

RFC BEARWOOD LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018



RFC BEARWOOD LIMITED**COMPANY INFORMATION**

Directors	N Howe N Niruttinanon X Dai Y Dai
Company number	08709240
Registered office	Madejski Stadium Junction 11 M4 Reading Berkshire RG2 0FL
Auditor	Myers Clark Egale 1 80 St Albans Road Watford Hertfordshire WD17 1DL

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RFC BEARWOOD LIMITED**DIRECTORS' REPORT****FOR THE YEAR ENDED 30 JUNE 2018**

The directors present their annual report and financial statements for the year ended 30 June 2018.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

N Howe
N Niruttinanon
X Dai
Y Dai

Results and dividends

The results for the year are set out on page 4.

Auditor

In accordance with the company's articles, a resolution proposing that Myers Clark be reappointed as auditor of the company will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

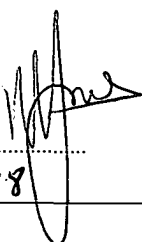
This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

N Howe
Director

Date:

20.12.18



RFC BEARWOOD LIMITED**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF RFC BEARWOOD LIMITED**

Opinion

We have audited the financial statements of RFC Bearwood Limited (the 'company') for the year ended 30 June 2018 which comprise the profit and loss account, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2018 and of its 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

RFC BEARWOOD LIMITED**INDEPENDENT AUDITOR'S REPORT (CONTINUED)****TO THE MEMBERS OF RFC BEARWOOD LIMITED**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

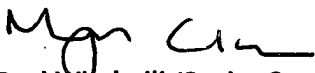
In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.



Paul Windmill (Senior Statutory Auditor)
for and on behalf of Myers Clark

19.02.19

Chartered Accountants
Statutory Auditor

Egale 1
80 St Albans Road
Watford
Hertfordshire
WD17 1DL

RFC BEARWOOD LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30 JUNE 2018**

		2018	2017
	Notes	£	as restated £
Administrative expenses		(3,000)	(3,600)
Loss before taxation		<u>(3,000)</u>	<u>(3,600)</u>
Tax on loss		-	-
Loss for the financial year		<u><u>(3,000)</u></u>	<u><u>(3,600)</u></u>

RFC BEARWOOD LIMITED**BALANCE SHEET
AS AT 30 JUNE 2018**

		2018		2017 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	2		12,988,259		9,033,119
Current assets					
Debtors	3	143,006		-	
Cash at bank and in hand		122,139		6,493	
		<u>265,145</u>		<u>6,493</u>	
Creditors: amounts falling due within one year	4	(13,254,038)		(7,487,246)	
Net current liabilities			(12,988,893)		(7,480,753)
Total assets less current liabilities			(634)		1,552,366
Creditors: amounts falling due after more than one year	5		-		(1,550,000)
Net (liabilities)/assets			<u>(634)</u>		<u>2,366</u>
Capital and reserves					
Called up share capital	6		1		1
Profit and loss reserves			(635)		2,365
Total equity			<u>(634)</u>		<u>2,366</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 20.12.18 and are signed on its behalf by:


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N Howe
Director

Company Registration No. 08709240

RFC BEARWOOD LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	9		4,000,111		(302,665)
Investing activities					
Additions to tangible fixed assets		(3,955,140)		(937,205)	
Net cash used in investing activities			(3,955,140)		(937,205)
Financing activities					
Repayments of borrowings		-		(500,000)	
Proceeds of new loans		695,000		2,239,627	
Repayments of bank loans		(624,325)		(500,000)	
Net cash generated from financing activities			70,675		1,239,627
Net increase/(decrease) in cash and cash equivalents			115,646		(243)
Cash and cash equivalents at beginning of year			6,493		6,736
Cash and cash equivalents at end of year			122,139		6,493

RFC BEARWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

Company information

RFC Bearwood Limited is a private company limited by shares incorporated in England and Wales. The registered office is Madejski Stadium, Junction 11, M4, Reading, Berkshire, RG2 0FL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The financial statements have been drawn up on the basis that the company is a going concern. The validity of the going concern basis of accounting depends on the continuing support of the shareholders. The shareholders have confirmed that they will not seek repayment of their loans to the company unless the company's cash flow permits repayment to be made without jeopardising the company's ability to continue as a going concern and that they will provide additional support to the company if required.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost and represent principally professional fees in connection with the acquisition and development of the property.

