Company Registration Number 3197756

MOORE STEPHENS

QPR Holdings Limited

Financial statements

31 May 2015

Contents | **Pages**

QPR Holdings Limited

Company information

The board of directors	Mr T Fernandes Mr A Bhatia Mr K Meranun Mr S Maheshwari Mr R Gnanalingam
Registered office	Loftus Road Stadium South Africa Road London W12 7PJ
Auditor	Moore Stephens LLP Chartered Accountants Statutory Auditor 150 Aldersgate Street London EC1A 4AB
Bankers	The Royal Bank of Scotland plc 155 Bishopsgate London EC2M 3YB

Chairman's statement

Year ended 31 May 2015

On behalf of the Board of Directors, I am delighted to present the annual financial statements and reports for the year ended 31 May 2015.

On the Field

The 2014/15 season was a very disappointing and challenging one which saw the Club being relegated from the Premier League. Having started the season with fairly realistic aspirations to maintain our status in the Premier League, the Club was unable to get any momentum going and ultimately paid the price at the end of the season.

Player transfers

Getting promoted at the first ask was a great achievement by the Club, and we went out to strengthen the squad with the aim of maintaining our status in the Premier League. During the August transfer window, the Club signed Steven Caulker, Jordan Mutch, Leroy Fer, Jack Robinson, Alex McCarthy, and Sandro Cordeiro on a permanent basis.

With the bulk of the player transfers being conducted during the August transfer window, a decision was made that only one signing was required during the January transfer window in the form of Mauro Zarate who joined the Club on a half season loan from West Ham.

A number of players left the club during the year including Hogan Ephraim, Luke Young and Stephane Mbia who departed when their contracts expired while Jordan Mutch was sold. Due to health issues, Harry Redknapp had to leave the club in February, resulting in the subsequent departures of his assistants, Joe Jordan, Glenn Hoddle, Kevin Hitchcock and Kevin Bond.

Harry Redknapp was replaced by Chris Ramsey who took over as the Head Coach.

Prospects

My business partners and I are aware that we face a challenging time ahead. Getting relegated was obviously not part of the plan when we strengthened the squad after promotion at the end of the 2013/14 season. However we are as determined as ever to ensure that the club is sufficiently equipped with the tools and resources to challenge for promotion.

Looking beyond this season, we are keen to maintain the work and progress made towards achieving both the medium and longer term plans, which include the new Training Ground and stadium.

Despite the relegation, the club still managed to sell more than 10,000 season tickets, and for that we are grateful to our loyal and passionate fans.

At the time of writing, we have unfortunately had to relieve Chris Ramsey from his duties as the Head Coach of the First Team. We are confident of securing a suitable replacement who would be able to ensure that the performance of the squad reflects the quality in it and we will be challenging for one of the promotion places at the end of the 2015/16 season.

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

30 November 2015

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 £85.9m, which is significantly higher than in the previous year (£38.7m) this is primarily due to QPR playing in the Premier League rather than the Championship.
- Total ticketing revenue at £8.1m, was significantly higher than in the prior year (£5.6m), as a result of promotion to the Premier League, this represented an average of £427,000 per home Premier League match, compared with £223,000 per home Championship match in 2013/14.
- Group operating losses were £44.7m after exceptional items, reflecting the continuing investment in the playing squad.
- At the balance sheet date the Group had bank reserves of £0.85m, a decrease of £4.65m on the prior year.
- At the balance sheet date the Group's deficit position was £178.3m, compared with a £132.6 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 did not achieve its primary target of maintaining its status in the Premier League. The Club is once again focussed on securing a place in the Premier League and the financial results reflect the Club's focus on trying to achieve on-pitch success.

Cash flow and treasury
Net cash inflow from operations amounted to £11.7 million as compared to a net cash outflow of £65.5 million for the previous year.

The Group paid £38.8m (2014: £9.0m) to acquire additional players during the year. The Group received £15.3m (2014: £57.4m) in shareholder financing during the year and repaid £6.1m of the bank loan. The Group paid out £950,000 (2014: £270,000) in relation to interest during the year.

Net debt as at 31 May 2015 has increased to £193.4m (2014: £179.6m).

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. Taking this into consideration the Club has also reassessed the value of the playing staff, as disclosed in more detail in note 11.

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 2015

Future Developments
Having being relegated at the end of the 2014/15 season, the Group's key short-term objective is to regain 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
Director

Approved by the directors on 30 November 2015

Directors' report

Year ended 31 May 2015

The directors have pleasure in presenting their report and the audited financial statements of the group for the year ended 31 May 2015.

