

**Company Registration Number 3197756**



**QPR Holdings Limited**

**Financial statements**

**31 May 2012**

**QPR Holdings Limited**

**Financial statements**

**Year ended 31 May 2012**

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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  
155 Bishopsgate  
London  
EC2M 3YB

# **QPR Holdings Limited**

## **Chairman's statement**

### **Year ended 31 May 2012**

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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 2012

#### **On the Field**

The 2011/12 season was QPR's first in the top flight of English football for 15 years and it was great for the Club to once again be playing regularly against some of the best teams in the world. During the course of the season there were a number of stand-out results, including wins against Everton, Chelsea, Liverpool, Arsenal and Tottenham Hotspur.

After an eventful match against the eventual League winners, Manchester City, on the last day of the season, QPR finished 17<sup>th</sup> and secured their Premier League place for the 2012/13 season.

#### **Player transfers**

Following promotion to the Premier League, the 2011 summer transfer window, provided the opportunity for the Club to strengthen its squad and this was my main priority when I became Chairman of QPR in August 2011. Amongst the permanent signings made during the window were Joey Barton, Jay Bothroyd, DJ Campbell, Kieron Dyer, Anton Ferdinand, Danny Gabbidon, Bryan Murphy, Bruno Perone, Armand Traore, Shaun Wright-Phillips and Luke Young.

During the January 2012 transfer window, we strengthened the squad further with Djibril Cisse, Nedum Onuoha and Bobby Zamora joining on permanent transfers, and Samba Diakite, Federico Macheda and Taye Taiwo joining on half-season loans.

A number of players left the Club during the year, including Mikele Leigertwood, Kaspars Gorkss and Bradley Orr, all of whom left on permanent transfers.

We also parted company with Neil Warnock, who left the Manager's role in January 2012 and was replaced by Mark Hughes.

#### **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. This remains my focus and I continue to work closely with Amit Bhatia and the other shareholders to make this a reality.

During the summer 2012 transfer window we have continued our significant investment in the Club by making further additions to the playing squad. We have also invested off the pitch bringing in Philip Beard as CEO and increasing our investment in the Academy.

We are progressing with our plans for a new Training Ground and have secured preferred bidder status with the London Borough of Ealing in relation to Warren Farm. We also continue to investigate options in relation to a new, larger stadium.

We decided to freeze ticket prices for the 2011/12 season and have once again sold over 10,000 season tickets. We continue to target sell-out crowds for all of our Premier League matches and are confident that the frozen prices will help to encourage high levels of attendance.

Under the guidance of our new manager, Harry Redknapp, who was appointed in November 2012, following the departure of Mark Hughes, we are hopeful that the Club will secure its Premier League status going forward. We are confident that the 2012/13 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. We look forward to welcoming you to Loftus Road!



Tony Fernandes  
Chairman

9/1/2013

# **QPR Holdings Limited**

## **Directors' report**

### **Year ended 31 May 2012**

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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 2012

#### **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 £22.6m. The directors have not recommended a dividend

#### **Business Review**

The results for the year are summarised below

- Group turnover was £64.0 million, with the huge increase from the previous year (£16.2 million) being primarily due to the team playing in the Premier League,
- Ticketing revenue at £7.7 million, represented an average of £405,000 per Premier League match, compared with £232,000 per Football League match in 2011/12, played at Loftus Road. The increase from the prior year was a result of the team playing in the Premier League,
- Group operating losses were £22.6 million, reflecting the continuing investment in the playing squad and management team,
- At the balance sheet date the Group had bank reserves of £1.6 million, an increase of £0.9 million on the prior year
- At the balance sheet date the Group's deficit position was £62.4 million, compared with a £39.9 million deficit in the prior year. This is principally supported through financing obtained via shareholder loans

The year under review was QPR's first season back in the Premier League and the key measure of the Club's success is on-pitch performance. A critical driver of any club's value is its presence in the Premier League, and the Club achieved its key objective for the 2011/12 season, by successfully securing its Premier League status for the coming season. The financial results reflect the Club's focus on on-pitch success.

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

Net cash outflow from operations amounted to £8.4 million as compared to £15.5 million for the previous year.

The Group paid £25.0 million (2011: £6.8 million) to acquire additional players during the year. The Group received £38.7 million (2011: £22.3 million) in shareholder financing during the year. The Group paid out £38,000 (2011: £169,000) in relation to interest during the year.

Net debt as at 31 May 2012 has increased to £88.9 million (2011: £56.1 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 will always be directly affected by the performance of the first team, however securing Premier League status has significantly increased the Group's guaranteed income, compared with when the team were playing in the Championship.

