

**Company Registration Number 3197756**

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**QPR Holdings Limited**

**Financial statements**

**31 May 2010**

# **QPR Holdings Limited**

## **Financial statements**

**Year ended 31 May 2010**

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## **QPR Holdings Limited**

### **Company information**

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#### **The board of directors**

Mr F Briatore  
Mr A Bhatia  
Mr B Ecclestone

#### **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 2010**

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On behalf of the Board of Directors, I am delighted to present the annual financial statements and report for the year ended 31 May 2010

#### **On the Field**

The 2009/10 season proved to be another eventful one for everyone associated with the Club. Highlights of the season included the astonishing 4-2 comeback win away to Derby County and Adel Taarabt's stunning solo strike against Preston North End. Alejandro Faurin marked a great first season in English football by winning the Player of the Year Award. A promising start to the season was followed by a drop in form and it was definitely a season of highs and lows.

During 2009/10, we took the decision to part company with two first team managers. Jim Magilton and Paul Hart, with Mick Harford taking the reins as caretaker manager before Neil Warnock was appointed as First Team Manager in March.

The Club finished the 2009/10 season in 13<sup>th</sup> position, seven places and 13 points from the play-off positions.

#### **Player transfers**

In the 2009 summer transfer window, we brought in a number of players, most notably Alejandro Faurin from Argentinean club Instituto and Adel Taarabt on loan from Tottenham Hotspur. Additionally, Lee Camp, Dexter Blackstock and Damien Delaney were sold to Nottingham Forest (Camp & Blackstock) and Ipswich Town (Delaney). During the season we sold Wayne Routledge to Newcastle United and made good use of the loan system both in terms of loaning players in and out. Players loaned in included Tom Heaton from Manchester United, Ben Watson from Wigan, Jay Simpson from Arsenal, Carl Ikeme and Matthew Hill from Wolverhampton Wanderers and Steven Reid from Blackburn, with Heidar Helguson (Watford), Fitz Hall (Newcastle United), Hogan Ephraim (Leeds) and Patrick Agyemang (Bristol City), being among those players loaned out.

#### **Commercial partners**

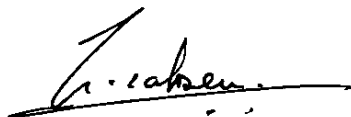
The current financial year witnessed the continuation of many commercial arrangements including our shirt sponsor, Gulf Air, our kit sponsor Lotto Sport Italia, our financial partner Santander, and our QPR ambassador in the Far East, Ms Yamazaki. As well as new commercial arrangements with Stan James and Carlsberg.

#### **Prospects**

Following the significant investment made in the relation to the playing squad during the summer of 2010, QPR have made a very promising start to the 2010/11 season, under the guidance of Neil Warnock. After 31 games we have accumulated 60 points and are top of the table.

Off the field, ticket sales have been very promising, with Loftus Road being fully sold out for our league match against Norwich City. Our membership scheme has continued to grow and the launch of QPR Player has been very well received.

We remain confident that 2010/11 will be a season to remember for QPR and I would like to pay tribute to the shareholders, fans and commercial partners for their continued support and dedication. I look forward to welcoming you to Loftus Road as the team strive to build on the great start that we have had this season.



Ishan Saksena  
Chairman & Managing Director

## **QPR Holdings Limited**

### **Directors' report**

#### **Year ended 31 May 2010**

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The directors have pleasure in presenting their report and the audited financial statements of the group for the year ended 31 May 2010

#### **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 £13,698,000. The directors have not recommended a dividend

#### **Business Review**

The results for the year are summarised below

- Group turnover was £14.4 million, a slight reduction on the prior year figures of £14.8 million,
- Match day revenue at £2.5 million, represented an average of £107k (2009: £131k) per Football League match played at Loftus Road. The decrease from the prior year was a result of lower average attendances,
- Group operating losses were £15.9 million, reflecting the owners' continuing pursuit of on-pitch success through investing heavily in the playing squad. The losses represent a £1.5m reduction on the prior year as a result of cost reductions,
- At the balance sheet date the Group had bank reserves of £0.9 million, an increase of £0.7 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 £4.8m
- At the balance sheet date the Group's deficit position was £14.5m million, compared with a £5.8 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 is the stated aim of the current ownership. The above results reflect the desire for on-pitch success and the intense competitive desire to seek promotion to the Premier League

