

Registered Number: 53703

**REGISTRAR**

**THE READING FOOTBALL  
CLUB LIMITED**

**REPORT AND ACCOUNTS**

**30TH JUNE 2001**



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**MYERS CLARK  
CHARTERED ACCOUNTANTS**

# THE READING FOOTBALL CLUB LIMITED

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# **THE READING FOOTBALL CLUB LIMITED**

## **OFFICERS AND ADVISERS**

<b>Directors</b>	John Madejski OBE, DL Ian Wood-Smith
<b>Company Secretary</b>	Bryan Stabler
<b>Registered Office</b>	The Reading Football Club Limited, Madejski Stadium, Junction 11, M4, Reading, Berkshire, RG2 0FL
<b>Auditors</b>	Myers Clark, Woodford House, Woodford Road, Watford, Herts., WD17 1DL
<b>Principal Bankers</b>	HSBC Bank plc, 26 Broad Street, Reading, Berkshire, RG1 2BU
<b>Solicitors</b>	Field Seymour Parkes, The Old Coroners Court, No. 1 London Street, P.O. Box 174, Reading, Berkshire, RG1 4QW

# THE READING FOOTBALL CLUB LIMITED

## DIRECTORS' REPORT

The Directors present herewith the audited accounts of the Company for the year ended 30th June 2001.

### Review of Activities and Future Developments

The principal activity of the Company continues to be that of a professional Football League Club.

The profit and loss account is set out on page 5.

The Directors consider the level of activity and the year-end financial position satisfactory, given the assets and available facilities, and look forward to an improvement in trading performance in the year ended 30th June 2002.

### Market Value of Land and Buildings

In the opinion of the Directors the market value of the freehold property for alternative uses exceeds the amount at which it is stated in the accounts.

### Dividends

The Directors do not recommend payment of a dividend for the year ended 30th June 2001.

### Directors

The Directors of the Company at 30th June 2001 and who have served throughout the year were as follows:

John Madejski OBE, DL (Chairman)  
Ian Wood-Smith

### Directors' Interests in Shares of the Company

According to the share register required to be kept under the provisions of Section 325 of the Companies Act 1985, the interests of the Directors holding office at 30th June 2001 in the shares of the Company, were as follows:

	Ordinary Shares of 50p each	
	30th June 2001	30th June 2000
John Madejski OBE, DL	-	-
Ian Wood-Smith	-	-

In addition, at 30th June 2001 John Madejski OBE, DL and Ian Wood-Smith held 4,399,070 and 3 ordinary shares of 50p each respectively in the holding company, The Reading Football Club (Holdings) PLC.

### Statement of Directors' Responsibilities

Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those accounts the Directors are required to select suitable accounting policies and then apply them consistently, make judgments and estimates that are reasonable and prudent and 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 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 accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

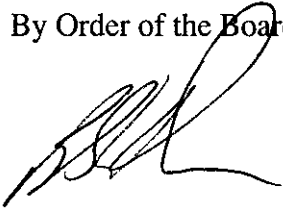
# THE READING FOOTBALL CLUB LIMITED

## DIRECTORS' REPORT (continued)

### Auditors

In accordance with Section 385(2) of the Companies Act 1985 a resolution will be submitted at the forthcoming Annual General Meeting that Myers Clark, Chartered Accountants, be re-appointed as auditors.

By Order of the Board

A handwritten signature in black ink, appearing to be 'B. Stabler', written over the text 'By Order of the Board'.

BRYAN STABLER  
Secretary

Madejski Stadium,  
Junction 11, M4,  
Reading,  
Berkshire,  
RG2 0FL.

20th November 2001

# THE READING FOOTBALL CLUB LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

### THE READING FOOTBALL CLUB LIMITED

We have audited the financial statements of The Reading Football Club Limited on pages 5 to 16 for the year ended 30th June 2001. These financial statements have been prepared under the historical cost convention and the accounting policies set out herein.

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

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**


We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30th June 2001 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

Woodford House,  
Woodford Road,  
Watford,  
Herts., WD17 1DL

  
**MYERS CLARK**  
**CHARTERED ACCOUNTANTS AND**  
**REGISTERED AUDITOR**

23rd November 2001

# THE READING FOOTBALL CLUB LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH JUNE 2001

	Notes	2001	2000
Turnover	2	6,319,164	4,765,551
Players and staff costs	7	(5,795,152)	(5,368,785)
Match, ground and administrative expenses		(3,814,342)	(3,530,577)
Other operating income		692,497	659,412
<b>Loss on trading</b>		<u>(2,597,833)</u>	<u>(3,474,399)</u>
Net transfer fee expense	3	(1,791,084)	(1,101,877)
<b>Operating loss</b>		<u>(4,388,917)</u>	<u>(4,576,276)</u>
Interest receivable		625	513
Interest payable and similar charges	4	(264,521)	(226,121)
Profit on disposal of tangible fixed assets	5	-	4,250,000
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	6	<u>(4,652,813)</u>	<u>(551,884)</u>
Taxation	8	-	-
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u>£(4,652,813)</u>	<u>£ (551,884)</u>

All the Company's activities are classed as continuing.

