


Company Registration Number 3197756

MONDAY



L141EAYP

LD3 05/03/2012 #65

COMPANIES HOUSE

WE

L13OUKYX

LD7 29/02/2012 #166

COMPANIES HOUSE

QPR Holdings Limited

Financial statements

31 May 2011

QPR Holdings Limited

Financial statements

Year ended 31 May 2011

Contents	Pages
Company information	1
Chairman's statement	2
Directors' report	3 to 5
Independent auditor's report to the shareholders	6
Profit and loss account	7
Group balance sheet	8
Balance sheet	9
Group cash flow statement	10
Notes to the financial statements	11 to 20

QPR Holdings Limited

Company information

The board of directors

Mr T Fernandes
Mr A Bhatia
Mr K Meranun
Mr S Maheshwan

Company secretary

Temple Secretarial Limited

Registered office

Loftus Road Stadium
South Africa Road
London
W12 7PJ

Auditor

Chantrey Vellacott DFK LLP
Chartered Accountants
Statutory Auditor
Russell Square House
10 - 12 Russell Square
London
WC1B 5LF

Bankers

Lloyds TSB
2nd Floor
25 Gresham Street
London
EC2V 7HN

The Royal Bank of Scotland
155 Bishopsgate
London
EC2M 3YB

QPR Holdings Limited

Chairman's statement

Year ended 31 May 2011

On behalf of the Board of Directors, I am delighted to present the annual financial statements and report for the year ended 31 May 2011

On the Field

The 2010/11 season was an historic one for QPR. Not only did we win the Championship and with it promotion to the Premier League, we also set a record for the Club's longest run of unbeaten league matches and the most clean sheets in a season. In addition, Adel Taarabt won the coveted Championship Player of the Year Award.

The Club finished the 2010/11 season as Championship winners with a total of 88 points.

Player transfers

In the 2010 summer transfer window, we took the opportunity to bring in players that we hoped would make a significant contribution as part of a squad that could compete at the top of the Championship, and this strategy was a huge success. Amongst the permanent signings were Jamie Mackie, Paddy Kenny, Shaun Derry, Clint Hill, Rob Hulse, Bradley Orr (in an exchange deal that saw Damion Stewart leave QPR) and Adel Taarabt, whose loan deal became a permanent move. In addition Tommy Smith joined in the summer, initially on loan and then on a permanent deal in January 2011. Due to injuries, we loaned Kyle Walker from Tottenham Hotspur during the early part of the season and then loaned both Wayne Routledge and Ishmael Miller in the latter part of the season. During the January 2011 transfer window, we also signed Danny Shittu and Pascal Chimbonda on short-term contracts.

We loaned out a number of players during the course of the season, including Mikel Leigertwood to Reading, Leon Clarke to Preston North End, Angelo Balanta to MK Dons and both Matteo Alberti and Alessandro Pellicori to Italian clubs.

Prospects

In August 2011, my business partners and I purchased a majority shareholding in the Club, and working closely with Amit Bhatia, we are focused on turning QPR into an established Premier League club.

We have made a significant investment in relation to bringing new players to QPR and believe that we now have a playing squad with the potential to compete in the Premier League. Mark Hughes joined us as Manager in January 2012 and we believe that he has the necessary skills and experience to galvanise the playing squad and get them playing to their full potential.

Off the field, we have sold over 10,000 season tickets and are confident that the revised pricing structure will help to encourage high attendance figures for all of our home matches.

We are confident that the 2011/12 season will provide some memorable moments and hope that the Club, supported by its fans and commercial partners can truly enjoy its first season back in the Premier League. At the time of writing we are sitting in 16th place, with 21 points from 25 games and a strong belief that we will gain sufficient points from our remaining 13 matches to secure our Premier League status.

On behalf of the Board, I would like to pay tribute to QPR's fans for their continued support and dedication to the Club. We look forward to welcoming you to Loftus Road!