#### **Cash flow and treasury**

Net cash outflow from operations amounted to £16.6 million as compared to £12.1 million for the previous year. This reflects the ongoing investment made by the owners in relation to the playing squad and football management

The Group paid £0.6 million (2009: £3.4 million) to acquire additional players during the year. The Group received £13.6 million (2009: £15.0 million) in shareholder financing during the year. The Group paid out £131k in relation to interest during the year, compared with £1.7m in 2009, due to all shareholder loans being interest free

Net debt as at 31 May 2010 has increased to £37.0 million (2009: £24.7 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. It is important to note that 34% (2009: 42%) of the Group's revenue is derived from ticket sales. This reduction in ticketing revenue reliance reflects the Board's desire to broaden all revenue streams

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 13<sup>th</sup> in the league, 2 places lower 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 ensuring that the highest quality playing and management staff are retained by securing long-term contracts. 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

## **QPR Holdings Limited**

### **Directors' report continued**

#### **Year ended 31 May 2010**

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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.

#### **Commercial**

The Group derives income from sponsorship and other commercial arrangements. Going forward, the Group aims to enter into medium-term arrangements with its key commercial partners thereby securing certainty of income in the medium term.

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

#### **Future Developments**

There has been a continued focus on the financial position of football clubs, with a number of clubs, including Crystal Palace FC and Portsmouth entering administration. In this context, the Group has continued to assess various possibilities as to how it is financed over the short-to-medium term to ensure value is maximised for shareholders.

In light of an increased focus on tight cash flow management, the Group in 2010/11 has continued to look to reduce costs across all areas of the business in order to improve the Group's loss making position.

The Board continues to believe that the best long term policy for the Group is to re-invest cash back into the development of the team and key areas of the stadium. Accordingly, the Group's business plan and budgets are prepared with this objective in mind.

#### **Post Balance Sheet Events**

The details of these are included in note 24 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 groups' 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 Bnatore  
Mr A Bhatia  
Mr A A Longo  
Mr G Paladini  
Mr G Taylor  
Mr B T S Michel  
Mr M Rapini  
Mr A Russell

Mr A A Longo resigned as a director on 24 June 2010  
Mr A Russell was appointed as a director on 3 July 2009  
Mr G Taylor resigned as a director on 7 July 2009

Additionally

Mr B Ecclestone was appointed as a director on 28 January 2011  
Mr A Russell resigned as a director on 28 January 2011  
Mr B T S Michel was removed as a director on 28 January 2011

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## **QPR Holdings Limited**

### **Directors' report continued**

#### **Year ended 31 May 2010**

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Mr G Paladini resigned as a director on 28 January 2011

Mr M Rapini resigned as a director on 28 January 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

Mr A Bhatia  
Director

Approved by the directors on 22 February 2011

## **QPR Holdings Limited**

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

**Year ended 31 May 2010**

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We have audited the group and parent company financial statements ("the financial statements") of QPR Holdings Limited for the year ended 31 May 2010 which comprise the profit and loss account, group statement of total recognised gains and losses, group balance sheet and company balance sheet, 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 shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the Annual Report, financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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 (APB'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 directors, and the overall presentation of the financial statements.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 May 2010 and of the group's result for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the 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