The Company had no recognised gains or losses other than the loss for the year.

The notes on pages 7 to 16 form part of these accounts.

# THE READING FOOTBALL CLUB LIMITED

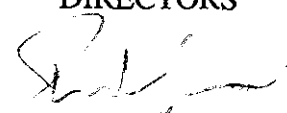
## BALANCE SHEET AT 30TH JUNE 2001

	Notes	2001	2000
<b>FIXED ASSETS</b>			
Intangible assets	9	2,060,235	2,703,169
Tangible assets	10	29,135,276	29,870,460
Investments	11	2	2
		<u>31,195,513</u>	<u>32,573,631</u>
<b>CURRENT ASSETS</b>			
Stocks	12	43,500	97,400
Debtors	13	5,438,838	5,577,310
Cash at bank and in hand		12,399	5,150
		<u>5,494,737</u>	<u>5,679,860</u>
<b>CREDITORS:</b> amounts falling due within one year	14	25,070,228	21,524,411
		<u></u>	<u></u>
<b>NET CURRENT LIABILITIES</b>		(19,575,491)	(15,844,551)
		<u></u>	<u></u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		11,620,022	16,729,080
		<u></u>	<u></u>
<b>CREDITORS:</b> amounts falling due after one year	15	15,278,715	15,734,960
		<u>£(3,658,693)</u>	<u>£ 994,120</u>
		<u></u>	<u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	750,000	750,000
Share premium account	17	6,525,000	6,525,000
Profit and loss account	17	(10,933,693)	(6,280,880)
		<u></u>	<u></u>
<b>EQUITY SHAREHOLDERS FUNDS</b>	18	£(3,658,693)	£ 994,120
		<u></u>	<u></u>

These accounts were approved by the Board on 20th November 2001

JOHN MADEJSKI OBE, DL

IAN WOOD-SMITH

)   
 )  
 ) DIRECTORS  
 )   
 )

The notes on pages 7 to 16 form part of these accounts.



# THE READING FOOTBALL CLUB LIMITED

## NOTES TO THE ACCOUNTS

AT 30TH JUNE 2001

### 1. ACCOUNTING POLICIES

#### **Basis of Accounting**

The financial information is prepared under the historical cost convention and in accordance with applicable accounting standards. The financial information has been drawn up on the basis that the Company is a going concern. The validity of the going concern basis of accounting depends on the Chairman's continuing support (see note 14).

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a wholly owned subsidiary of The Reading Football Club (Holdings) Plc.

#### **Consolidation**

The accounts contain information about The Reading Football Club Limited as an individual undertaking and not about its group.

The company is exempt under Section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements on the grounds that the company and its subsidiary are included in the accounts of The Reading Football Club (Holdings) Plc. Copies of these accounts can be obtained from The Company Secretary, The Reading Football Club (Holdings) Plc, Madejski Stadium, Junction 11 M4, Reading, Berks., RG2 0FL.

#### **Intangible assets**

Transfer fees payable for the acquisition of players' registrations are capitalised as intangible fixed assets. These costs are amortised, in equal annual instalments, fully over the contract period. Permanent diminutions in value below the amortised value, such as through injury or loss of form, are provided for when management become aware that the diminution is permanent.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of all tangible fixed assets over their expected useful economic lives on a straight line basis, except for the motor vehicles, which are written off on a reducing balance basis. The principal annual rates used for this purpose, are as follows:

	% of written down value	% of cost
Fixtures, fittings and equipment	-	20
Motor vehicles	25	-
Freehold buildings	-	2

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value.

#### **Turnover**

Turnover, which excludes value added tax, represents match receipts and all other income associated with running a professional football club, excluding fees receivable from other football clubs on the transfer of players' registrations.

# THE READING FOOTBALL CLUB LIMITED

## NOTES TO THE ACCOUNTS

AT 30TH JUNE 2001 ( continued)

### 1. ACCOUNTING POLICIES (continued)

#### Players' transfers

Associated costs payable or receivable in respect of players' transfers, are recognised in the profit and loss account in the period in which the transfer occurs. Associated costs include the football league levy payable net of any rebates received.