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 was playing in the Premier League, in comparison to playing in the Championship 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 2012**

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#### **Commercial**

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

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.

#### **Future Developments**

Having achieved its 2011/12 goal of retaining its Premier League status, the Group's key objective for the 2012/13 season is to obtain a higher finishing league position than in 2011/12. The Board believe 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 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 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.

#### **Directors**

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

Mr A Bhatia  
Mr F Bnatore  
Mr B Ecclestone  
Mr T Fernandes  
Mr K Meranun  
Mr S Maheshwari

Mr A Bhatia was reappointed as a director on 18 August 2011.

Mr F Bnatore resigned as a director on 18 August 2011.

Mr B Ecclestone 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 2012**

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#### **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



Tony Fernandes  
Chairman

Approved by the directors on 9 January 2013

## **QPR Holdings Limited**

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

**Year ended 31 May 2012**

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We have audited the group and parent company financial statements of QPR Holdings Limited for the year ended 31 May 2012 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 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 2012 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.



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

9/12/2013

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**QPR Holdings Limited**  
**Profit and loss account**  
**Year ended 31 May 2012**

	Note	2012 £000	2011 £000
Group turnover	2	63,986	16,229
Cost of sales		80,795	39,372
Gross loss		(16,809)	(23,143)
Administrative expenses		(6,835)	(4,576)
Exceptional items		-	2,000
Operating loss	3	(23,644)	(25,719)
Profit on disposal of player registrations	6	1,106	505
		(22,538)	(25,214)
Interest payable and similar charges	7	(38)	(169)
Loss on ordinary activities before taxation		(22,577)	(25,383)
Tax on loss on ordinary activities	8	-	-
Loss for the financial year	9	(22,577)	(25,383)

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 11 to 20 form part of these financial statements

**QPR Holdings Limited****Group balance sheet****As at 31 May 2012**

	Note	2012 £000	2011 £000
<b>Fixed assets</b>			
Intangible assets	10	23,433	8,008
Tangible assets	11	21,146	20,580
		<u>44,579</u>	<u>28,588</u>
<b>Current assets</b>			
Stocks	12	536	302
Debtors	13	7,980	2,043
Cash at bank		1,615	673
		<u>10,131</u>	<u>3,018</u>
<b>Creditors amounts falling due within one year</b>	14	<u>(53,837)</u>	<u>(46,022)</u>
<b>Net current liabilities</b>		<u>(43,706)</u>	<u>(43,004)</u>
<b>Total assets less current liabilities</b>		<u>873</u>	<u>(14,416)</u>
<b>Creditors amounts falling due after more than one year</b>	15	<u>(63,300)</u>	<u>(25,434)</u>
		<u>(62,427)</u>	<u>(39,850)</u>
<b>Capital and reserves</b>			
Called up equity share capital	19	31,000	31,000
Share premium account	20	7,617	7,617
Revaluation reserve	20	7,981	7,981
Profit and loss account	20	(109,025)	(86,448)
<b>Deficit</b>	21	<u>(62,427)</u>	<u>(39,850)</u>

These financial statements were approved by the directors and authorised for issue on 9 January 2013, and are signed on their behalf by



Tony Fernandes  
Chairman

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 2012

	Note	2012 £000	2011 £000
<b>Fixed assets</b>			
Tangible assets	11	21,146	20,580
Investments	22	5,520	5,520
		<u>26,666</u>	<u>26,100</u>
<b>Current assets</b>			
Stocks	12	536	302
Debtors	13	9,621	1,859
Cash at bank		1,387	671
		<u>11,544</u>	<u>2,832</u>
<b>Creditors amounts falling due within one year</b>	14	<u>(41,602)</u>	<u>(47,341)</u>
<b>Net current liabilities</b>		<u>(30,058)</u>	<u>(44,509)</u>
<b>Total assets less current liabilities</b>		<u>(3,392)</u>	<u>(18,409)</u>
<b>Creditors amounts falling due after more than one year</b>	15	<u>(63,300)</u>	<u>(25,434)</u>
		<u>(66,692)</u>	<u>(43,843)</u>
<b>Capital and reserves</b>			
Called up equity share capital	19	31,000	31,000
Share premium account	20	7,617	7,617
Revaluation reserve	20	7,981	7,981
Profit and loss account	20	(113,290)	(90,441)
<b>Deficit</b>		<u>(66,692)</u>	<u>(43,843)</u>

These financial statements were approved by the directors and authorised for issue on 9 January 2013, and are signed on their behalf by



Tony Fernandes  
Chairman

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 2012**

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	Note	2012 £000	2011 £000
Net cash outflow from operating activities	23	(8,356)	(15,475)
Returns on investments and servicing of finance	23	(38)	(169)
Capital expenditure and financial investment	23	(24,443)	(6,618)
Cash outflow before financing		<u>(32,837)</u>	<u>(22,262)</u>
Financing	23	38,700	21,860
Increase/(decrease) in cash	23	<u>5,863</u>	<u>(402)</u>

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

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# **QPR Holdings Limited**

## **Notes to the financial statements**

**Year ended 31 May 2012**

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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 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 Buildings – 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 2012

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### 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.