Results and dividends
The loss for the year amounted to £45.7m (2014: £9.8m). 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

Mr R Gnanalingam was appointed a Director on 12 June 2015

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

Auditor
Moore Stephens LLP were appointed auditor of the company following their merger with Chantrey Vellacott DFK LLP with effect from 1 May 2015 and will be re-appointed in accordance with Chapter 2 of Part 16 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
Director

Approved by the directors on 30 November 2015

Statement of directors' responsibilities

Year ended 31 May 2015

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 2015

We have audited the financial statements of QPR Holdings Limited for the year ended 31 May 2015, which are set out on pages 8 to 23. 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 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 members 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 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

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, 2015 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the Chairman's Statement, Strategic Report and 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.

Moore Stephens UK

Gareth Jones FCA, *Senior Statutory Auditor*
For and on behalf of Moore Stephens LLP, Statutory Auditor
150 Aldersgate Street
London
EC1A 4AB
30 November 2015

Group Profit and loss account

Year ended 31 May 2015

	Note	2015 £000	2014 £000
Turnover	**2**	**85,875**	38,692
Cost of sales		**116,823**	95,380
Gross loss		**(30,948)**	(56,688)
Administrative expenses		**(15,591)**	(8,574)
Operating loss	**4**	**(46,539)**	(65,262)
Exceptional Item	**3**	**-**	60,000
Profit/ (loss) on disposal of player registrations	**7**	**1,814**	(4,245)
		(44,725)	(9,507)
Interest receivable		**3**	-
Interest payable and similar charges	**8**	**(953)**	(270)
Loss on ordinary activities before taxation		**(45,675)**	(9,777)
Taxation on loss on ordinary activities	**9**	**-**	-
Loss for the financial year		**(45,675)**	(9,777)

All of the activities of the group are classed as continuing.

The company has no recognised gains or losses other than the results for the year set out above.

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 23 form part of these financial statements.

Group balance sheet

As at 31 May 2015

	Note	2015 £000	2014 £000
Fixed assets			
Intangible assets	11	20,686	23,751
Tangible assets	12	23,872	23,937
		44,558	47,688
Current assets			
Stocks	13	528	465
Debtors	14	12,543	18,683
Cash at bank		849	5,517
		13,920	24,665
Creditors: amounts falling due within one year	15	(217,538)	(63,487)
Net current liabilities		(203,618)	(38,882)
Total assets less current liabilities		(159,060)	8,866
Creditors: amounts falling due after more than one year	16	(19,200)	(141,451)
		(178,260)	(132,585)
Capital and reserves			
Called up equity share capital	20	36,000	36,000
Share premium account	21	7,617	7,617
Revaluation reserve	21	7,981	7,981
Profit and loss account	21	(229,858)	(184,183)
Deficit	22	(178,260)	(132,585)

These financial statements were approved by the directors and authorised for issue on 30 November 2015, and are signed on their behalf by:

....

Tony Fernandes
Director

Company Registration Number: 3197756

The notes on page 12 to 23 form part of these financial statements.

Balance sheet

As at 31 May 2015

	Note	2015 £000	2014 £000
Fixed assets			
Tangible assets	12	23,872	23,937
Investments	23	5,520	5,520
		29,392	29,457
Current assets			
Stocks	13	528	465
Debtors	14	4,109	21,361
Cash at bank		687	4,447
		5,324	26,273
Creditors: amounts falling due within one year	15	(203,763)	(54,347)
Net current liabilities		(198,439)	(28,074)
Total assets less current liabilities		(169,047)	1,383
Creditors: amounts falling due after more than one year	16	(15,254)	(139,542)
		(184,301)	(138,159)
Capital and reserves			
Called up equity share capital	20	36,000	36,000
Share premium account	21	7,617	7,617
Revaluation reserve	21	7,981	7,981
Profit and loss account	21	(235,899)	(189,757)
Deficit		(184,301)	(138,159)

These financial statements were approved by the directors and authorised for issue on 30 November 2015, and are signed on their behalf by:

....

Tony Fernandes
Director

Company Registration Number: 3197756

The notes on page 12 to 23 form part of these financial statements.

QPR Holdings Limited

Group cash flow statement

Year ended 31 May 2015

	Note	2015 £000	2014 £000
Net cash inflow/(outflow) from operating activities	24	**11,673**	(65,463)
Returns on investments and servicing of finance	24	**(950)**	(270)
Capital expenditure and financial investment	24	**(24,526)**	(1,756)
Cash outflow before financing		**(13,803)**	(67,489)
Financing	24	**9,135**	69,400
(Decrease)/Increase in cash	24	**(4,668)**	1,911

The notes on page 12 to 23 form part of these financial statements.