#### Taxation

Taxation is based on the results for the year as adjusted for disallowable items, and for timing differences to the extent that they are unlikely to result in an actual liability in the foreseeable future. The tax effect of other timing differences as reduced by the benefit of any accumulated losses is treated as a deferred tax liability. Where accumulated losses exceed the liability to deferred taxation the potential deferred tax asset is not recognised in the accounts.

#### Finance and operating leases and hire purchase contracts

Assets acquired under finance leases and hire purchase contracts are capitalised and the related lease and hire purchase obligations are shown as liabilities. The finance costs are allocated to the profit and loss account at a constant rate of charge on the remaining balance of the lease or hire purchase obligation.

Rentals under operating leases are charged to the profit and loss account as incurred.

### 2. TURNOVER

Turnover is attributable to one class of business, that of a professional football club, and may be analysed as follows:

	2001	2000
Match receipts	2,737,462	1,883,353
Commission on rugby match receipts	311,786	-
Catering, conference and banqueting commission	598,275	371,426
Other income	2,671,641	2,510,772
	<u>£6,319,164</u>	<u>£4,765,551</u>

### 3. NET TRANSFER FEE EXPENSE

	2001	2000
Loss/(profit) on sale	225,176	(542,222)
Net levies payable	60,150	55,196
Amortisation of transfer fees	1,505,758	1,588,903
Net transfer fee expense	<u>£1,791,084</u>	<u>£1,101,877</u>

# THE READING FOOTBALL CLUB LIMITED

## NOTES TO THE ACCOUNTS

AT 30TH JUNE 2001 (continued)

### 4. INTEREST PAYABLE AND SIMILAR CHARGES

	2001	2000
Bank loans, overdrafts and other loans wholly repayable within five years	239,694	200,745
Other loans not wholly repayable within five years	-	176
Charges on finance leases and hire purchase contracts	24,589	24,978
Other interest	238	222
	<u>£264,521</u>	<u>£226,121</u>

### 5. PROFIT ON DISPOSAL OF FIXED ASSETS

	2001	2000
Lease premium receivable on granting of long term lease	£ -	£4,250,000
	<u>          </u>	<u>          </u>

### 6. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2001 £'s	2000 £'s
Loss on ordinary activities before taxation is stated after charging:		
Auditors' remuneration - Audit	9,000	10,000
- Non - audit	19,250	8,000
Directors' emoluments (note 7)	-	-
Depreciation	804,930	779,747
Amortisation of intangible fixed assets	1,505,758	1,588,903
Profit on disposal of tangible fixed assets	(7,663)	(4,250,000)
Loss/(profit) on disposal of intangible fixed assets	225,176	(542,222)
	<u>          </u>	<u>          </u>

# THE READING FOOTBALL CLUB LIMITED

## NOTES TO THE ACCOUNTS

AT 30TH JUNE 2001 (continued)

### 7. STAFF NUMBERS AND COSTS

	2001 Number	2000 Number
The average number of persons employed by the company including directors but excluding matchday staff was as follows:		
Players	35	37
Football management and coaching staff	41	40
Administrative staff	51	45
Staff employed under government training schemes	15	14
Matchday staff	177	170
	<u>319</u>	<u>306</u>
	<u>          </u>	<u>          </u>
The aggregate payroll costs of these persons were as follows:		
Gross wages and salaries	5,236,939	4,875,067
Social security costs	558,213	493,718
	<u>£5,795,152</u>	<u>£5,368,785</u>
	<u>          </u>	<u>          </u>
Directors' remuneration (including pension contributions) was as follows:		
Directors' emoluments:		
Remuneration as executives	£ -	£ -
	<u>          </u>	<u>          </u>

### 8. TAXATION

It is anticipated there will be no corporation tax liability due to losses incurred and the availability of losses brought forward.