	2012 £000	2011 £000
United Kingdom	<u>63,986</u>	<u>16,229</u>

### 3 Operating loss

Operating loss is stated after charging

	2012 £000	2011 £000
Amortisation of intangible assets	8,688	3,171
Depreciation of owned fixed assets	870	717
Write off of investment	-	2,693
Release of inter group creditor	-	(2,693)
Operating lease rentals on land and buildings	312	255
Exceptional item	-	(2,000)
Auditor's remuneration		
- as auditor for current year	25	32
- accountancy	10	-
- taxation advice	5	15
	<u>          </u>	<u>          </u>

# QPR Holdings Limited

## Notes to the financial statements

Year ended 31 May 2012

### 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

	2012 No	2011 No
Number of administrative staff	21	18
Players, managers, coaches and support staff	84	74
Commercial, marketing and retail staff	15	15
Stadium and maintenance staff	10	7
	<u>130</u>	<u>114</u>

The aggregate payroll costs of the above were

	2012 £000	2011 £000
Wages and salaries	51,312	26,377
Social security costs	7,149	3,362
	<u>58,461</u>	<u>29,739</u>

### 5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2012 £000	2011 £000
Remuneration receivable	-	293
	<u>-</u>	<u>293</u>
Remuneration of highest paid director		
	2012 £000	2011 £000
Total remuneration (excluding pension contributions)	-	164
	<u>-</u>	<u>164</u>

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

	2012 £000	2011 £000
Profit on disposal of player's registrations	<u>1,106</u>	<u>505</u>

# QPR Holdings Limited

## Notes to the financial statements

Year ended 31 May 2012

### 7 Interest payable and similar charges

	2012 £000	2011 £000
Bank Interest	<u>38</u>	<u>169</u>

### 8 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 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 £135m (2011 £112m)

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

The loss dealt with in the financial statements of the parent company was £22,850,000 (2011 £25,726,000)

### 10 Intangible fixed assets

	Player Registrations £000
<b>Cost</b>	
At 1 June 2011	16,185
Additions	24,952
Disposals	(2,771)
<b>At 31 May 2012</b>	<u><b>38,366</b></u>
<b>Amortisation</b>	
At 1 June 2011	8,177
Charge for the year	8,688
On disposals	(1,932)
<b>At 31 May 2012</b>	<u><b>14,933</b></u>
<b>Net book value</b>	
<b>At 31 May 2012</b>	<u><b>23,433</b></u>
<b>At 31 May 2011</b>	<u><b>8,008</b></u>



# QPR Holdings Limited

## Notes to the financial statements

Year ended 31 May 2012

### 11 Tangible fixed assets

#### Group and Company

	Land & Buildings £	Plant & Machinery £	Fixtures & Fittings £	Total £
<b>Cost or valuation</b>				
At 1 June 2011	21,475	3,020	504	24,999
Additions	846	345	245	1,436
<b>At 31 May 2012</b>	<b>22,321</b>	<b>3,365</b>	<b>749</b>	<b>26,435</b>
<b>Depreciation</b>				
At 1 June 2011	1,230	2,747	442	4,419
Charge for the year	700	117	53	870
<b>At 31 May 2012</b>	<b>1,930</b>	<b>2,864</b>	<b>495</b>	<b>5,289</b>
<b>Net book value</b>				
<b>At 31 May 2012</b>	<b>20,391</b>	<b>501</b>	<b>254</b>	<b>21,146</b>
At 31 May 2011	20,245	273	62	20,580

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

	2012 £000	2011 £000
Historical cost	18,031	17,184
Depreciation based on cost	(2,084)	(1,723)
	<b>15,947</b>	<b>15,461</b>

### 12 Stocks

	2012 £000	Group 2011 £000	2012 £000	Company 2011 £000
Goods held for resale	536	302	536	302

