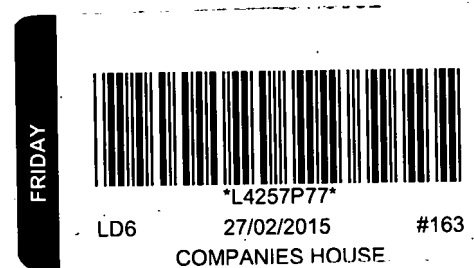


**Company Registration Number 3197756**



**QPR Holdings Limited**

**Financial statements**

**31 May 2014**

**QPR Holdings Limited**

**Financial statements**

**Year ended 31 May 2014**

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# **QPR Holdings Limited**

## **Company information**

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### **The board of directors**

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

### **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**

The Royal Bank of Scotland plc  
155 Bishopsgate  
London  
EC2M 3YB

# **QPR Holdings Limited**

## **Chairman's statement**

**Year ended 31 May 2014**

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On behalf of the Board of Directors, I am delighted to present the annual financial statements and reports for the year ended 31 May 2014.

### **On the Field**

The 2013/14 season saw QPR regain promotion back to the Premier League at the first attempt. Promotion was sealed by Bobby Zamora goal in the closing minutes of the Play-Off Final at Wembley against Derby County.

### **Player transfers**

Having been relegated to the Championship, the Club used the 2013 summer transfer window to make changes to its squad, with the aim of regaining Premier League status. Amongst the permanent signings made during the window were Charlie Austin, Danny Simpson, Richard Dunne, Karl Henry, Gary O'Neill and Matt Phillips. In addition Niko Kranjcar, Ton Carroll and Benoit Assou-Ekotto joined on loan. Christopher Samba and Jamie Mackie were sold and a season-long loans were agreed for Loic Remy, Adel Taarabt, Ji-Sung Park, Esteban Granero and Stephane Mbia. Djibril Cisse and Jose Bosingwa left the Club by mutual consent and in addition a number of players departed when their contracts expired, including DJ Campbell, Jay Bothroyd, Radek Cerny, Rob Hulse and Tal Ben Haim.

During the season, we strengthened the squad further with Aaron Hughes and Yossi Benyoun joining on a permanent basis, and Kevin Doyle, Ravel Morrison, Will Keane and Modibo Maiga joining on loan.

### **Prospects**

When, alongside my business partners, I purchased a majority shareholding in the Club in August 2011, my goal was to turn QPR into an established Premier League club. Being relegated was obviously not part of our plans, but regaining promotion back to the Premier League after only one season has helped to minimise the impact of relegation in relation to our long-term goals.

During the summer 2014 transfer window we have worked to put together a squad of players that we believe have the skill and ability to secure QPR's place in the Premier League beyond this season.

We are continuing to make progress in relation to both a new Training Ground and a new, larger stadium.

We have again sold over 10,000 season tickets and continue to target high attendance figures for all of our league matches. We reviewed our ticket prices following our promotion and remain confident that our pricing structure will help to encourage fans to attend.

At the time of writing, we have made a mixed start to the 2014/15 season but we remain confident that under the guidance of our manager, Harry Redknapp, we have a squad that is capable of securing our Premier League future. We are confident that the 2014/15 season will also see the Club continue to make progress towards achieving its short, medium and long term off-pitch targets.

On behalf of the Board and my fellow shareholders, I would like to thank QPR fans for their continued support and dedication to the Club, particularly when things have not gone as planned. We look forward to continuing to welcome you to Loftus Road!



Tony Fernandes  
Chairman

28 November 2014

# QPR Holdings Limited

## Strategic report

Year ended 31 May 2014

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### Principal activities

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

### Business Review

The results for the year are summarised below:

- Group turnover was £38.7m, which was lower than in the previous year (£60.6m) being primarily due to QPR playing in the Championship rather than the Premier League;
- Total ticketing revenue at £5.6m, was significantly lower than in the prior year (£8.3m), as a result of relegation to the Championship, this represented an average of £223,000 per home Championship match, compared with £410,000 per home Premier League match in 2012/13;
- Group operating losses were £9.8m, reflecting the continuing investment in the playing squad;
- At the balance sheet date the Group had bank reserves of £5.5m, an increase of £1.9m on the prior year.
- At the balance sheet date the Group's deficit position was £132.6m, compared with a £127.8 million deficit in the prior year. This is principally supported through financing obtained via shareholder loans.