**21.2.2011**



**QPR Holdings Limited**

**Profit and loss account**

**Year ended 31 May 2010**

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	Note	2010 £000	2009 £000
<b>Group turnover</b>	<b>2</b>	<b>14,380</b>	14,822
Cost of sales		<u>24,256</u>	25,633
<b>Gross loss</b>		<b>(9,876)</b>	(10,811)
Administrative expenses		<u>5,998</u>	6,563
<b>Operating loss</b>	<b>3</b>	<b>(15,874)</b>	(17,374)
Profit on disposal of player registrations	<b>6</b>	<u>2,307</u>	218
		<b>(13,567)</b>	(17,156)
Interest receivable	<b>7</b>	-	63
Interest payable and similar charges	<b>8</b>	<u>(131)</u>	(1,731)
<b>Loss on ordinary activities before taxation</b>		<b>(13,698)</b>	(18,824)
Tax on loss on ordinary activities	<b>9</b>	-	-
<b>Loss for the financial year</b>	<b>10</b>	<u><b>(13,698)</b></u>	<u>(18,824)</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 12 to 21 form part of these financial statements**

**QPR Holdings Limited**

**Group statement of total recognised gains and losses**

**Year ended 31 May 2010**

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	<b>2010</b> <b>£000</b>	<b>2009</b> <b>£000</b>
Loss for the financial year attributable to the shareholders of the parent company	<b>(13,698)</b>	(18,824)
Unrealised loss on revaluation of certain fixed assets	-	(2,104)
Total gains and losses recognised since the last annual report	<b><u>(13,698)</u></b>	<b><u>(20,928)</u></b>

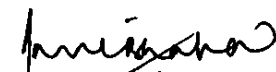
**The notes on page 12 to 21 form part of these financial statements.**

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**QPR Holdings Limited****Group balance sheet****As at 31 May 2010**

	Note	2010 £000	2009 £000
<b>Fixed assets</b>			
Intangible assets	11	3,902	6,693
Tangible assets	12	21,012	21,494
		<u>24,914</u>	<u>28,187</u>
<b>Current assets</b>			
Stocks	13	316	269
Debtors	14	3,756	1,191
Cash at bank		944	217
		<u>5,016</u>	<u>1,677</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(33,307)</u>	<u>(14,530)</u>
<b>Net current liabilities</b>		<u>(28,291)</u>	<u>(12,853)</u>
<b>Total assets less current liabilities</b>		<u>(3,377)</u>	<u>15,334</u>
<b>Creditors: amounts falling due after more than one year</b>	16	<u>(11,090)</u>	<u>(21,103)</u>
		<u>(14,467)</u>	<u>(5,769)</u>
<b>Capital and reserves</b>			
Called up equity share capital	19	31,000	26,000
Share premium account	20	7,617	7,617
Revaluation reserve	20	7,981	7,981
Profit and loss account	20	(61,065)	(47,367)
<b>Deficit</b>	21	<u>(14,467)</u>	<u>(5,769)</u>

These financial statements were approved by the directors and authorised for issue on 22 February 2011, and are signed on their behalf by

  
Mr A Bhatia

Company Registration Number 3197756

The notes on page 12 to 21 form part of these financial statements.

# QPR Holdings Limited

## Balance sheet

As at 31 May 2010

	Note	2010 £000	2009 £000
<b>Fixed assets</b>			
Tangible assets	12	21,012	21,494
Investments	22	8,213	8,213
		<u>29,225</u>	<u>29,707</u>
<b>Current assets</b>			
Stocks	13	316	269
Debtors	14	1,964	997
Cash at bank		944	217
		<u>3,224</u>	<u>1,483</u>
<b>Creditors, amounts falling due within one year</b>	15	<u>(39,586)</u>	<u>(19,056)</u>
<b>Net current liabilities</b>		<b>(36,362)</b>	<b>(17,573)</b>
<b>Total assets less current liabilities</b>		<u><b>(7,137)</b></u>	<u>12,134</u>
<b>Creditors amounts falling due after more than one year</b>	16	<u><b>(10,980)</b></u>	<u>(21,103)</u>
		<u><b>(18,117)</b></u>	<u><b>(8,969)</b></u>
<b>Capital and reserves</b>			
Called up equity share capital	19	31,000	26,000
Share premium account	20	7,617	7,617
Revaluation reserve	20	7,981	7,981
Profit and loss account	20	(64,715)	(50,567)
<b>Deficit</b>		<u><b>(18,117)</b></u>	<u><b>(8,969)</b></u>

These financial statements were approved by the directors and authorised for issue on 22<sup>nd</sup> February 2011, and are signed on their behalf by



Mr A Bhatia

Company Registration Number 3197756

The notes on page 12 to 21 form part of these financial statements.