# THE READING FOOTBALL CLUB LIMITED

## NOTES TO THE ACCOUNTS

AT 30TH JUNE 2001 (continued)

### 9. INTANGIBLE FIXED ASSETS

	Players' Transfer Fees
<b>Cost</b>	
At 1st July 2000	6,150,000
Additions	1,163,000
Disposals	(2,975,000)
	<hr/>
At 30th June 2001	4,338,000
	<hr/>
<b>Amortisation</b>	
At 1st July 2000	3,446,831
Charge for the year	1,505,758
Disposals	(2,674,824)
	<hr/>
At 30th June 2001	2,277,765
	<hr/>
<b>Net Book Value</b>	
At 30th June 2001	£2,060,235
	<hr/>
	<hr/>
At 30th June 2000	£2,703,169
	<hr/>
	<hr/>

### 10. TANGIBLE FIXED ASSETS

	Freehold land and buildings	Fixtures, fittings and equipment	Motor vehicles	Total
<b>Cost</b>				
At 1st July 2000	30,285,513	920,721	25,525	31,231,759
Additions	(89,949)	151,900	7,795	69,746
	<hr/>	<hr/>	<hr/>	<hr/>
At 30th June 2001	30,195,564	1,072,621	33,320	31,301,505
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1st July 2000	1,009,015	331,372	20,912	1,361,299
Provided in year	601,243	200,585	3,102	804,930
	<hr/>	<hr/>	<hr/>	<hr/>
At 30th June 2001	1,610,258	531,957	24,014	2,166,229
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net Book Value</b>				
At 30th June 2001	£28,585,306	£540,664	£9,306	£29,135,276
	<hr/>	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>	<hr/>
At 30th June 2000	£29,276,498	£589,349	£4,613	£29,870,460
	<hr/>	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>	<hr/>

# THE READING FOOTBALL CLUB LIMITED

## NOTES TO THE ACCOUNTS

AT 30TH JUNE 2001 (continued)

### 10. TANGIBLE FIXED ASSETS (continued)

Assets held under finance lease and hire purchase contracts at 30th June 2001 originally cost £344,774 (2000 - £329,138) and have a net book value of £152,871 (2000 - £204,242). Depreciation charged for the year was £67,007 (2000 - £64,895).

### 11. FIXED ASSET INVESTMENTS

	2001	2000
	£	£
Shares in group undertakings	2	2

The above investments are unlisted and represent shares in the following wholly owned subsidiary company.

	Country of Incorporation	Nature of Business
Madejski Stadium Hotel Limited	United Kingdom	Hotel and leisure

### 12. STOCKS

	2001	2000
	£	£
Goods for resale	43,500	97,400

### 13. DEBTORS

	2001	2000
Trade debtors	769,686	1,165,220
Amounts owed by group undertakings	3,754,914	3,548,224
Other debtors	83,875	316,746
Prepayments and accrued income	830,363	547,120
	£5,438,838	£5,577,310

### 14. CREDITORS

Amounts falling due within one year

	2001	2000
Bank overdraft	3,563,872	709,987
Directors' loans	2,426,811	1,408,126
Obligations under finance lease and hire purchase contracts	69,786	66,044
Trade creditors	1,330,050	2,516,196
Amounts owed to group undertakings	14,610,452	14,604,830
Other creditors	102,920	111,158
Other taxes and social security costs	402,683	156,354
Accruals and deferred income	2,563,654	1,951,716
	£25,070,228	£21,524,411

# THE READING FOOTBALL CLUB LIMITED

## NOTES TO THE ACCOUNTS

AT 30TH JUNE 2001 (continued)

### 14. CREDITORS (continued)

#### Amounts falling due within one year

The bank overdraft is secured by a first legal charge on the football ground.

The Directors' loan is repayable on demand, interest bearing at 1% below HSBC Bank base rate. The Chairman confirms that it is not his intention to withdraw his support for the Company in the foreseeable future.

### 15. CREDITORS

#### Amounts falling due after one year

	2001	2000
Other creditors	232,518	307,514
Obligations under finance leases and hire purchase contracts	98,187	156,817
Deferred contributions (see note below)	14,948,010	15,270,629
	<u>£15,278,715</u>	<u>£15,734,960</u>

#### Deferred contributions

Pursuant to an agreement between the Group, Salmon Harvester Properties Limited (SHP) and Reading Borough Council dated 4<sup>th</sup> March 1997 (as subsequently amended) the company became entitled to contributions from SHP towards the capital cost of the stadium. Additionally the company has received contributions towards the capital cost from the Football Trust.

The deferred contributions are released to the profit and loss account over the stadium's expected useful life, being 50 years, in accordance with the depreciation policy for the asset to which the contributions relate.

#### Other creditors

Included in other creditors is a loan of £350,000 from Scottish and Newcastle Plc. The loan is repayable in equal monthly instalments over 10 years commencing September 1998. Interest is payable at 5.75% below base rate. The loan is secured by a legal charge over the Madejski Stadium.