Land and buildings Freehold

Depreciation has not been provided as the project is ongoing.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.5 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

RFC BEARWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies**(Continued)****1.6 Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, which include payables within one year are initially recognised at transactions price including transaction costs and are subsequently measured at the undiscounted amount of the cash or consideration expected to be paid.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Taxation**Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

2 Tangible fixed assets

Land and buildings
£

Cost

At 1 July 2017	9,033,119
Additions	3,955,140

At 30 June 2018	12,988,259
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Depreciation and impairment

At 1 July 2017 and 30 June 2018	-
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Carrying amount

At 30 June 2018	12,988,259
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At 30 June 2017	9,033,119
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RFC BEARWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2018

3 Debtors

	2018	2017
	£	£
Amounts falling due within one year:		
Other debtors	143,006	-

4 Creditors: amounts falling due within one year

	2018	2017
	£	£
Bank loans and overdrafts	1,550,000	624,325
Trade creditors	771,685	136,130
Amounts due to group undertakings	9,734,353	6,223,791
Other creditors	1,198,000	503,000
	<u>13,254,038</u>	<u>7,487,246</u>

5 Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Bank loans and overdrafts	-	1,550,000

The bank loan is secured over the assets of the company including the freehold property and all sales proceeds or rental income derived from it.

6 Called up share capital

	2018	2017
	£	£
Issued and fully paid		
1 Ordinary share of £1 each	1	1

7 Related party transactions

The company has taken advantage of the exemption available in accordance with FRS 102, paragraph 33.1A not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions.

8 Parent company

The immediate parent company is The Reading Football Club Limited, a company registered in England and Wales, and the ultimate parent company and controlling party is Great Shine International Limited, a company incorporated in Hong Kong. The ultimate controlling party is Mr Yongge Dai by virtue of his shareholding in Great Shine International Limited.

For the year ended 30 June 2018, Renhe Sports Management Company Limited, the immediate parent company of The Reading Football Club Limited and a company incorporated in England and Wales, prepares group financial statements and copies can be obtained from Madejski Stadium, Reading, RG2 0FL.

RFC BEARWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

9 Cash generated from operations

	2018 £	2017 £
Loss for the year after tax	(3,000)	(3,600)
Movements in working capital:		
(Increase)/decrease in debtors	(143,006)	712
Increase/(decrease) in creditors	4,146,117	(299,777)
Cash generated from/(absorbed by) operations	<u>4,000,111</u>	<u>(302,665)</u>

10 Prior period adjustment

There is a prior period adjustment due to the change in accounting policy to capitalise bank loan interest previously charged to the profit and loss.

Changes to the balance sheet

	At 30 June 2017			
	As previously reported	Adjustment at 1 Jul 2016	Adjustment at 30 Jun 2017	As restated
	£	£	£	£
Fixed assets				
Tangible assets	8,814,958	102,884	115,277	9,033,119
Net assets	<u>(215,795)</u>	<u>102,884</u>	<u>115,277</u>	<u>2,366</u>
Capital and reserves				
Profit and loss	(215,796)	102,884	115,277	2,365
Total equity	<u>(215,795)</u>	<u>102,884</u>	<u>115,277</u>	<u>2,366</u>

Changes to the profit and loss account

	Period ended 30 June 2017		
	As previously reported	Adjustment	As restated
	£	£	£
Interest payable and similar expenses	(115,277)	115,277	-
Loss for the financial period	<u>(118,877)</u>	<u>115,277</u>	<u>(3,600)</u>