The Club views on-pitch performance as a key measure of success and during the year under review, QPR succeeded in its aim to gain promotion back to the Premier League. A critical driver of any club's value is its presence in the Premier League, and the Club is pleased to have regained its Premier League status as quickly as possible. The financial results reflect the Club's focus on trying to achieve on-pitch success.

### Cash flow and treasury

Net cash outflow from operations amounted to £65.5m as compared to £44.4 million for the previous year.

The Group paid £9.0m (2013: £41.1m) to acquire additional players during the year. The Group received £57.4m (2013: £72.7m) in shareholder financing during the year and in addition secured a bank loan of £27m. The Group paid out £270,000 (2013: £100,000) in relation to interest during the year.

Net debt as at 31 May 2014 has increased to £179.6m (2013: £177.1m).

### 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 and the Board remains confident that the Group has sufficient financial backing to manage these issues.

### Football

The Group's income will always be directly affected by the performance of the first team and the Club's league status.

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.

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. 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.

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

### Post Balance Sheet Events

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

## **QPR Holdings Limited**

### **Strategic report cont.**

**Year ended 31 May 2014**

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#### **Future Developments**

Having being promoted back to the Premier League at the end of the 2013/14 season, the Group's key short-term objective is to retain its Premier League status. The Board believe that some restructuring of 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.

#### **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 borrowings are described in these financial statements.

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.

#### **Financial risk management objectives and policies**

Financial instruments are used for financing purposes only. It is company policy not to trade in financial instruments.

The board of directors sets out the financial risk management policies that are implemented by the finance department. The Board considers that financial risks do not pose a major threat to the company.

Tony Fernandes  
Chairman

Approved by the directors on 28 November 2014

# **QPR Holdings Limited**

## **Directors' report**

### **Year ended 31 May 2014**

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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 2014.

#### **Results and dividends**

The loss for the year amounted to £9.8m (2013: £65.4m). The directors have not recommended a dividend.

#### **Directors**

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

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

#### **Strategic Report**

The business review and risk management policy are located in the strategic report.

#### **Auditor**

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

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.

Signed on behalf of the directors



Tony Fernandes  
Chairman

Approved by the directors on 28 November 2014

**Statement of directors' responsibilities**

**Year ended 31 May 2014**

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**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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.



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

**Year ended 31 May 2014**

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We have audited the group and parent company financial statements of QPR Holdings Limited for the year ended 31 May 2014 which comprise the group profit and loss account, 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 6, 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 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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the chairman's statement, strategic report and 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.



**MARK STEVENS (Senior Statutory Auditor)**  
for and on behalf of **CHANTREY VELLACOTT DFK LLP**  
Chartered Accountants and Statutory Auditor  
London  
28 November 2014

**QPR Holdings Limited****Profit and loss account****Year ended 31 May 2014**

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	<b>Note</b>	<b>2014 £000</b>	<b>2013 £000</b>
<b>Turnover</b>	<b>2</b>	<b>38,692</b>	60,618
Cost of sales		<u>95,380</u>	<u>114,637</u>
<b>Gross loss</b>		<b>(56,688)</b>	(54,019)
Administrative expenses		<u>(8,574)</u>	<u>(11,696)</u>
<b>Operating loss</b>	<b>4</b>	<b>(65,262)</b>	(65,715)
Exceptional Item	<b>3</b>	<b>60,000</b>	-
(Loss)/profit on disposal of player registrations	<b>7</b>	<u>(4,245)</u>	<u>433</u>
		<b>(9,507)</b>	(65,282)
Interest receivable		-	1
Interest payable and similar charges	<b>8</b>	<u>(270)</u>	<u>(100)</u>
<b>Loss on ordinary activities before taxation</b>		<b>(9,777)</b>	(65,381)
Taxation on loss on ordinary activities	<b>9</b>	-	-
<b>Loss for the financial year</b>		<u><b>(9,777)</b></u>	<u>(65,381)</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.