	2001	2000
Amounts repayable between one and two years	35,000	35,000
Amounts repayable between two and five years	105,000	105,000
Amounts repayable after five years	75,833	110,833
	<u>215,833</u>	<u>250,833</u>
Amounts repayable within one year	35,000	35,000
	<u>£250,833</u>	<u>£285,833</u>

# THE READING FOOTBALL CLUB LIMITED

## NOTES TO THE ACCOUNTS

AT 30TH JUNE 2001 (continued)

### 15. CREDITORS

#### Obligations under finance lease and hire purchase contracts

	2001	2000
Amounts repayable between one and two years	69,786	66,044
Amounts repayable between two and five years	28,401	90,773
	<hr/>	<hr/>
	98,187	156,817
Amounts repayable within one year	69,786	66,044
	<hr/>	<hr/>
	£167,973	£222,861
	<hr/>	<hr/>

### 16. SHARE CAPITAL

	2001	2000
<b>Authorised</b>		
1,500,000 ordinary shares of 50p each	£750,000	£750,000
	<hr/>	<hr/>
<b>Allotted, Called up and Fully Paid:</b>		
1,500,000 ordinary shares of 50p each	£750,000	£750,000
	<hr/>	<hr/>

### 17. RESERVES

	Profit and loss account	Share premium
At 1 <sup>st</sup> July 2000	(6,280,880)	6,525,000
Loss for the year	(4,652,813)	-
	<hr/>	<hr/>
	£(10,933,693)	£6,525,000
	<hr/>	<hr/>

### 18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	2001	2000
Loss for the financial year	(4,652,813)	(551,884)
Share capital cancelled	-	(750,000)
Share capital issued ( nominal value £750,000)	-	750,000
	<hr/>	<hr/>
Net reduction in shareholders' funds	(4,652,813)	(551,884)
Opening shareholders' funds	994,120	1,546,004
	<hr/>	<hr/>
Closing shareholders' funds	£(3,658,693)	£ 994,120
	<hr/>	<hr/>



# THE READING FOOTBALL CLUB LIMITED

## NOTES TO THE ACCOUNTS

AT 30TH JUNE 2001 (continued)

### 19. COMMITMENTS

Annual commitments under non-cancellable operating leases are as follows

	2001	2000
<b>Other</b>		
Expiring within one year	12,370	23,026
Expiring in the second to fifth years	38,003	32,856
	<u>£50,373</u>	<u>£55,882</u>

#### Contingent liabilities

Under the terms of certain contracts for the signing of players, additional amounts may become payable to other football clubs. The maximum unprovided liability which may arise in respect of this at 30th June 2001 is £250,000 ( 30th June 2000 - £335,000 ).

The company, together with Madejski Stadium Hotel Limited, is a member of a VAT group under which both members are jointly and severally liable.

The company is party to a cross-guarantee for the bank borrowings of The Reading Football Club (Holdings) Plc and Madejski Stadium Hotel Limited.

### 20. PENSION COMMITMENTS

The latest actuarial valuation of the Football League Limited Pension and Life Assurance Scheme revealed that there was a deficit in the Scheme of £13,054,000 which has subsequently increased to £16m in respect of the final salary section of the Scheme. The Reading Football Club Limited's share of the deficit at 31st August 1999 was £24,335. This will be repaid by increased contributions in the years to 2007. On the basis that pension costs are spread over the working lives of the employees and the pension contributions vary in accordance with the actuarial valuation, no provision has been made for this in these accounts.

### 21. TRANSACTIONS WITH DIRECTORS

During the year, interest of £113,466 (2000 - £168,737) accrued on the loan from J. Madejski.

Included in accruals is £548,080 (2000 - £434,614) in respect of accrued interest on the directors' loan.

# THE READING FOOTBALL CLUB LIMITED

## NOTES TO THE ACCOUNTS

AT 30TH JUNE 2001 (continued)

### 22. RELATED PARTY TRANSACTIONS

Transactions have taken place during the year with businesses in which serving directors have an interest as follows:

The company paid sums to Field Seymour Parkes, a firm of Solicitors in which Mr. I.M. Wood-Smith is a partner as follows:

	2001	2000
	£'s	£'s
Legal advice regarding new stadium development	-	1,157
General, legal and professional advice	26,208	38,650
	<u>          </u>	<u>          </u>

During the year, the company made sales to Field Seymour Parkes of £1,753.

Included in other debtors is an amount owing of £21,369 from Ark Management Limited, a company in which J Madejski is a director. During the year, the Company made sales of £22,608 to Ark Management Limited.

### 23. HOLDING COMPANY

The company's holding company is The Reading Football Club (Holdings) Plc.