>	<b>Number</b>	<b>Number</b>
Operations	214	312
Football	153	137
Manufacturing	25	22
Marketing	61	59
	<u>453</u>	<u>530</u>
<b>7 Interest payable</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	1,966,854	2,044,502
Other loans	658,232	1,695,480
	<u>2,625,086</u>	<u>3,739,982</u>
<b>8 Taxation</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Analysis of charge in period</b>		
Current tax:		
UK corporation tax on profits of the period	6,699,343	(944,016)
Adjustments in respect of previous periods	(3,929)	-
	<u>6,695,414</u>	<u>(944,016)</u>
Deferred tax:		
Origination and reversal of timing differences	(2,319)	(21,715)
Effect of increased tax rate on opening liability	-	-
	<u>(2,319)</u>	<u>(21,715)</u>
Tax on profit on ordinary activities	<u>6,693,095</u>	<u>(965,731)</u>

**Allamhouse Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2017**

**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:

	2017 £	2016 £
Profit on ordinary activities before taxation	52,722,883	(7,238,985)
Standard rate of corporation tax in the UK	19.25%	20%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	10,129,871	1,447,797
Effects of:		
Expenses not deductible for tax purposes	18,993	(57,665)
Capital allowances for period in excess of depreciation	29,954	(23,703)
Utilisation/ increase of group tax losses	(3,286,975)	(1,154,985)
Items not taxable	(192,500)	-
Adjustments to tax charge in respect of previous periods	(3,929)	732,572
Current tax charge for period	6,695,414	(944,016)

**9 Intangible fixed assets**

Group	Goodwill arising on consolidation £	Goodwill £	Players £	Total £
<b>Cost</b>				
At 1 January 2017	2,948,946	46,995	77,282,550	80,278,491
Additions	-	-	29,437,028	29,437,028
Disposals	-	-	(33,535,171)	(33,535,171)
At 31 December 2017	2,948,946	46,995	73,184,407	76,180,348
<b>Amortisation</b>				
At 1 January 2017	-	46,994	50,071,084	50,118,078
Provided during the year	-	-	27,653,255	27,653,255
On disposals	-	-	(30,635,054)	(30,635,054)
At 31 December 2017	-	46,994	47,089,285	47,136,279
<b>Carrying amount</b>				
At 31 December 2017	2,948,946	1	26,095,122	29,044,069
At 31 December 2016	2,948,946	1	27,211,466	30,160,413

Consolidated goodwill arose on the acquisition of Allam Developments Limited. This is not amortised, a departure from FRS102 to amortise goodwill over a period of 10 years, as in the opinion of the directors due to the profitability of the company no amortisation is required. They consider that this treatment gives a true and fair view. Annual impairment reviews are carried out, and where a fall in value is found, provision is made.

**Allamhouse Limited**  
**Notes to the Accounts**  
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**10 Tangible fixed assets**

<b>Group</b>	<b>Land and buildings</b> <i>At cost</i> <b>£</b>	<b>Plant and machinery</b> <i>At cost</i> <b>£</b>	<b>Motor Vehicles</b> <i>At cost</i> <b>£</b>	<b>Total</b> <b>£</b>
<b>Cost or valuation</b>				
At 1 January 2017	12,328,508	11,082,755	562,822	23,974,085
Additions	248,653	219,018	37,329	505,000
Disposals	(336,779)	(16,702)	(56,304)	(409,785)
At 31 December 2017	<u>12,240,382</u>	<u>11,285,071</u>	<u>543,847</u>	<u>24,069,300</u>
<b>Depreciation</b>				
At 1 January 2017	1,672,381	6,075,756	363,718	8,111,855
Charge for the year	139,519	1,526,882	51,118	1,717,519
On disposals	-	(9,924)	(18,765)	(28,689)
At 31 December 2017	<u>1,811,900</u>	<u>7,592,714</u>	<u>396,071</u>	<u>9,800,685</u>
<b>Carrying amount</b>				
At 31 December 2017	<u>10,428,482</u>	<u>3,692,357</u>	<u>147,776</u>	<u>14,268,615</u>
At 31 December 2016	<u>10,656,127</u>	<u>5,006,999</u>	<u>199,104</u>	<u>15,862,230</u>