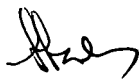
The notes on page 12 to 22 form part of these financial statements.

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**QPR Holdings Limited****Group balance sheet****As at 31 May 2014**

	<b>Note</b>	<b>2014 £000</b>	<b>2013 £000</b>
<b>Fixed assets</b>			
Intangible assets	11	23,751	46,244
Tangible assets	12	23,937	21,814
		<u>47,688</u>	<u>68,058</u>
<b>Current assets</b>			
Stocks	13	465	657
Debtors	14	18,683	6,793
Cash at bank		5,517	3,606
		<u>24,665</u>	<u>11,056</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(63,487)</u>	<u>(131,800)</u>
<b>Net current liabilities</b>		<u>(38,822)</u>	<u>(120,744)</u>
<b>Total assets less current liabilities</b>		<u>8,866</u>	<u>(52,686)</u>
<b>Creditors: amounts falling due after more than one year</b>	16	<u>(141,451)</u>	<u>(75,122)</u>
		<u>(132,585)</u>	<u>(127,808)</u>
<b>Capital and reserves</b>			
Called up equity share capital	20	36,000	31,000
Share premium account	21	7,617	7,617
Revaluation reserve	21	7,981	7,981
Profit and loss account	21	(184,183)	(174,406)
<b>Deficit</b>	22	<u>(132,585)</u>	<u>(127,808)</u>

These financial statements were approved by the directors and authorised for issue on 28 November 2014, and are signed on their behalf by:



Tony Fernandes  
Chairman

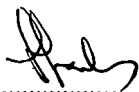
Company Registration Number: 3197756

The notes on page 12 to 22 form part of these financial statements.

**QPR Holdings Limited****Balance sheet****As at 31 May 2014**

	Note	2014 £000	2013 £000
<b>Fixed assets</b>			
Tangible assets	12	23,937	21,814
Investments	23	5,520	5,520
		<u>29,457</u>	<u>27,334</u>
<b>Current assets</b>			
Stocks	13	465	657
Debtors	14	21,361	29,701
Cash at bank		4,447	587
		<u>26,273</u>	<u>30,945</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(54,347)</u>	<u>(118,317)</u>
<b>Net current liabilities</b>		<u>(28,074)</u>	<u>(87,372)</u>
<b>Total assets less current liabilities</b>		<u>1,383</u>	<u>(60,038)</u>
<b>Creditors: amounts falling due after more than one year</b>	16	<u>(139,542)</u>	<u>(72,650)</u>
		<u>(138,159)</u>	<u>(132,688)</u>
<b>Capital and reserves</b>			
Called up equity share capital	20	36,000	31,000
Share premium account	21	7,617	7,617
Revaluation reserve	21	7,981	7,981
Profit and loss account	21	(189,757)	(179,286)
<b>Deficit</b>		<u>(138,159)</u>	<u>(132,688)</u>

These financial statements were approved by the directors and authorised for issue on 28 November 2014, and are signed on their behalf by:



Tony Fernandes  
Chairman

Company Registration Number: 3197756

The notes on page 12 to 22 form part of these financial statements.