Tony Fernandes
Chairman

QPR Holdings Limited

Directors' report

Year ended 31 May 2011

The directors have pleasure in presenting their report and the audited financial statements of the group for the year ended 31 May 2011

Principal activities and business review

The principal activity of the Group is that of a professional football club, with related commercial activities

Results and dividends

The loss for the year amounted to £25,383,000. The directors have not recommended a dividend

Business Review

The results for the year are summarised below

- Group turnover was £16.2 million, an increase on the prior year figure of £14.4 million,
- Match day revenue at £2.9 million, represented an average of £126,000 (2010: £107,000) per Football League match played at Loftus Road. The increase from the prior year was a result of higher average attendances,
- Group operating losses were £25.7 million, reflecting the continuing investment in the playing squad and the bonuses and contingent payments that were triggered by promotion,
- At the balance sheet date the Group had bank reserves of £0.7 million, a decrease of £0.2 million on the prior year. The Group also continued to utilise the overdraft facility of £5m from Lloyds TSB for working capital purposes. At the balance sheet date, the overdraft stood at £4.9 million,
- At the balance sheet date the Group's deficit position was £39.9 million, compared with a £14.5 million deficit in the prior year. This is principally supported through financing obtained via shareholder loans.

As the Club's owners have emphasised previously, the key measure of the Club's success is on-pitch performance and a critical driver of any club's value is presence in the Premier League, which was achieved during the year under review. The financial results reflect this focus on on-pitch success.

Cash flow and treasury

Net cash outflow from operations amounted to £15.5 million as compared to £16.6 million for the previous year.

The Group paid £7.3 million (2010: £0.6 million) to acquire additional players during the year. The Group received £22.3 million (2010: £13.6 million) in shareholder financing during the year. The Group paid out £169,000 (2010: £131,000) in relation to interest during the year.

Net debt as at 31 May 2011 has increased to £56.1 million (2010: £33.8 million).

Risks and uncertainties

There are a number of potential risks and uncertainties that could have a material impact on the Group's long term performance. These risks and uncertainties are monitored by the Board on a regular basis.

Football

The Group's income is directly affected by the performance of the first team. The sources and level of revenue generated by the Group has a direct relationship with the performance of the team in the Championship, the Carling Cup and the FA Cup. Promotion to the Premier League will significantly increase the Group's guaranteed income.

The level of attendance may be influenced by factors such as the success of the team, ticket prices, broadcast coverage and the general economic climate. During the season under review the team finished top of the Championship, in comparison to 13th place in the previous season.

The performance of the playing squad, as well as the football management staff, is hugely important to the Group, which maintains its strategy of trying to retain the highest quality playing and management staff. The Group operates in a highly competitive market for talent and the market rates for transfers and wages is, to a varying degree, dictated by competitors and the Group recognises the significance of this in relation to the desire to maintain the strength of the first team.

The Club is regulated by the rules of the various governing bodies and any change to these rules could have an impact on the Group, especially the division of broadcasting income. The Group monitors its compliance with all applicable rules and considers the impact of any changes.

QPR Holdings Limited

Directors' report continued

Year ended 31 May 2011

Commercial

The Group derives income from sponsorship and other commercial arrangements. Going forward, the Group believes that its Premier League status will help it to significantly increase its commercial revenues.

Broadcasting and certain other revenues are derived from contracts that are currently centrally negotiated by the Football League or Premier League, the Group does not have any influence on the outcome of the relevant contract negotiations.

Future Developments

Having achieved its goal of gaining promotion to the Premier League, the Group's key objective for the 2011/12 season is to maintain its Premier League status. The Board believes that further investment in the playing squad is required in order to achieve this, however they are conscious of the need for expenditure to be closely monitored and controlled.

Post Balance Sheet Events

The details of these are included in note 25 to the financial statements.

Going Concern

The group's business activities, together with the factors likely to affect its future development and performance are set out above. The financial position of the group, its cash flows, liquidity position and borrowing facilities are described.

As highlighted in note 15 to the financial statements, the group meets its day-to-day working capital requirements through an overdraft facility and the directors recognise that the current economic conditions create uncertainty over the availability of bank finance in the foreseeable future.

The directors, based on cash flow projections prepared by management and through confirmation of continuing support from the group's main shareholders and creditors, have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Directors

The directors who served the company during the year were as follows:

Mr F Briatore
Mr A Bhatia
Mr B Ecclestone
Mr B T S Michel
Mr G Paladini
Mr M Rapini
Mr A Russell

Mr A Bhatia resigned as a director on 25 May 2011 (and was reappointed on 18th August 2011)
Mr B Ecclestone was appointed as a director on 28 January 2011 (and resigned on 18 August 2011)
Mr B T S Michel was removed as a director on 28 January 2011
Mr G Paladini resigned as a director on 28 January 2011
Mr M Rapini resigned as a director on 28 January 2011
Mr A Russell resigned as a director on 28 January 2011
Mr F Briatore resigned as a director on 18 August 2011
Mr T Fernandes was appointed as a director on 18 August 2011
Mr K Meranun was appointed as a director on 18 August 2011
Mr S Maheshwari was appointed on 19 December 2011