Group land and buildings are made up as follows:

	<b>Freehold investment properties</b> <i>At cost</i> <b>£</b>	<b>Short leasehold buildings</b> <i>At cost</i> <b>£</b>	<b>Freehold property</b> <i>At cost</i> <b>£</b>	<b>Total</b> <b>£</b>
<b>Cost or valuation</b>				
At 1 January 2017	347,486	227,361	11,753,661	12,328,508
Additions	-	1,696	5,221,957	5,223,653
Disposals	-	-	(107,722)	(107,722)
Transfer	-	(229,057)	-	(229,057)
At 31 December 2017	<u>347,486</u>	<u>-</u>	<u>16,867,896</u>	<u>17,215,382</u>
<b>Depreciation</b>				
At 1 January 2017	-	166,667	1,505,714	1,672,381
Charge for the year	-	10,116	306,186	316,302
Transfer	-	(176,783)	-	(176,783)
At 31 December 2017	<u>-</u>	<u>-</u>	<u>1,811,900</u>	<u>1,811,900</u>
<b>Carrying amount</b>				
At 31 December 2017	<u>347,486</u>	<u>-</u>	<u>15,055,996</u>	<u>15,403,482</u>
At 31 December 2016	<u>347,486</u>	<u>60,694</u>	<u>10,247,947</u>	<u>10,656,127</u>

The freehold investment properties were valued by the directors at the year end.

<b>Company</b>	<b>Motor</b> <i>At cost</i> <b>£</b>
<b>Cost or valuation</b>	
At 1 January 2017	30,600
At 31 December 2017	<u>30,600</u>
<b>Depreciation</b>	
At 1 January 2017	17,849
Charge for the year	7,650
At 31 December 2017	<u>25,499</u>
<b>Carrying amount</b>	
At 31 December 2017	<u>5,101</u>
At 31 December 2016	<u>12,751</u>

**Allamhouse Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2017**

<b>11 Investments</b>	<b>Shares</b>	<b>Loans</b>	<b>Total</b>
<b>Company</b>	<b>£</b>	<b>£</b>	<b>£</b>
Investments in subsidiary undertakings			
At 1 January 2016	14,250,559	68,000,000	82,250,559
Additions	4,975,180	-	4,975,180
Reclassification	(4,000,000)	4,000,000	-
Repayments		(12,000,000)	(12,000,000)
At 31 December 2016	<u>15,225,739</u>	<u>60,000,000</u>	<u>75,225,739</u>

The company holds 20% or more of the share capital of the following companies:

<b>Company</b>	<b>Activity</b>	<b>Year end</b>	<b>Capital and reserves</b>	<b>Profit (loss) for the year</b>
			<b>£</b>	<b>£</b>
Allam Marine Limited	Engineering	31-Dec	58,759,695	6,626,289
Hull City Tigers Limited	Football	30-Jun	(18,615,948)	41,441,334
Superstadium Management Company Limited	Stadium management	30-Jun	(11,059,869)	(976,706)
Allam Developments Limited	Property development	31-Dec	4,100,751	321,718
Superstadium Holdings Limited	Holding company	30-Jun	(4,565,962)	-
Tempest Diesels Limited	Dormant	31-Dec	100	-

All the subsidiaries have registered offices located within the United Kingdom.

All of the investments are in ordinary shares.

All subsidiaries are held directly by Allamhouse Limited, except for Superstadium Management Company, which is held by Superstadium Holdings Limited.

<b>12 Stocks</b>	<b>2017</b>	<b>2016</b>
<b>Group</b>	<b>£</b>	<b>£</b>
Raw materials and consumables	47,215,236	35,504,248
Stock of development properties	3,170,387	3,587,148
Finished goods and goods for resale	402,349	361,946
	<u>50,787,972</u>	<u>39,453,342</u>

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

<b>13 Debtors</b>	<b>Group</b>		<b>Company</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	43,431,937	19,511,302	-	-
Amounts owed by group undertakings and undertakings in which the company has a participating interest	-	-	313,998	692,940
Other debtors	2,742,217	2,693,094	559,577	233,068
Prepayments and accrued income	666,534	772,864	-	-
	<u>46,840,688</u>	<u>22,977,260</u>	<u>873,575</u>	<u>926,008</u>