**QPR Holdings Limited****Group cash flow statement****Year ended 31 May 2014**

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	<b>Note</b>	<b>2014 £000</b>	<b>2013 £000</b>
<b>Net cash outflow from operating activities</b>	<b>24</b>	<b>(65,463)</b>	<b>(44,359)</b>
<b>Returns on investments and servicing of finance</b>	<b>24</b>	<b>(270)</b>	<b>(99)</b>
<b>Capital expenditure and financial investment</b>	<b>24</b>	<b>(1,756)</b>	<b>(41,201)</b>
<b>Cash outflow before financing</b>		<b>(67,489)</b>	<b>(85,659)</b>
<b>Financing</b>	<b>24</b>	<b>69,400</b>	<b>87,650</b>
<b>Increase in cash</b>	<b>24</b>	<b>1,911</b>	<b>1,991</b>

**The notes on page 12 to 22 form part of these financial statements.**

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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 its subsidiary undertaking. The subsidiary financial statements 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, however the stadium has been revalued.

**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 Buildings – 10 to 50 years straight line

Plant & Machinery – 5 years straight line

Fixtures & Fittings – 5 years straight line

Freehold land and assets under construction are 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. Deferred tax assets are recognised to the extent that it is regarded more likely than not that they will be recovered.

**Investments**

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

**22. 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.

**Foreign currency transactions**

Where payments are made or received in a foreign currency, they are recorded at their sterling equivalent at the date of the transaction with all exchange differences being reflected in the loss for the year.

**2. Turnover**

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

An analysis of turnover is given below:

	2014 £000	2013 £000
United Kingdom	<u>38,692</u>	<u>60,618</u>
	2014 £000	2013 £000
Gate Receipts	5,636	8,309
Sponsorship & Advertising	1,094	5,055
Broadcasting Rights	28,062	42,729
Commercial Income	3,376	3,640
UEFA Solidarity	-	257
Other Income	524	628
	<u>38,692</u>	<u>60,618</u>

**3. Exceptional Item**

The Exceptional Item is historic loans that the shareholders have agreed to write-off.

**4. Operating loss**

Operating loss is stated after charging:

	2014 £000	2013 £000
Amortisation of intangible assets	16,596	17,111
Depreciation of owned fixed assets	1,285	1,044
Operating lease rentals on land and buildings	280	320
Auditor's remuneration		
- as auditor for current year	25	25
- accountancy	20	10
- taxation advice	3	3
	<u>18,184</u>	<u>18,513</u>

# QPR Holdings Limited

## Notes to the financial statements

Year ended 31 May 2014

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### 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:

	2014 No	2013 No
Number of administrative staff	30	30
Players, managers, coaches and support staff	112	107
Commercial, marketing and retail staff	19	18
Stadium and maintenance staff	8	9
	<u>169</u>	<u>164</u>

The aggregate payroll costs of the above were:

	2014 £000	2013 £000
Wages and salaries	66,409	68,031
Social security costs	8,978	9,976
	<u>75,387</u>	<u>78,007</u>

### 6. Directors' remuneration

No remuneration was paid to directors during the year (2013: £Nil)

### 7. (Loss)/profit on disposal of player registrations

	2014 £000	2013 £000
(Loss)/profit on disposal of player registrations	<u>(4,245)</u>	<u>433</u>

### 8. Interest payable and similar charges

	2014 £000	2013 £000
Bank Interest	<u>270</u>	<u>100</u>



# QPR Holdings Limited

## Notes to the financial statements

Year ended 31 May 2014

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### 9. Taxation on loss 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 financial statements 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 £209m (2013: £199m).

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

The loss dealt with in the financial statements of the parent company was £10,470,000 (2013: £65,996,000).

### 11. Intangible fixed assets

	Player Registrations £000
<b>Cost</b>	
At 1 June 2013	69,916
Additions	9,008
Disposals	(22,540)
<b>At 31 May 2014</b>	<b>56,384</b>
<b>Amortisation</b>	
At 1 June 2013	23,672
Charge for the year	16,596
On disposals	(7,635)
<b>At 31 May 2014</b>	<b>32,633</b>
<b>Net book value</b>	
<b>At 31 May 2014</b>	<b>23,751</b>
At 31 May 2013	46,244