QPR Holdings Limited

Directors' report continued

Year ended 31 May 2011

Statement of Directors responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements 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 financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that year. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as the directors are aware

- there is no relevant audit information of which the group's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Chantrey Vellacott DFK LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Signed on behalf of the directors

T. FERNANDES



Director

Approved by the directors on 27th February 2012

QPR Holdings Limited

Independent auditor's report to the shareholders of QPR Holdings Limited

Year ended 31 May 2011

We have audited the group and parent company financial statements of QPR Holdings Limited for the year ended 31 May 2011 which comprise the group profit and loss account, group statement of total recognised gains and losses, group and parent company balance sheets, group 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 Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent 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 financial statements. In addition, we read all the financial and non-financial information in the directors' report and chairman's statement to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 May 2011 and of the group's results 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 matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

chantrey vellacott dfk llp

MARK STEVENS (Senior Statutory Auditor)
for and on behalf of CHANTREY VELLACOTT DFK LLP
Chartered Accountants and Statutory Auditor
London
28/2/2012

QPR Holdings Limited
Profit and loss account
Year ended 31 May 2011

	Note	2011 £000	2010 £000
Group turnover	2	16,229	14,380
Cost of sales		<u>39,372</u>	<u>24,256</u>
Gross loss		(23,143)	(9,876)
Administrative expenses		<u>(4,576)</u>	<u>(5,998)</u>
Exceptional items	3	2,000	-
Operating loss	4	(25,719)	(15,874)
Profit on disposal of player registrations	7	<u>505</u>	<u>2,307</u>
		(25,214)	(13,567)
Interest payable and similar charges	8	<u>(169)</u>	<u>(131)</u>
Loss on ordinary activities before taxation		(25,383)	(13,698)
Tax on loss on ordinary activities	9	-	-
Loss for the financial year	10	<u>(25,383)</u>	<u>(13,698)</u>

All of the activities of the group are classed as continuing

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own profit and loss account

There is no difference between the results shown above and their historical cost equivalents

The notes on page 11 to 20 form part of these financial statements.

QPR Holdings Limited**Group balance sheet****As at 31 May 2011**

	Note	2011 £000	2010 £000
Fixed assets			
Intangible assets	11	8,008	3,902
Tangible assets	12	20,580	21,012
		<u>28,588</u>	<u>24,914</u>
Current assets			
Stocks	13	302	316
Debtors	14	2,043	3,756
Cash at bank		673	944
		<u>3,018</u>	<u>5,016</u>
Creditors: amounts falling due within one year	15	<u>(46,022)</u>	<u>(33,307)</u>
Net current liabilities		<u>(43,004)</u>	<u>(28,291)</u>
Total assets less current liabilities		<u>(14,416)</u>	<u>(3,377)</u>
Creditors, amounts falling due after more than one year	16	<u>(25,434)</u>	<u>(11,090)</u>
		<u>(39,850)</u>	<u>(14,467)</u>
Capital and reserves			
Called up equity share capital	20	31,000	31,000
Share premium account	21	7,617	7,617
Revaluation reserve	21	7,981	7,981
Profit and loss account	21	(86,448)	(61,065)
Deficit	22	<u>(39,850)</u>	<u>(14,467)</u>

These financial statements were approved by the directors and authorised for issue on 27th February 2012, and are signed on their behalf by



T. FERNANDES

Company Registration Number 3197756

The notes on page 11 to 20 form part of these financial statements.

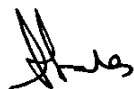
QPR Holdings Limited

Balance sheet

As at 31 May 2011

	Note	2011 £000	2010 £000
Fixed assets			
Tangible assets	12	20,580	21,012
Investments	23	5,520	8,213
		<u>26,100</u>	<u>29,225</u>
Current assets			
Stocks	13	302	316
Debtors	14	1,859	1,964
Cash at bank		671	944
		<u>2,832</u>	<u>3,224</u>
Creditors: amounts falling due within one year	15	<u>(47,341)</u>	<u>(39,586)</u>
Net current liabilities		<u>(44,509)</u>	<u>(36,362)</u>
Total assets less current liabilities		<u>(18,409)</u>	<u>(7,137)</u>
Creditors: amounts falling due after more than one year	16	<u>(25,434)</u>	<u>(10,980)</u>
		<u>(43,843)</u>	<u>(18,117)</u>
Capital and reserves			
Called up equity share capital	20	31,000	31,000
Share premium account	21	7,617	7,617
Revaluation reserve	21	7,981	7,981
Profit and loss account	21	(90,441)	(64,715)
Deficit		<u>(43,843)</u>	<u>(18,117)</u>