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.

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.

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.

Impairment
The Company will perform an impairment review on the intangible assets if events or changes in circumstances indicate that the carrying amount of the player may not be recoverable. The Company compares the carrying amount of the asset with its recoverable amount.

In certain instances there may be an individual player whom the Company does not consider to be part of the First Team squad and who will therefore not contribute to the future cash flows earned by the Club. This is normally due to a permanent career-threatening injury/condition or due to a serious loss of form which, as a consequence, means the club consider it highly unlikely he will ever play for the First Team again. In this situation, the player will be assessed for impairment in isolation by considering his carrying value with the Clubs best estimate of his fair value less costs to sell. The Club estimate this using one of the following sources:

- in the case of a player who has suffered a loss of form, either the agreed selling price in the event the player has been transferred subsequent to the year end; or
- there have not been any bids for the player, management's best estimation of the disposal proceeds (less costs) of the player on an arm's length basis. This is determined by the Company's senior football management in conjunction with the Directors who will use the outcome of recent player disposals (by both the Company and other football clubs) as a basis for their estimation. Any costs to sell, such as agency costs are deducted from the fair value; or
- in the case of a player who has suffered a career-threatening injury/condition, the value attributed to the player by the Company's insurers.

Pension costs
The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

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:

	2015 £000	2014 £000
United Kingdom	**85,875**	38,692

	2015 £000	2014 £000
Gate Receipts	**8,125**	5,636
Sponsorship & Advertising	**5,112**	1,094
Broadcasting Rights	**65,903**	28,062
Commercial Income	**4,270**	3,376
Other Income	**2,465**	524
	85,875	38,692

3. Exceptional Item

The Exceptional Item in the prior year is historic loans that the shareholders agreed to write-off.

4. Operating loss

Operating loss is stated after charging:

	2015 £000	2014 £000
Amortisation of intangible assets	**15,975**	16,596
Impairment of intangible assets	**11,664**	-
Depreciation of owned fixed assets	**1,331**	1,285
Operating lease rentals on land and buildings	**340**	280
Auditor's remuneration		
- as auditor for current year	**30**	25
- accountancy	**35**	20
- taxation advice	**4**	3

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:

	2015 No	2014 No
Number of football support staff	**13**	15
Players, managers, coaches and support staff	**108**	112
Administrative staff	**15**	14
Commercial, marketing and retail staff	**19**	19
Stadium and maintenance staff	**8**	8
	163	169

The aggregate payroll costs of the above were:

	2015 £000	2014 £000
Wages and salaries	**63,355**	66,409
Social security costs	**9,461**	8,978
Pension costs	**98**	-
	72,914	75,387

6. Directors' remuneration

No remuneration was paid to directors during the year (2014: £Nil)

7. Profit/(loss) on disposal of player registrations

	2015 £000	2014 £000
Profit/ (loss) on disposal of player registrations	**1,814**	(4,245)

8. Interest payable and similar charges

	2015 £000	2014 £000
Bank Interest	**953**	270

9. Taxation on loss on ordinary activities

Due to the availability of significant bought forward trading losses there is no corporation tax charge on the trading results for the year (2014: £Nil)

A potential deferred tax asset of £54.9m (2014 : £52.2m) 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 £305m (2014: £261m).

10. Loss attributable to members of the parent company

The loss dealt with in the financial statements of the parent company was £46,142,000 (2014: £10,470,000).

11. Intangible fixed assets

	Player Registrations £000
Cost	
At 1 June 2014	**56,384**
Additions	**38,782**
Disposals	**(41,722)**
At 31 May 2015	**53,444**
Amortisation	
At 1 June 2014	**32,633**
Charge for the year	**15,975**
On disposals	**(27,514)**
At 31 May 2015	**21,094**
Impairment	
At 1 June 2014	**-**
Charge for the year	**11,664**
At 31 May 2015	**11,664**
Net book value	
At 31 May 2015	**20,686**
At 31 May 2014	23,751

The impairment loss arose from the write down of certain players' registration values to reflect their estimated net realisable value. The revised carrying amounts are based on the Directors' assessments of the achievable sales values, taking into account current conditions in the transfer market.