# QPR Holdings Limited

## Notes to the financial statements

Year ended 31 May 2014

### 12. Tangible fixed assets

#### Group and Company

	Land & Buildings £000	Assets Under Construction £000	Plant & Machinery £000	Fixtures & Fittings £000	Total £000
<b>Cost or valuation</b>					
At 1 June 2013	23,066	499	3,698	884	28,147
Additions	959	2,317	122	10	3,408
Revaluation adjustment	(3,657)	-	-	-	(3,657)
<b>At 31 May 2014</b>	<b>20,368</b>	<b>2,816</b>	<b>3,820</b>	<b>894</b>	<b>27,898</b>
<b>Depreciation</b>					
At 1 June 2013	2,694	-	3,061	578	6,333
Charge for the year	963	-	228	94	1,285
Revaluation adjustment	(3,657)	-	-	-	(3,657)
<b>At 31 May 2014</b>	<b>-</b>	<b>-</b>	<b>3,289</b>	<b>672</b>	<b>3,961</b>
<b>Net book value</b>					
<b>At 31 May 2014</b>	<b>20,368</b>	<b>2,816</b>	<b>531</b>	<b>222</b>	<b>23,937</b>
At 31 May 2013	20,372	499	637	306	21,814

The Loftus Road Stadium was independently valued by Savills, Chartered Surveyors, as at 31 May 2014 on a depreciated replacement cost (existing use) basis, at £20.5m.

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

	2014 £000	2013 £000
Historical cost	19,734	18,775
Depreciation based on cost	(2,855)	(2,460)
	<b>16,879</b>	<b>16,315</b>

### 13. Stocks

	2014 £000	Group 2013 £000	2014 £000	Company 2013 £000
Goods held for resale.	<b>465</b>	<b>657</b>	<b>465</b>	<b>657</b>

# QPR Holdings Limited

## Notes to the financial statements

Year ended 31 May 2014

### 14. Debtors

	2014 £000	Group 2013 £000	2014 £000	Company 2013 £000
Trade debtors	4,758	2,045	213	1,685
Other debtors	10,210	572	10,210	572
Prepayments and accrued income	3,715	4,176	3,585	4,088
Amounts owed by group undertakings	-	-	7,353	23,356
	<u>18,683</u>	<u>6,793</u>	<u>21,361</u>	<u>29,701</u>

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

	2014 £000	Group 2013 £000	2014 £000	Company 2013 £000
Short term borrowings	8,000	15,000	8,000	15,000
Trade creditors	7,916	11,629	2,697	1,447
Taxation and social security	2,667	4,721	102	1,420
Accruals and deferred income	7,362	7,416	6,006	7,416
Other creditors	37,542	93,034	37,542	93,034
	<u>63,487</u>	<u>131,800</u>	<u>54,347</u>	<u>118,317</u>

Short-term borrowings relate to a bank loan of £27,000,000 of which £8,000,000 is due to be repaid within one year, the bank loan is secured by a charge on Loftus Road Stadium.

Included within other creditors are the following unsecured loans:

A £10,000,000 loan from Amulya Property Ltd, a company entirely owned by Tune QPR Sdn. Bhd. And Sea Dream Limited, which carries zero interest and is payable on demand.

£27,542,000 of loans from Sea Dream Limited, which carry zero interest and were repayable on 30 June 2013 (£100,000), 26 July 2013 (£533,000), 31 August 2013 (£2,500,000), 1 September 2013 (£533,000), 20 September 2013 (£2,000,000), 22 September (£999,000), 21 October 2013 (£2,599,000), 22 October 2013 (£2,712,000), 1 December 2013 (£533,000), 20 December 2013 (£799,000), 28 December 2013 (£1,000,000), 24 January 2014 (£732,000), 27 January 2014 (£534,000), 31 January 2014 (£2,500,000), 20 February 2014 (£1,000,000), 23 February 2014 (£733,000), 8 March 2014 (£2,500,000), 21 March 2014 (£3,000,000), 20 April 2014 (£833,000), 21 April 2014 (£533,000), 22 May 2014 (£869,000) are still outstanding.