These financial statements were approved by the directors and authorised for issue on 27th February 2012, and are signed on their behalf by



T. FERNANDES

Company Registration Number 3197756

The notes on page 11 to 20 form part of these financial statements.

QPR Holdings Limited**Group cash flow statement****Year ended 31 May 2011**

	Note	2011 £000	2010 £000
Net cash outflow from operating activities	24	(15,475)	(16,541)
Returns on investments and servicing of finance	24	(169)	(131)
Capital expenditure and financial investment	24	(6,618)	2,495
Cash outflow before financing		(22,262)	(14,177)
Financing	24	21,860	13,409
Decrease in cash	24	(402)	(768)

The notes on page 11 to 21 form part of these financial statements.

QPR Holdings Limited

Notes to the financial statements

Year ended 31 May 2011

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable United Kingdom accounting standards

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and its subsidiary undertaking. The subsidiary accounts are adjusted, where appropriate, to conform to group accounting policies.

Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively.

As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Going Concern

The directors, based on cash flow projections prepared by management and through confirmation of continuing support from the group's main shareholders and creditors, have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Turnover

Turnover represents match receipts, sponsorship and other income associated with the continuing principal activity of running a professional football club and excludes Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property – 10 to 50 years straight line

Plant & Machinery – 5 years straight line

Fixtures & Fittings – 5 years straight line

Freehold land is not depreciated.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Operating lease agreements

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the period of the lease.

Deferred taxation

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Investments

Investments in subsidiary undertakings are stated at cost less provision for permanent impairment, if any.

QPR Holdings Limited

Notes to the financial statements

Year ended 31 May 2011

1 Accounting policies (*continued*)

Player registrations

Fees payable to other clubs on the transfer of player registrations with associated costs are capitalised as intangible assets and are written off over the period of the relevant player's contract term. Payments or receipts that are contingent on future events are accounted for in the period that the events crystallising such payments or receipts have taken place.

Player signing-on fees

Signing-on fees are charged to the profit and loss account in the accounting period in which they become payable.

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the group.

An analysis of turnover is given below.

	2011 £000	2010 £000
United Kingdom	<u>16,229</u>	<u>14,380</u>

3 Exceptional items

The exceptional item is a reinstatement of a provision for a liability that was in place due to the sale of the Company to a previous owner.

4. Operating loss

Operating loss is stated after charging

	2011 £000	2010 £000
Amortisation of intangible assets	3,171	2,393
Depreciation of owned fixed assets	717	692
Write off of Investment	2,693	-
Release of inter group creditor	(2,693)	-
Operating lease rentals on land and buildings	255	249
Auditor's remuneration		
- as auditor for current year	32	25
- taxation advice	15	6
	<u> </u>	<u> </u>

QPR Holdings Limited

Notes to the financial statements

Year ended 31 May 2011

5 Particulars of employees

The average number of staff, including executive directors, employed by the group during the financial year can be analysed as follows

	2011 No	2010 No
Number of administrative staff	18	18
Players, managers, coaches and support staff	74	69
Commercial, marketing and retail staff	15	10
Stadium and maintenance staff	7	7
	114	104

The aggregate payroll costs of the above were

	2011 £000	2010 £000
Wages and salaries	26,377	15,016
Social security costs	3,362	1,894
Other pension costs	-	73
	29,739	16,983

Pension costs are contributions paid into a defined contribution scheme Contributions to the Scheme are charged to the Profit and Loss Account on a straight line basis

6 Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2011 £000	2010 £000
Remuneration receivable	293	408

Remuneration of highest paid director:

	2011 £000	2010 £000
Total remuneration (excluding pension contributions)	164	154

Pension contributions were made on behalf of nil directors (2010 one)

7. Profit on disposal of player's registrations

	2011 £000	2010 £000
Profit on disposal of player's registrations	505	2,307

QPR Holdings Limited

Notes to the financial statements

Year ended 31 May 2011

8 Interest payable and similar charges

	2011 £000	2010 £000
Bank Interest	<u>169</u>	<u>131</u>

9 Taxation on ordinary activities

A potential deferred tax asset exists at the balance sheet date in respect of tax losses carried forward. This has not been recognised in the accounts as there is insufficient evidence that the asset will be recoverable within the meaning of Financial Reporting Standard No 19 Deferred Tax."