**QPR Holdings Limited**

**Group cash flow statement**

**Year ended 31 May 2010**

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	<b>Note</b>	<b>2010 £000</b>	<b>2009 £000</b>
<b>Net cash outflow from operating activities</b>	<b>23</b>	<b>(16,541)</b>	<b>(12,086)</b>
<b>Returns on investments and servicing of finance</b>	<b>23</b>	<b>(131)</b>	<b>(1,668)</b>
<b>Capital expenditure and financial investment</b>	<b>23</b>	<b>2,495</b>	<b>(6,363)</b>
<b>Cash outflow before financing</b>		<b>(14,177)</b>	<b>(20,117)</b>
<b>Financing</b>	<b>23</b>	<b>13,409</b>	<b>15,503</b>
<b>Decrease in cash</b>	<b>23</b>	<b>(768)</b>	<b>(4,614)</b>

**The notes on page 13 to 22 form part of these financial statements.**

# **QPR Holdings Limited**

## **Notes to the financial statements**

**Year ended 31 May 2010**

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### **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 all group undertakings. These 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.

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.

#### **Amortisation of player's registrations**

Amortisation 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:

Over the player's contract

#### **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.

## **QPR Holdings Limited**

### **Notes to the financial statements**

**Year ended 31 May 2010**

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#### **1. Accounting policies (*continued*)**

##### **Investments**

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

##### **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.

	<b>2010</b>	<b>2009</b>
	<b>£000</b>	<b>£000</b>
United Kingdom	<b>14,380</b>	<b>14,822</b>

#### **3. Operating loss**

Operating loss is stated after charging

	<b>2010</b>	<b>2009</b>
	<b>£000</b>	<b>£000</b>
Amortisation of intangible assets	<b>2,393</b>	<b>2,778</b>
Depreciation of owned fixed assets	<b>692</b>	<b>669</b>
Loss on disposal of fixed assets	<b>-</b>	<b>8</b>
Operating lease rentals on land and buildings	<b>249</b>	<b>294</b>
Auditor's remuneration		
- as auditor for current year	<b>25</b>	<b>20</b>

## **QPR Holdings Limited**

### **Notes to the financial statements**

**Year ended 31 May 2010**

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#### **4 Particulars of employees**

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

	<b>2010</b>	<b>2009</b>
	<b>No</b>	<b>No</b>
Number of administrative staff	<b>18</b>	20
Players, managers, coaches and support staff	<b>69</b>	70
Commercial, marketing and retail staff	<b>10</b>	10
Stadium and maintenance staff	<b>7</b>	9
Community projects	<b>-</b>	17
	<b>104</b>	126

The aggregate payroll costs of the above were

	<b>2010</b>	<b>2009</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	<b>15,016</b>	15,322
Social security costs	<b>1,894</b>	1,910
Other pension costs	<b>33</b>	188
	<b>16,943</b>	17,420

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

#### **5 Directors' remuneration**

The directors' aggregate remuneration in respect of qualifying services were

	<b>2010</b>	<b>2009</b>
	<b>£000</b>	<b>£000</b>
Remuneration receivable	<b>408</b>	298
Value of company pension contributions to money purchase schemes		

##### **Remuneration of highest paid director:**

	<b>2010</b>	<b>2009</b>
	<b>£000</b>	<b>£000</b>
Total remuneration (excluding pension contributions)	<b>154</b>	181
Value of company pension contributions to money purchase schemes		

Pension contributions were made on behalf of one director (2009 one)