# QPR Holdings Limited

## Notes to the financial statements

### Year ended 31 May 2014

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

	2014 £000	Group 2013 £000	2014 £000	Company 2013 £000
Bank loan	19,000	-	19,000	-
Trade creditors	1,910	2,472	-	-
Other creditors	120,542	72,650	120,542	72,650
	<u>141,452</u>	<u>75,122</u>	<u>139,542</u>	<u>72,650</u>

The bank loan of £19,000,000, along with the short term borrowings shown in note 15, are secured by a charge on Loftus Road Stadium.

Included within long term creditors are:

£115,277,000 of loans from Tune QPR Sdn. Bhd, which carry zero interest and are repayable on 22 June 2014 (£911,000), 27 June 2014 (£500,000), 19 July 2014 (£5,000,000), 26 September 2014 (£4,000,000), 19 October 2014 (£5,000,000), 21 November 2014 (£3,333,000), 28 December 2014 (£3,333,000), 31 January 2015 (£10,500,000), 2 February 2015 (£7,500,000), 20 February 2015 (£10,000,000), 16 May 2015 (£7,800,000), 18 July 2017 (£3,000,000), 20 August 2015 (£12,500,000), 5 September 2015 (£12,000,000), 18 October 2015 (£7,500,000), 19 November 2015 (£5,700,000), 17 December 2015 (£3,300,000) 16 January 2016 (£8,400,000), 12 February 2016 (£5,000,000).

£5,264,000 of loans from Sea Dream Limited, which carry zero interest and are repayable on 19 October 2014 (£1,931,000), 21 November 2014 (£1,667,000), 28 December 2014 (£1,666,000).

#### 17. Commitments

As at the 31 May 2014, the Club was committed to paying signing on fees in respect of players of £3,816,000 (2013: £6,051,000).

In addition the Club was committed to paying £340,000 (2013: £280,000) per annum under a non-cancellable operating lease in relation to land & buildings.

#### 18. Related party transactions

During the year, loans were provided to the company by Tune QPR Sdn. Bhd. A shareholder of the company. Details of these loans are shown in creditors.

In addition during the year £60m (2013: £Nil) of shareholder loans have been waived of which £6.6m has been waived by Sea Dream Limited with the balance being waived by Tune QPR Sdn Bhd..

During the year the Company donated £105,000 to QPR in the Community Trust. Include within creditors is £2,000 owed by the Company to the Trust at the balance sheet date.

During the year AirAsia sponsored the Club's playing shirts. Both Tony Fernandes and Kamarudin Meranun hold an interest in AirAsia.

During the year the company spent £4,020,000 (2013: £Nil) on behalf of Rangers Developments Limited, an entity under common control. This amount is still owed to the company at the balance sheet date.

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.

# QPR Holdings Limited

## Notes to the financial statements

Year ended 31 May 2014

### 19. Ultimate Controlling Party

The current ownership of QPR Holdings Limited is as follows

- 69.22% Tune QPR Sdn. Bhd., the ultimate owners of which are Tony Fernandes, Kamarudin Meranun and Ruben Gnanaalingam
- 29.94% Sea Dream Ltd., the ultimate owners of which are The L.N.Mittal Family
- 0.84% variety of minority shareholders

### 20. Share capital

#### Authorised share capital:

	2014 £000	2013 £000
3,100,000,000 Ordinary shares of £0.01 each	<u>36,000</u>	<u>31,000</u>

#### Allotted and called up:

	No	2014 £000	No	2013 £000
Ordinary shares of £0.01 each	<u>3,599,493,700</u>	<u>36,000</u>	<u>3,099,493,700</u>	<u>31,000</u>

On 27 May 2014 the company issued 500,000,000 ordinary shares of £0.01 at par which were settled by conversion of £5m of shareholder loans.