Tax losses carried forward at the balance sheet date were £112m (2010 - £87m)

10 Loss attributable to members of the parent company

The loss dealt with in the financial statements of the parent company was £25,726,000 (2010 £14,148,000)

11 Intangible fixed assets

	Player Registrations £000
Cost	
At 1 June 2010	9,209
Additions	7,277
Disposals	(301)
At 31 May 2011	<u>16,185</u>
Amortisation	
At 1 June 2010	5,307
Charge for the year	3,171
On disposals	(301)
At 31 May 2011	<u>8,177</u>
Net book value	
At 31 May 2011	<u>8,008</u>
At 31 May 2010	<u>3,902</u>

QPR Holdings Limited

Notes to the financial statements

Year ended 31 May 2011

12. Tangible fixed assets

Group and Company

	Land & Buildings £	Plant & Machinery £	Fixtures & Fittings £	Total £
Cost or valuation				
At 1 June 2010	21,329	2,918	467	24,714
Additions	146	102	37	285
At 31 May 2011	21,475	3,020	504	24,999
Depreciation				
At 1 June 2010	609	2,665	428	3,702
Charge for the year	621	82	14	717
At 31 May 2011	1,230	2,747	442	4,419
Net book value				
At 31 May 2011	20,245	273	62	20,580
At 31 May 2010	20,720	253	39	21,012

The Loftus Road Stadium was independently valued by Savills, Chartered Surveyors, as at 31 May 2009 on a depreciated replacement cost (existing use) basis, at £21,250,000. The directors have not updated the valuation because they are not aware of any material change in value.

On a historical cost basis, land and buildings would have been included for both the Group and the Company as

	2011 £000	2010 £000
Historical cost	17,184	17,038
Depreciation based on cost	(1,723)	(1,146)
	15,461	15,892

13 Stocks

	2011 £000	Group 2010 £000	2011 £000	Company 2010 £000
Goods held for resale	302	316	302	316

QPR Holdings Limited

Notes to the financial statements

Year ended 31 May 2011

14. Debtors

	2011 £000	Group 2010 £000	2011 £000	Company 2010 £000
Trade debtors	726	2,867	542	1,075
Other debtors	107	341	107	341
Prepayments and accrued income	1,210	548	1,210	548
	<u>2,043</u>	<u>3,756</u>	<u>1,859</u>	<u>1,964</u>

15. Creditors: amounts falling due within one year

	2011 £000	Group 2010 £000	2011 £000	Company 2010 £000
Short term borrowings	181	275	181	275
Overdrafts	4,921	4,790	4,921	4,790
Trade creditors	6,250	3,461	1,910	2,397
Amounts owed to group undertakings	-	-	6,213	7,899
Taxation and social security	1,824	2,212	1,268	1,656
Accruals and deferred income	8,746	3,969	8,746	3,969
Other creditors	24,100	18,600	24,102	18,600
	<u>46,022</u>	<u>33,307</u>	<u>47,341</u>	<u>39,586</u>

Included within other creditors are the following loans

£11,100,000 from Sartia Investment Capital, which carries zero interest and is repayable on demand (£8,600,000), and on 31 August 2011 (£2,500,000)

£500,000 from Bernard Ecclestone which carries zero interest and is repayable on 8 March 2012

£2,500,000 from Sea Dream Limited, which carries zero interest and is repayable on 8 March 2012

£10,000,000 from Amulya Property Limited, which is repayable on demand

The overdraft facilities are secured by way of a legal charge over the commercial freehold of the Loftus Road Stadium

16 Creditors: amounts falling due after more than one year

	2011 £000	Group 2010 £000	2011 £000	Company 2010 £000
Trade creditors	-	110	-	-
Other creditors	25,434	10,980	25,434	10,980
	<u>25,434</u>	<u>11,090</u>	<u>25,434</u>	<u>10,980</u>