12. Tangible fixed assets

Group and Company

	Freehold Land & Buildings £000	Assets Under Construction £000	Plant & Machinery £000	Fixtures & Fittings £000	Total £000
Cost or valuation					
At 1 June 2014	**20,368**	**2,816**	**3,820**	**894**	**27,898**
Additions	**614**	**807**	**282**	**61**	**1,764**
Write off	**-**	**(499)**	**-**	**-**	**(499)**
At 31 May 2015	**20,982**	**3,124**	**4,102**	**955**	**29,163**
Depreciation					
At 1 June 2014	**-**	**-**	**3,288**	**672**	**3,960**
Charge for the year	**1,018**	**-**	**215**	**98**	**1,331**
At 31 May 2015	**1,018**	**-**	**3,503**	**770**	**5,291**
Net book value					
At 31 May 2015	**19,964**	**3,124**	**599**	**185**	**23,872**
At 31 May 2014	20,368	2,816	531	222	23,937

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:

	2015 £000	2014 £000
Historical cost	**13,001**	12,387
Depreciation based on cost	**(3,262)**	(2,855)
	9,739	9,532

13. Stocks

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Goods held for resale.	**528**	465	**528**	465

14. Debtors

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Trade debtors	**429**	214	**3,837**	213
Transfer debtors	**1,774**	4,544	**-**	-
Other debtors	**3,438**	10,210	**29**	10,210
Prepayments and accrued income	**6,902**	3,715	**243**	3,585
Amounts owed by group undertakings	**-**	-	**-**	7,353
	12,543	18,683	**4,109**	21,361

15. Creditors: amounts falling due within one year

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Bank Loan	**20,881**	8,000	**20,881**	8,000
Trade creditors	**1,738**	2,697	**1,738**	2,697
Transfer creditors	**19,157**	5,219	**-**	-
Taxation and social security	**5,548**	2,667	**1,589**	102
Accruals and deferred income	**12,630**	7,362	**4,407**	6,006
Other creditors	**157,584**	37,542	**157,584**	37,542
Amounts owed by group undertakings	**-**	-	**17,564**	-
	217,538	63,487	**203,763**	54,347

The bank loan of £20,881,000 (2014 £27,000,000 of which £8,000,000 fell due within one year) is secured by a charge on Loftus Road Stadium, with interest charged at 3.5% plus LIBOR.

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.

£114,777,000 of loans from QPR Asia Sdn. Bhd, which carries zero interest, payable on demand (£57,377,000), 18 July 2015 (£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) are still outstanding.

£32,807,000 of loans from Sea Dream Limited, which carries zero interest and is payable on demand.

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

	Group		Company	
	2015	2014	**2015**	2014
	£000	£000	**£000**	£000
Bank loan	**-**	19,000	**-**	19,000
Trade creditors	**-**	1,909	**-**	-
Transfer creditors	**3,946**	-	**-**	-
Other creditors	**15,254**	120,542	**15,254**	120,542
	19,200	141,451	**15,254**	139,542

The bank loan of £19,000,000 in 2014 is now shown in note 15.

£15,254,000 of loans from QPR Asia Sdn. Bhd, which carries zero interest, payable on demand 1 November 2016 (£3,000,000), 1 December 2016 (£3,000,000), 1 April 2017 (£4,754,000), 1 May 2017 (£4,500,000) are still outstanding.

17. Commitments

As at 31 May 2015, the Club was committed to paying signing on fees in respect of players of £1,360,000 (2014: £3,816,000).

In addition the Club was committed to paying £565,000 (2014: £340,000) per annum under a non-cancellable operating lease in relation to land & buildings which does not expire within the next five years.

18. Related party transactions

During the year, loans were provided to the Company by Tune QPR Sdn. Bhd. a shareholder of the company. As at the balance sheet dates shareholder loans were owed to Tune QPR Sdn Bhd. And Sea Dreams Limited as shown in notes 15 and 16.

During the year the Company pledged £120,000 (2014: £105,000) to QPR in the Community Trust. Included within creditors is £163,000 (2014: £2,000) owed by the Company to the Trust at the balance sheet date.

During the year AirAsia sponsored the Club's playing shirts for a fee of £2,500,000 (2014: £350,000). Both Tony Fernandes and Kamarudin Meranun hold an interest in AirAsia.

During the year the company spent £6,827,000 (2014: £4,020,000) on behalf of Rangers Developments Limited, an entity under common control. £3,409,000 (2014: £4,020,000) that is still owed to the company at the balance sheet date and is included within other debtors in note 14.