**QPR Holdings Limited****Notes to the financial statements****Year ended 31 May 2012****13 Debtors**

	2012 £000	Group 2011 £000	2012 £000	Company 2011 £000
Trade debtors	995	726	945	542
Other debtors	1,041	107	1,041	107
Prepayments and accrued income	5,944	1,210	5,795	1,210
Amounts owed by group undertakings	-	-	1,840	-
	<u>7,980</u>	<u>2,043</u>	<u>9,621</u>	<u>1,859</u>

**14 Creditors amounts falling due within one year**

	2012 £000	Group 2011 £000	2012 £000	Company 2011 £000
Short term borrowings	-	181	-	181
Overdrafts	-	4,921	-	4,921
Trade creditors	11,184	6,250	966	1,910
Amounts owed to group undertakings	-	-	-	6,213
Taxation and social security	8,303	1,824	6,286	1,268
Accruals and deferred income	4,593	8,746	4,593	8,746
Other creditors	29,757	24,100	29,757	24,102
	<u>53,837</u>	<u>46,022</u>	<u>41,602</u>	<u>47,341</u>

Included within other creditors are the following 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

£14,203,000 of loans from Tune QPR Sdn Bhd, which carry zero interest and are repayable on demand (£8,600,000), 24 January 2013 (£1,467,000), 27 January 2013 (£100,000), 23 February 2013 (£1,468,000), 8 March 2013 (£500,000), 21 March 2013 (£1,001,000), 21 April 2013 (£1,067,000)

£5,531,000 of loans from Sea Dream Limited, which carry zero interest and are repayable on 24 January 2013 (£733,000), 27 January 2013 (£534,000), 23 February 2013 (£733,000), 8 March 2013 (£2,500,000), 21 March 2013 (£499,000), 21 April 2013 (£532,000)

**15 Creditors: amounts falling due after more than one year**

	2012 £000	Group 2011 £000	2012 £000	Company 2011 £000
Other creditors	<u>63,300</u>	<u>25,434</u>	<u>63,300</u>	<u>25,434</u>

## **QPR Holdings Limited**

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

#### **Year ended 31 May 2012**

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#### **15 Creditors amounts falling due after more than one year (continued)**

Included within long term creditors are the following loans

£41,158,000 of loans from Tune QPR Sdn Bhd, which carry zero interest and are repayable on 30 June 2013 (£200,000), 26 July 2013 (£1,067,000), 31 August 2013 (£5,000,000), 1 September 2013 (£427,000), 3 September 2013 (£640,000), 20 September 2013 (£4,000,000), 22 September 2013 (£801,000), 21 October 2013 (£4,000,000), 21 October 2013 (£2,401,000), 22 October 2013 (£2,287,000), 1 December 2013 (£1,067,000), 20 December 2013 (£1,601,000), 28 December 2013 (£2,000,000), 31 January 2014 (£5,000,000), 20 February 2014 (£2,000,000), 21 March 2014 (£5,000,000) and 20 April 2014 (£1,667,000), 22 May 2014 (£2,000,000)

£22,142,000 of loans from Sea Dream Limited, which carry zero interest and are 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 2013 (£999,000), 21 October 2013 (£2,000,000), 21 October 2013 (£599,000), 22 October 2013 (£2,713,000), 1 December 2013 (£533,000), 20 December 2013 (£799,000), 28 December 2013 (£1,000,000), 31 January 2014 (£2,500,000), 20 February 2014 (£1,000,000), 21 March 2014 (£2,500,000) and 20 April 2014 (£833,000), 22 May 2014 (£1,000,000)

#### **16. Commitments**

As at the 31 May 2012, the club was committed to paying signing on fees in respect of players of £7,414,000 (2011 £1,368,000)

In addition the club was committed to paying £321,000 (2011 £317,000) per annum under a non-cancellable operating lease in relation to land & buildings

#### **17 Related party transactions**

During the year, loans were provided to the company by Tune QPR Sdn Bhd and Sea Dream Limited, both shareholders of the company Details of these loans are shown in creditors

During the year AirAsia sponsored the club's away and third shirts Both Tony Fernandes and Kamarudin Meranun hold an interest in AirAsia

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

#### **18 Ultimate Controlling Party**

The current 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 Gnalingam
- 33.00% Sea Dream Ltd, the ultimate 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 2012**

**19 Share capital**

**Authorised share capital**

	2012 £000	2011 £000
3,100,000,000 Ordinary shares of £0.01 each	<u>31,000</u>	<u>31,000</u>

**Allotted and called up**

	No	2012 £000	No	2011 £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>

**20 Reserves**

Group	Share premium account £000	Revaluation Reserve £000	Profit and loss account £000
Balance brought forward	7,617	7,981	(86,448)
Loss for the year	-	-	(22,577)
Balance carried forward	<u>7,617</u>	<u>7,981</u>	<u>(109,025)</u>