QPR Holdings Limited

Notes to the financial statements

Year ended 31 May 2011

16. Creditors: amounts falling due after more than one year (continued)

Included within long term creditors are the following loans

£4,702,000 of loans from Santa Capital Investment, which carry zero interest and are repayable on 30 June 12 (£153,000), 26 July 2012 (£814,000), 1 September 2012 (£558,000), 22 September 2012 (£327,000), 21 October 2012 (£189,000), 22 October 2012 (£1,453,000), 1 December 2012 (£168,000), 20 December 2012 (£252,000), 24 January 2013 (£231,000), 23 February 2013 (£231,000), 21 March 2013 (£158,000) and 24 April 2013 (£168,000)

£10,893,000 of loans from Bernard Ecclestone, which carry zero interest and are repayable on 30 June 12 (£47,000), 26 July 2012 (£253,000), 1 September 2012 (£509,000), 22 September 2012 (£474,000), 21 October 2012 (£2,212,000), 22 October 2012 (£835,000), 1 December 2012 (£899,000), 20 December 2012 (£1,349,000), 24 January 2013 (£1,236,000), 27 January 2013 (£100,000), 23 February 2013 (£1,237,000), 21 March 2013 (£843,000) and 24 April 2013 (£899,000)

£9,839,000 of loans from Sea Dream Limited, which carry zero interest and are repayable on 30 June 12 (£100,000), 26 July 2012 (£533,000), 1 September 2012 (£533,000), 22 September 2012 (£999,000), 21 October 2012 (£599,000), 22 October 2012 (£2,712,000), 1 December 2012 (£533,000), 20 December 2012 (£799,000), 24 January 2013 (£733,000), 27 January 2013 (£534,000), 23 February 2013 (£733,000), 21 March 2013 (£499,000) and 24 April 2013 (£532,000)

17 Commitments

As at the 31 May 2011, the club was committed to paying signing on fees in respect of players of £1,368,000 (2010 £631,000)

In addition the club was committed to paying £317,000 (2010 £256,000) per annum under a non-cancellable operating lease in relation to land & buildings

18. Related party transactions

During the year the company paid amounts totalling £40,000 (2010 £40,000) to Moorbound Limited, a company in which O Paladini, the wife of G Paladini, is the only shareholder, in relation to G Paladini's role as a director. Included in other debtors is an interest free loan of £nil (2010 £215,000) to G Paladini

During the year, loans were provided to the company by Santa Capital Investment, Sea Dream Limited and Mr Bernard Ecclestone, all shareholders of the company. Details of these loans are shown in creditors

In accordance with the exemption permitted by Financial Reporting Standard 8 "Related Party Disclosures", transactions with other group undertakings have not been disclosed in these financial statements

19. Ultimate Controlling Party

At the date of signing the ownership of QPR Holdings Limited is as follows

- 66.02% Tune QPR Sdn Bhd, the ultimate owners of which are Tony Fernandes, Kamarudin Meranun and Ruben Gnanaalingam
- 33.00% Sea Dream Ltd, the intimate owners of which are The L N Mittal Family
- 0.98% variety of minority shareholders

QPR Holdings Limited

Notes to the financial statements

Year ended 31 May 2011

20. Share capital

Authorised share capital

	2011 £000	2010 £000
3,100,000,000 Ordinary shares of £0.01 each	<u>31,000</u>	<u>31,000</u>

Allotted and called up:

	No	2011 £000	No	2010 £000
Ordinary shares of £0.01 each	<u>3,099,493,700</u>	<u>31,000</u>	<u>3,099,493,700</u>	<u>31,000</u>

21. Reserves

Group	Share premium account £000	Revaluation Reserve £000	Profit and loss account £000
Balance brought forward	7,617	7,981	(61,065)
Loss for the year	-	-	(25,383)
Balance carried forward	<u>7,617</u>	<u>7,981</u>	<u>(86,448)</u>

Company	Share premium account £000	Revaluation Reserve £000	Profit and loss account £000
Balance brought forward	7,617	7,981	(64,715)
Loss for the year	-	-	(25,726)
Balance carried forward	<u>7,617</u>	<u>7,981</u>	<u>(90,441)</u>

22 Reconciliation of movements in shareholders' funds

	2011 £000	2010 £000
Loss for the financial year	(25,383)	(13,698)
New ordinary share capital subscribed	-	5,000
Net reduction of shareholders' funds	<u>(25,383)</u>	<u>(8,698)</u>
Opening shareholders' funds	<u>(14,467)</u>	<u>(5,769)</u>
Closing shareholders' deficit	<u>(39,580)</u>	<u>(14,467)</u>

QPR Holdings Limited

Notes to the financial statements

Year ended 31 May 2011

23. Investments

Company

	2011 £000	2010 £000
Net book value at 1 June 2010	8,213	8,213
Write off of investment	(2,693)	-
Net book value at 31 May 2011	<u>5,520</u>	<u>8,213</u>

The investment represents a 100% holding in Queens Park Rangers Football & Athletic Club Limited, a professional football club, incorporated in England and Wales. Queens Park Rangers Football & Athletic Club Limited is included in this set of consolidated financial statements.