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 2015

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 Gnanalingam
- 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:

	2015 £000	2014 £000
3,600,000,000 Ordinary shares of £0.01 each	**36,000**	36,000

Allotted and called up:

	2015 No	2015 £000	2014 No	2014 £000
Ordinary shares of £0.01 each	**3,599,493,700**	**36,000**	3,599,493,700	36,000

21. Reserves

Group	Share premium account £000	Revaluation Reserve £000	Profit and loss account £000
Balance brought forward	**7,617**	**7,981**	**(184,183)**
Loss for the year	**-**	**-**	**(45,675)**
Balance carried forward	**7,617**	**7,981**	**(229,858)**

Company	Share premium account £000	Revaluation Reserve £000	Profit and loss account £000
Balance brought forward	**7,617**	**7,981**	**(189,757)**
Loss for the year	**-**	**-**	**(46,142)**
Balance carried forward	**7,617**	**7,981**	**(235, 899)**

22. Reconciliation of movements in shareholders' funds

	2015 £000	2014 £000
Loss for the financial year	**(45,675)**	(9,777)
Shares issued	**-**	5,000
Net reduction of shareholders' funds	**(45,675)**	(4,777)
Opening shareholders' funds	**(132,585)**	(127,808)
Closing shareholders' deficit	**(178,260)**	(132,585)

23. Investments

Company

	2015 £000	2014 £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 inflow/(outflow) from operating activities

	2015 £000	2014 £000
Operating loss	**(46,539)**	(65,262)
Amortisation	**15,975**	16,596
Depreciation	**1,331**	1,285
Impairment of intangible assets	**11,664**	-
Impairment of fixed assets	**499**	-
(Increase)/ decrease in stocks	**(62)**	192
Decrease/ (increase) in debtors	**6,140**	(11,890)
Increase/ (decrease) in creditors	**22,665**	(6,384)
Net cash inflow/ (outflow) from operating activities	**11,673**	(65,463)

Returns on investments and servicing of finance

	2015 £000	2014 £000
Interest received	**3**	-
Interest paid	**(953)**	(270)
Net cash outflow from returns on investments and servicing of finance	**(950)**	(270)

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

Capital expenditure

	2015 £000	2014 £000
Payments to acquire intangible fixed assets	**(38,782)**	(9,008)
Payments to acquire tangible fixed assets	**(1,764)**	(3,408)
Receipts from sale of fixed assets	**16,020**	10,660
Net cash outflow from capital expenditure	**(24,526)**	(1,756)

Financing

	2015 £000	2014 £000
Net inflow from other long-term creditors	**15,254**	57,400
Net (outflow)/ inflow from short-term borrowing	**(6,119)**	12,000
Net cash inflow from financing	**9,135**	69,400

Net cash is defined as cash and cash equivalents.

Reconciliation of net cash flow to movement in net debt

	2015 £000	2014 £000
(Decrease)/ increase in cash in the year	**(4,668)**	1,911
Non cash movement	**-**	65,000
Net cash inflow from other long-term creditors	**(9,135)**	(69,400)
Change in net funds	**(13,803)**	(2,489)
Net funds at 1 June	**(179,567)**	(177,078)
Net funds at 31 May	**(193,370)**	(179,567)

Analysis of changes in net debt

	At 1 June 2014	Cash flows £000	At 31 May 2015 £000
Net cash:			
Cash in hand and at bank	5,517	(4,668)	849
Debt:			
Debt due within 1 year	(45,542)	(129,477)	(175,019)
Debt due after 1 year	(139,542)	120,342	(19,200)
Net debt	(179,567)	(13,803)	(193,370)

25. Post balance sheet events

The Club undertook significant transfer activity in the 2015 summer transfer window, securing the services of Jay Emmanuel-Thomas, James Mackie, Axel Prohouly, Sebastian Polter, Tjaronn Chery, James Perch, Grant Hall, Daniel Tozser and Alex Smithies on permanent contracts, as well as Paul Konchesky and Gabriele Angella on season-long loans

Alex McCarthy (Crystal Palace) were sold and a season-long loan was agreed for Steven Caulker (Southampton). Adel Taarabt left the Club by mutual consent and in addition a number of players departed when their contracts expired, including Joey Barton, Richard Dunne, Rio Ferdinand, Brian Murphy, Shaun Wright-Phillips and Bobby Zamora.

Subsequent to the year end, the Club undertook a review of its overall debt position, which has resulted in the Directors approving the capitalisation of the outstanding shareholder loans amounting to £180,697,000.

26. Contingent Liability

Legal proceedings are ongoing as between Queen's Park Rangers and the Football League. QPR challenges the legality of the Football League's Championship Financial Fair Play Rules and any charge against QPR (if any) for breach of FFP Rules shall not be commenced pending the outcome of that challenge. The proceedings are confidential in nature and neither party is entitled to comment upon the proceedings until the independent arbitral panel has delivered its decision.

As a result the financial information usually associated with FRS 12 has not been disclosed.

The directors are of the opinion that the claim by the Football League can be successfully resisted by the company.