**Allamhouse Limited**  
**Notes to the Accounts**  
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**14 Creditors: amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank overdrafts	-	879,756	-	878,477
Bank loans	18,695,207	8,424,047	-	-
Trade creditors	32,041,682	41,908,882	37	92,544
Amounts owed to group undertakings and undertakings in which the company has a participating interest	-	-	16,922,259	21,782,384
Corporation tax	5,920,985	-	-	-
Other taxes and social security costs	1,465,304	3,163,816	84,678	44,157
Other creditors	15,393,726	21,352,143	15,232,913	15,986,762
Accruals and deferred income	13,402,033	13,371,219	806,192	633,363
	<u>86,918,937</u>	<u>89,099,863</u>	<u>33,046,079</u>	<u>39,417,687</u>
Other loans consist of:				
Other loans - bearing interest at 5%	2,705,704	9,065,041	2,705,704	4,065,041
Directors loan - bearing interest at 4%	11,529,189	11,921,721	11,529,189	11,921,721
	<u>14,234,893</u>	<u>20,986,762</u>	<u>14,234,893</u>	<u>15,986,762</u>

**15 Creditors: amounts falling due after one year**  
**Group**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Bank loans	1,700,000	4,725,000
	<u>1,700,000</u>	<u>4,725,000</u>

**16 Loans**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Analysis of maturity of debt		
Within one year or on demand	18,695,207	8,424,047
Between one and two years	400,000	900,000
Between two and five years	1,200,000	3,325,000
After five years	100,000	500,000
	<u>20,395,207</u>	<u>13,149,047</u>

The bank loans are secured on the assets of the group, with interest being charged at 1.75% over the base rate.

**17 Deferred taxation**  
**Group**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Revaluation of land and buildings	108,484	108,484
Accelerated capital allowances	18,404	23,041
	<u>126,888</u>	<u>131,525</u>
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
At 1 January	131,525	153,240
Credited to the profit and loss account	(2,319)	(21,715)
	<u>129,206</u>	<u>131,525</u>
At 31 December		

**Allamhouse Limited**  
**Notes to the Accounts**  
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**18 Provisions for liabilities**

Group	Pension £
At 1 January 2017	8,021
Additional provisions made during the period	(6,504)
At 31 December 2017	<u>1,517</u>

**19 Share capital**

	Nominal value	2017 Number	2017 £	2016 £
Allotted, called up and fully paid:				
Ordinary shares	£1 each	10,000,000	<u>10,000,000</u>	<u>10,000,000</u>
			<u>10,000,000</u>	<u>10,000,000</u>

**20 Profit and loss account**

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
At 1 January	7,653,398	19,926,652	33,772,567	41,508,359
(Loss)/Profit for the financial year	46,029,788	(6,273,254)	66,914	(1,735,792)
Dividends	-	(6,000,000)	-	(6,000,000)
At 31 December	<u>53,683,186</u>	<u>7,653,398</u>	<u>33,839,481</u>	<u>33,772,567</u>

**21 Dividends**

	2017 £	2016 £
Dividends on ordinary shares (note 20)	-	<u>6,000,000</u>
	-	<u>6,000,000</u>

**22 Related party transactions**

Dr A Allam - director and shareholder

At the year end £11,529,189 (2016-£11,921,721) was due to Dr Allam by the company. During the year amounts of £130,000 were advanced to the company. Interest at 4% per annum was paid to Dr Allam by the company, which amounted to £480,187 in the year.

Mr E Allam - director

During the year a loan of £500,000 was made to Mr E Allam. Interest is payable at 2.75% per annum. The loan is repayable on 14 March 2018.

**23 Controlling party**

The company is controlled by Dr A Allam.

**24 Presentation currency**

The financial statements are presented in Sterling.

**25 Legal form of entity and country of incorporation**

Allamhouse Limited is a private company limited by shares and incorporated in England.

**26 Principal place of business**

The address of the company's principal place of business and registered office is:

Wyke Way  
Melton  
Hull  
HU14 3BQ