#### **6. Profit on disposal of player's registrations**

	<b>2010</b>	<b>2009</b>
	<b>£000</b>	<b>£000</b>
Profit on disposal of player's registrations	<b>2,307</b>	218



# QPR Holdings Limited

## Notes to the financial statements

Year ended 31 May 2010

### 7. Interest receivable

	2010 £000	2009 £000
Bank interest receivable	<u>0</u>	<u>63</u>

### 8 Interest payable and similar charges

	2010 £000	2009 £000
Other similar charges payable	<u>131</u>	<u>1,731</u>

### 9. Taxation on ordinary activities

No taxation charges arise on the results of the current period and losses are available for relief against future profits for taxation purposes. Subject to agreement by HM Revenue & Customs, the cumulative tax losses for relief amount to approximately £87m (2009 £73m)

### 10 Loss attributable to members of the parent company

The loss dealt with in the financial statements of the parent company was £14,148,000 (2009 £19,242,000)

### 11 Intangible fixed assets

	Player Registrations £000
<b>Cost</b>	
At 1 June 2009	10,810
Additions	576
Disposals	(2,177)
<b>At 31 May 2010</b>	<u>9,209</u>
<b>Amortisation</b>	
At 1 June 2009	4,117
Charge for the year	2,393
On disposals	(1,203)
<b>At 31 May 2010</b>	<u>5,307</u>
<b>Net book value</b>	
<b>At 31 May 2010</b>	<u>3,902</u>
At 31 May 2009	<u>6,693</u>

Intangible fixed assets represent the cost of players' registrations

# QPR Holdings Limited

## Notes to the financial statements

Year ended 31 May 2010

### 12. Tangible fixed assets

#### Group and Company

	Land & Buildings £	Plant & Machinery £	Fixtures & Fittings £	Total £
<b>Cost or valuation</b>				
At 1 June 2009	21,250	2,817	437	24,504
Additions	79	101	30	210
Disposals	-	-	-	-
<b>At 31 May 2010</b>	<b>21,329</b>	<b>2,918</b>	<b>467</b>	<b>24,714</b>
<b>Depreciation</b>				
At 1 June 2009	-	2,588	422	3,010
Charge for the year	609	77	6	692
On disposals	-	-	-	-
<b>At 31 May 2010</b>	<b>609</b>	<b>2,665</b>	<b>428</b>	<b>3,702</b>
<b>Net book value</b>				
<b>At 31 May 2010</b>	<b>20,720</b>	<b>253</b>	<b>39</b>	<b>21,012</b>
At 31 May 2009	21,250	229	15	21,494

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

	2010 £000	2009 £000
Original cost	17,038	16,959
Depreciation based on cost	(1,146)	(573)
	<b>15,892</b>	<b>16,386</b>

### 13. Stocks

	2010 £000	Group 2009 £000	2010 £000	Company 2009 £000
Stock	<b>316</b>	<b>269</b>	<b>316</b>	<b>269</b>

# QPR Holdings Limited

## Notes to the financial statements

Year ended 31 May 2010

### 14. Debtors

	2010 £000	Group 2009 £000	2010 £000	Company 2009 £000
Trade debtors	2,867	866	1,075	674
VAT recoverable	-	16	-	16
Other debtors	341	231	341	231
Prepayments and accrued income	548	78	548	76
	<u>3,756</u>	<u>1,191</u>	<u>1,964</u>	<u>997</u>

### 15. Creditors, amounts falling due within one year

	2010 £000	Group 2009 £000	2010 £000	Company 2009 £000
Short term borrowings	275	500	275	500
Overdrafts	4,790	3,295	4,790	3,295
Trade creditors	3,461	4,358	2,397	3,638
Amounts owed to group undertakings	-	-	7,899	7,469
Taxation and social security	2,212	1,466	1,656	330
Accruals and deferred income	3,969	4,911	3,969	3,824
Other creditors	18,600	-	18,600	-
	<u>33,307</u>	<u>14,530</u>	<u>39,586</u>	<u>19,056</u>

Included within other creditors are a £8,600,000 loan from Santa Capital Investments and a £10,000,000 loan from Amulya Property Limited, both loans carry zero interest and are repayable on demand. The loan from Amulya carries a fixed charge over the freehold of the Loftus Road Stadium as well as an option to acquire the stadium in settlement of the loan.