Company	Share premium account £000	Revaluation Reserve £000	Profit and loss account £000
Balance brought forward	7,617	7,981	(90,441)
Loss for the year	-	-	(22,850)
Balance carried forward	<u>7,617</u>	<u>7,981</u>	<u>(113,290)</u>

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

	2012 £000	2011 £000
Loss for the financial year	<u>(22,577)</u>	<u>(25,383)</u>
Net reduction of shareholders' funds	<u>(23,327)</u>	<u>(25,383)</u>
Opening shareholders' funds	<u>(39,850)</u>	<u>(14,467)</u>
Closing shareholders' deficit	<u>(62,427)</u>	<u>(39,850)</u>

# QPR Holdings Limited

## Notes to the financial statements

### Year ended 31 May 2012

#### 22 Investments

##### Company

	2012 £000	2011 £000
Net book value at 1 June 2011	5,520	8,213
Write off of Investment	-	(2,693)
Net book value at 31 May 2012	<u>5,520</u>	<u>5,520</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.

#### 23 Notes to the cash flow statement

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

	2012 £000	2011 £000
Operating loss	(23,644)	(25,719)
Amortisation	8,688	3,171
Depreciation	870	717
Increase/(decrease) in stocks	(234)	14
Increase/(decrease) in debtors	(5,937)	1,713
Increase in creditors	11,901	4,629
Net cash outflow from operating activities	<u>(8,356)</u>	<u>(15,475)</u>

##### Returns on investments and servicing of finance

	2012 £000	2011 £000
Interest paid	(38)	(169)
Net cash outflow from returns on investments and servicing of finance	<u>(38)</u>	<u>(169)</u>

##### Capital expenditure

	2012 £000	2011 £000
Payments to acquire intangible fixed assets	(24,952)	(6,838)
Payments to acquire tangible fixed assets	(1,436)	(285)
Receipts from sale of fixed assets	1,945	505
Net cash inflow/(outflow) from capital expenditure	<u>(24,443)</u>	<u>(6,618)</u>

##### Financing

	2012 £000	2011 £000
Net inflow from other long-term creditors	38,700	22,300
Payments in relation to short-term borrowing	-	(440)
Net cash inflow from financing	<u>38,700</u>	<u>21,860</u>

Net cash is defined as cash and cash equivalents

# QPR Holdings Limited

## Notes to the financial statements

Year ended 31 May 2012

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

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

	2012 £000	2011 £000
Increase/(decrease) in cash in the period	5,863	(402)
Net cash inflow from other long-term creditors	(38,700)	(21,860)
Change in net funds	<u>(32,837)</u>	<u>(22,262)</u>
Net funds at 1 June	<u>(56,073)</u>	<u>(33,811)</u>
Net funds at 31 May	<u>(88,910)</u>	<u>(56,073)</u>

#### Analysis of changes in net debt

	At 1 Jun 2011 £000	Cash flows £000	At 31 May 2012 £000
Net cash			
Cash in hand and at bank	673	942	1,615
Overdrafts	(4,921)	4,921	0
	<u>(4,248)</u>	<u>5,863</u>	<u>1,615</u>
Debt			
Debt due within 1 year	(32,025)	4,800	(27,225)
Debt due after 1 year	(19,800)	(43,500)	(63,300)
Net debt	<u>(56,073)</u>	<u>(32,837)</u>	<u>(88,910)</u>

### 24 Post balance sheet events

The Club undertook significant transfer activity in the 2012 summer transfer window, securing the services of Ji-Sung Park, Robert Green, Andy Johnson, Junior Hoilett, Ryan Nelsen, Samba Diakite, Jose Bosingwa, Julio Cesar, Esteban Granero and Stephane Mbia on permanent contracts. A season-long loan was also agreed with Manchester United for Fabio Da Silva. Contract extensions were negotiated with a number of players, most notably Adel Taarabt and Clint Hill.

Paddy Kenny (to Leeds United), Herdar Helguson, Matthew Connolly and Tommy Smith (all to Cardiff City) were sold and a season-long loan was agreed with Olympique Marseille for Joey Barton. In addition a number of players left the Club when their contracts expired, including Fitz Hall, Akos Buzsaky, Danny Gabbidon, Peter Ramage, Patrick Agyemang, Danny Shittu, Gary Borrowdale and Rowan Vine.

In November 2012, Harry Redknapp replaced Mark Hughes as manager.