### 21. Reserves

Group	Share premium account £000	Revaluation Reserve £000	Profit and loss account £000
Balance brought forward	7,617	7,981	(174,406)
Loss for the year	-	-	(9,777)
Balance carried forward	<u>7,617</u>	<u>7,981</u>	<u>(184,183)</u>

Company	Share premium account £000	Revaluation Reserve £000	Profit and loss account £000
Balance brought forward	7,617	7,981	(179,286)
Loss for the year	-	-	(10,471)
Balance carried forward	<u>7,617</u>	<u>7,981</u>	<u>(189,757)</u>

# QPR Holdings Limited

## Notes to the financial statements

Year ended 31 May 2014

### 22. Reconciliation of movements in shareholders' funds

	2014 £000	2013 £000
Loss for the financial year	(9,777)	(65,381)
Shares issued	5,000	-
Net reduction of shareholders' funds	(4,777)	(65,381)
Opening shareholders' funds	(127,808)	(62,427)
Closing shareholders' deficit	(132,585)	(127,808)

### 23. Investments

#### Company

	2014 £000	2013 £000
Net book value at 1 June and 31 May	5,520	5,520

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

	2014 £000	2013 £000
Operating loss	(65,262)	(65,715)
Amortisation	16,596	17,111
Depreciation	1,285	1,044
Decrease/(increase) in stocks	192	(121)
(Increase)/ decrease in debtors	(11,890)	1,187
(Decrease)/increase in creditors	(6,384)	2,135
Net cash outflow from operating activities	(65,463)	(44,359)

#### Returns on investments and servicing of finance

	2014 £000	2013 £000
Interest received	-	1
Interest paid	(270)	(100)
Net cash outflow from returns on investments and servicing of finance	(270)	(99)

**QPR Holdings Limited**

**Notes to the financial statements**

**Year ended 31 May 2014**

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

**Capital expenditure**

	2014 £000	2013 £000
Payments to acquire intangible fixed assets	(9,008)	(41,069)
Payments to acquire tangible fixed assets	(3,408)	(1,712)
Receipts from sale of fixed assets	10,660	1,580
Net cash outflow from capital expenditure	<u>(1,756)</u>	<u>(41,201)</u>

**Financing**

	2014 £000	2013 £000
Net (outflow to)/inflow from other long-term creditors	57,400	72,650
Net inflow from short-term borrowing	12,000	15,000
Net cash inflow from financing	<u>69,400</u>	<u>87,650</u>

Net cash is defined as cash and cash equivalents.

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

	2014 £000	2013 £000
Increase in cash in the year	1,911	1,991
Net cash inflow from other long-term creditors	(69,400)	(87,650)
Non cash movement	65,000	-
Change in net funds	<u>(2,489)</u>	<u>(85,659)</u>
Net funds at 1 June	<u>(177,078)</u>	<u>(91,419)</u>
Net funds at 31 May	<u>(179,567)</u>	<u>(177,078)</u>

**Analysis of changes in net debt**

	At 1 Jun 2013 £000	Cash flows £000	Non cash	At 31 May 2014 £000
Net cash:				
Cash in hand and at bank	3,606	1,911	-	5,517
Debt:				
Debt due within 1 year	(108,034)	(2,508)	65,000	(45,542)
Debt due after 1 year	(72,650)	(66,892)	-	(139,542)
Net debt	<u>(177,078)</u>	<u>(69,400)</u>	<u>65,000</u>	<u>(179,567)</u>

**25. Post balance sheet events**

The Club undertook significant transfer activity in the 2014 summer transfer window, securing the services of Alex McCarthy, Steve Caulker, Rio Ferdinand, Leroy Fer, Jordon Mutch, Sandro and Jack Robinson on permanent contracts, as well as Mauricio Isla, Eduardo Vargas and Niko Kranjcar on season-long loans

Loic Remy (Chelsea) and Danny Simpson (Leicester City) were sold and a season-long loan was agreed for Samba Diakite. Ji-Sung Park retired, Esteban Granero and Julio Cesar left the Club by mutual consent and in addition a number of players departed when their contracts expired, including Andrew Johnson, Aaron Hughes, Jermaine Jenas, Gary O'Neil, Stephane Mbia and Luke Young.