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

	2010 £000	Group 2009 £000	2010 £000	Company 2009 £000
Trade creditors	110	-	-	-
Other creditors	10,980	21,103	10,980	21,103
	<u>11,090</u>	<u>21,103</u>	<u>10,980</u>	<u>21,103</u>

Included within long term creditors are the following loans

£4,953,000 of loans from Santa Capital Investments, which carry zero interest and are repayable on 22 October 2011 (£3,053,000), 27 January 2012 (£400,000) and 8 March 2012 (£1,500,000)

## QPR Holdings Limited

### Notes to the financial statements

#### Year ended 31 May 2010

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

£2,247,000 of loans from Sea Dream Limited, which carry zero interest and are repayable on 22 October 2011 (£1,113,000), 27 January 2012 (£134,000) and 8 March 2012 (£1,000,000)

£1,435,000 of loans from Mr Bernie Ecclestone, which carry zero interest and are repayable on 22 October 2011 (£835,000), 27 January 2012 (£100,000) and 8 March 2012 (£500,000)

A £346,000 interest free loan from the Football League

A £2,000,000 interest free loan owing to Mr A Caliendo is repayable on 28 February 2011 and repayable at any time to that date at the sole discretion of QPR

#### 17 Commitments

As at the 31 May 2010, the club was committed to paying signing on fees in respect of players of £631,000 (2009 £100,000)

In addition the club was committed to paying £256,000 (2009 £250,000) 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 (2009 £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 £215,000 (2009 £140,000) to G Paladini. A loan of £50,000 was made to G Paladini in May 2010 and £25,000 of payments were made on behalf of G Paladini during the year

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

##### Authorised share capital:

	2010 £000	2009 £000
3,100,000,000 Ordinary shares of £0.01 each	<u>31,000</u>	<u>31,000</u>

##### Allotted and called up

	2010		2009	
	No	£000	No	£000
Ordinary shares of £0.01 each	<u>3,099,493,700</u>	<u>31,000</u>	<u>2,599,493,700</u>	<u>26,000</u>

500,000,000 shares were issued at par in July 2009 in order to meet working capital requirements

**QPR Holdings Limited****Notes to the financial statements****Year ended 31 May 2010****20 Reserves**

<b>Group</b>	<b>Share premium account £000</b>	<b>Revaluation Reserve £000</b>	<b>Profit and loss account £000</b>
Balance brought forward	7,617	7,981	(47,367)
Loss for the year	-	-	(13,698)
Balance carried forward	<u>7,617</u>	<u>7,981</u>	<u>(61,065)</u>

<b>Company</b>	<b>Share premium account £000</b>	<b>Revaluation Reserve £000</b>	<b>Profit and loss account £000</b>
Balance brought forward	7,617	7,981	(50,567)
Loss for the year	-	-	(14,148)
Balance carried forward	<u>7,617</u>	<u>7,981</u>	<u>(64,715)</u>

**21. Reconciliation of movements in shareholders' funds**

	<b>2010 £000</b>	<b>2009 £000</b>
Loss for the financial year	(13,698)	(18,824)
Other net recognised gains and losses	-	(2,104)
New ordinary share capital subscribed	5,000	15,000
Net reduction of shareholders' funds	<u>(8,698)</u>	<u>(5,928)</u>
Opening shareholders' funds	(5,769)	159
Closing shareholders' deficit	<u>(14,467)</u>	<u>(5,769)</u>

**22. Investments**

<b>Company</b>	<b>Group companies £000</b>
<b>Net book value At 31 May 2010 and 31 May 2009</b>	<u><b>8,213</b></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.