24. Notes to the cash flow statement

Reconciliation of operating loss to net cash outflow from operating activities

	2011 £000	2010 £000
Operating loss	(25,719)	(15,874)
Amortisation	3,171	2,393
Depreciation	717	692
Decrease/(increase) in stocks	14	(47)
Decrease/(increase) in debtors	1,713	(2,565)
(Decrease)/Increase in creditors	4,629	(1,140)
Net cash outflow from operating activities	<u>(15,475)</u>	<u>(16,541)</u>

Returns on investments and servicing of finance

	2011 £000	2010 £000
Interest paid	(169)	(131)
Net cash outflow from returns on investments and servicing of finance	<u>(169)</u>	<u>(131)</u>

Capital expenditure

	2011 £000	2010 £000
Payments to acquire intangible fixed assets	(6,838)	(575)
Payments to acquire tangible fixed assets	(285)	(210)
Receipts from sale of fixed assets	505	3,280
Net cash inflow/(outflow) from capital expenditure	<u>(6,618)</u>	<u>2,495</u>

Financing

	2011 £000	2010 £000
Issue of equity share capital	-	5,000
Net inflow from other long-term creditors	22,300	8,634
Payments in relation to short-term borrowing	(440)	(225)
Net cash inflow from financing	<u>21,860</u>	<u>13,409</u>

Net cash is defined as cash and cash equivalents

QPR Holdings Limited

Notes to the financial statements

Year ended 31 May 2011

24 Notes to the cash flow statement (*continued*)

Reconciliation of net cash flow to movement in net debt

	2011 £000	2010 £000
Decrease in cash in the period	(402)	(768)
Net cash outflow from other long-term creditors	(21,860)	(8,362)
Change in net funds	(22,262)	(9,130)
Net debt at 1 June 2009	(33,811)	(24,681)
Net funds at 31 May 2010	(56,073)	(33,811)

Analysis of changes in net debt

	At 1 Jun 2010 £000	Cash flows £000	At 31 May 2011 £000
Net cash			
Cash in hand and at bank	944	(271)	673
Overdrafts	(4,790)	(131)	(4,921)
	(3,846)	(402)	(4,248)
Debt			
Debt due within 1 year	(8,875)	(23,150)	(32,025)
Debt due after 1 year	(21,090)	1,290	(19,800)
Net debt	(33,811)	(22,262)	(56,073)

25. Post balance sheet events

In August 2011 Sarita Capital Investment and Bernard Ecclestone sold their shareholding in QPR Holdings Ltd to Tune QPR Sdn Bhd. They also reassigned £19.4m of loans shown in Note 16 and £13.2m of the loans shown in Note 17 to Tune QPR Sdn Bhd.

Transfer activity during the last summer transfer window saw the arrival of a number of players to the Club on permanent transfers, notably Joey Barton, Jay Bothroyd, DJ Campbell, Kieron Dyer, Anton Ferdinand, Danny Gabbidon, Bryan Murphy, Bruno Perone, Armand Traore, Shaun Wright-Phillips and Luke Young. The contracts of Radek Cerny, Max Ehmer, Heidar Helguson and Danny Shittu were extended.

Mikele Leigertwood and Kaspars Gorkss were sold to Reading and a number of players including Gavin Mahon, Leon Clarke and Antonio German were released.

During the January 2012 transfer window QPR secured three players on permanent transfers, Djibril Cisse, Nedum Onuoha and Bobby Zamora, as well as three players on half-season loans, Samba Diakite, Fedenco Macheda and Taye Taiwo.

There were a number of departures during January 2012, with Bradley Orr being sold to Blackburn and Matthew Connolly going on a half-season loan to Reading. In addition a number of players left the Club by mutual consent.

In January 2012 Neil Warnock left the Manager's role and was replaced by Mark Hughes.