# QPR Holdings Limited

## Notes to the financial statements

Year ended 31 May 2010

### 23. Notes to the cash flow statement

#### Reconciliation of operating loss to net cash outflow from operating activities

	2010 £000	2009 £000
Operating loss	(15,874)	(17,374)
Amortisation	2,393	2,778
Depreciation	692	669
Loss on disposal of fixed assets	-	8
Decrease/(increase) in stocks	(47)	(231)
Decrease/(increase) in debtors	(2,565)	(558)
(Decrease)/Increase in creditors	(1,140)	2,622
Net cash outflow from operating activities	<u>(16,541)</u>	<u>(12,086)</u>

#### Returns on investments and servicing of finance

	2010 £000	2009 £000
Interest received	-	63
Interest paid	(131)	(1,731)
Net cash outflow from returns on investments and servicing of finance	<u>(131)</u>	<u>(1,668)</u>

#### Capital expenditure

	2010 £000	2009 £000
Payments to acquire intangible fixed assets	(575)	(3,356)
Payments to acquire tangible fixed assets	(210)	(3,607)
Receipts from sale of fixed assets	3,280	600
Net cash inflow/(outflow) from capital expenditure	<u>2,495</u>	<u>(6,363)</u>

#### Financing

	2010 £000	2009 £000
Issue of equity share capital	5,000	15,000
Net inflow from other long-term creditors	8,634	503
Payments in relation to short-term borrowing	(225)	-
Net cash inflow from financing	<u>13,409</u>	<u>15,503</u>

Net cash is defined as cash and cash equivalents

## QPR Holdings Limited

### Notes to the financial statements

Year ended 31 May 2010

#### 23. Notes to the cash flow statement (continued)

##### Reconciliation of net cash flow to movement in net debt

	2010 £000	2009 £000
Decrease in cash in the period	(768)	(4,614)
Net cash outflow from other long-term creditors	(8,362)	(503)
Change in net funds	<u>(9,130)</u>	<u>(5,117)</u>
Net debt at 1 June 2009	(24,681)	(19,564)
Net funds at 31 May 2010	<u>(33,811)</u>	<u>(24,681)</u>

##### Analysis of changes in net debt

	At 1 Jun 2009 £000	Cash flows £000	At 31 May 2010 £000
Net cash			
Cash in hand and at bank	217	727	944
Overdrafts	(3,295)	(1,495)	(4,790)
	<u>(3,078)</u>	<u>(768)</u>	<u>(3,846)</u>
Debt			
Debt due within 1 year	(500)	(8,375)	(8,875)
Debt due after 1 year	(21,103)	13	(21,090)
Net debt	<u>(24,681)</u>	<u>(9,130)</u>	<u>(33,811)</u>

#### 24. Post balance sheet events

Transfer activity during the last two months of the summer transfer window saw the arrival of a number of players to the Club on permanent transfers, notably Shaun Derry, Paddy Kenny, Clint Hill, Rob Hulse, Bradley Orr and Adel Taarabt. In addition Tommy Smith was loaned from Portsmouth; ahead of an agreed permanent transfer to the Club in January 2011. We also loaned in Kyle Walker from Tottenham Hotspur, Wayne Routledge from Newcastle United and Ishmael Miller from West Bromwich Albion. In addition, during the January transfer both Pascal Chimbonda and Danny Shittu joined the Club on short-term contracts.

We sold Damion Stewart to Bristol City and loaned out some senior players including Matteo Alberti to Lumezzane, Alessandro Pellicori to Tonno, Angelo Balanta to MK Dons, Mikele Leigertwood to Reading and Leon Clarke to Preston North End.

In September 2010 Santa Capital Investments assigned £3.5m of loans shown in Note 16 to Sea Dream Limited. In October 2010 the repayment date of the £10m loan from Amulya Property Limited shown in Note 16, was extended to 1 January 2011 and in January 2011 this was further extended to 16 May 2011.