

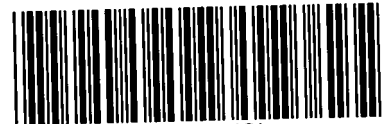
Company Registration No. 09402921

**READING FOOTBALL
HOLDINGS LIMITED**

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED 30 JUNE 2016

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READING FOOTBALL HOLDINGS LIMITED**OFFICERS AND PROFESSIONAL ADVISERS**

Directors

Mr Narin Niruttinanon
Mr Sumrith Thanakarnjanasuth
Mrs K.Y. Sasima Srivikorn
Mr Taweesuk Srisumrid
Mr Pairoj Piemongsant
Sir John Madejski OBE, DL
Mr Nigel Howe

Company Secretary

Bryan Stabler

Registered Office

Madejski Stadium,
Junction 11, M4,
Reading,
Berkshire,
RG2 0FL

Auditors

Myers Clark,
Egale 1,
80 St Albans Road,
Watford,
Hertfordshire,
WD17 1DL

Principal Bankers

Barclays Bank plc,
4th Floor, Apex Plaza,
Forbury Road
Reading,
Berkshire,
RG1 4AX

Solicitors

Field Seymour Parkes,
1 London Street,
Reading,
Berkshire,
RG1 4QW

READING FOOTBALL HOLDINGS LIMITED**STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

The directors present their report on the affairs of Reading Football Holdings Limited ("the Company" or "the Group"), together with the financial statements for the year ended 30 June 2016.

Background

The Company was incorporated on 23 January 2015 as the new holding company of the Group. It acquired the entire share capital of The Reading Football Club Limited by way of a share for share exchange on 13 February 2015 and on 15 May 2015 acquired a 25% shareholding in RFC Prop Co Limited.

The Company's Board consists of seven directors (as detailed on page 1), being the two co-chairmen, the chief executive and four other executive and non-executive directors. Details of appointments and resignations where applicable during the year are set out in the Directors' Report.

The chief executive has responsibility, in close liaison with the directors, for the day to day running and long term operation of the Company and refers to the Board in regard to significant decisions affecting all aspects of the Group.

Financial review

The consolidated profit and loss account includes the results of all subsidiaries for the year ended 30 June 2016. The loss for the year was £17.3m (2015: £4.4m).

The consolidated balance sheet includes the assets and liabilities of all subsidiaries at 30 June 2016. Goodwill arising on consolidation is £35m and the deficit in shareholders' funds was £20.9m (2015: £3.7m).

Principal risks and uncertainties

There are a number of potential risks and uncertainties which 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.

The majority of the Group's income and expenditure is generated by The Reading Football Club Limited ("the Club") as follows:

Income

The Club derives its income from three principal sources: gate receipts, television and commercial relationships.

All three sources of income are dependent on the performance of the first team and its appeal to football supporters. The performance of the first team is significantly influenced by the quality of the coaching staff and the players that the Club can attract in a highly competitive market both on the domestic and European levels.

Expenditure

In order to attract the talent which will continue to improve the performances of the first team the Club continually invests in the playing staff by way of both transfer and wages.

Regulatory environment

The Club is regulated by the rules of the FA, FAPL, UEFA and FIFA. These regulations have a direct impact of the Club as they cover areas such as the division of centrally negotiated television deals and the operation of the transfer market. The Club has staff whose roles include ensuring that the Club monitors the evolution of the rules and ensures compliance with them.

Funding

Funds are provided by the Club's owners. The Club reviews and updates its cash forecasts on a regular basis and keeps the owners aware of financial commitments going forwards.

READING FOOTBALL HOLDINGS LIMITED**STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2016 (continued)**

Future developments

The Company's owners continue to strive for Reading Football Club's promotion to the Premier League and invest in property development projects, without jeopardising the Group's financial position.

Signed on behalf of the Board of Directors



Sir John Madejski OBE DL
Co-Chairman

28 February 2017

READING FOOTBALL HOLDINGS LIMITED**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2016****Principal activities**

The principal activity of the Company is that of a holding company. The Company is the parent company of The Reading Football Club Limited and its subsidiaries, Reading FC Community Trust, Reading Women's Football Club Limited and RFC Bearwood Limited. The Company also has a direct holding of 25% in RFC Prop Co Limited and its subsidiaries, RFC (CP) 1 Limited and RFC (CP) 2 Limited, with a further 37.5% held by The Reading Football Club Limited.

The principal activity of The Reading Football Club Limited is that of a professional Football League Club and the provision of sports and event venue and conference facilities.

The objects of Reading FC Community Trust are to assist in advancing education, to promote or assist in promoting community participation in healthy recreation, to provide or assist in the provision of facilities for recreation, to provide or assist in the interest of social welfare and with the object of improving the conditions of life for those whom the facilities are provided, to relieve sickness and disability and to preserve and protect health, and to promote any other purpose which is charitable according to English Law.

The principal activity of Reading Women's Football Club Limited is that of a Women's Super League Club.

The principal activity of RFC Bearwood Limited and RFC Prop Co Limited is the purchase and development of land, while RFC (CP) 1 Limited and RFC (CP) 2 Limited are both dormant.

Business review

The Group reported a loss before tax for the year of £17,264,469 (2015: £4,427,265) and this resulted in a deficit in shareholders' funds carried forward at 30 June 2016 of £20,939,859 (2015: £3,677,265).

Directors

The directors of the Company at 30 June 2016 and who have served throughout the year were as follows:

Mr Narin Niruttinanon	
Mr Sumrith Thanakarnjanasuth	
Mrs K.Y. Sasima Srivikorn	
Mr Taweesuk Srisumrid	
Mr Theekharoj Piamphongsarn	resigned 29.06.2016
Mr Pairoj Piemongsant	appointed 24.11.2016
Sir John Madejski OBE, DL	
Mr Ian Wood-Smith	resigned 30.04.2016
Mr Nigel Howe	

Going concern

The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the going concern basis can be found in the accounting policies at note 1 to the financial statements.

Disabled employees

The group gives full consideration to applications for employment from disabled persons where the candidate's aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career developments and promotion.

READING FOOTBALL HOLDINGS LIMITED**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2016 (continued)**

Disabled employees (continued)

Where existing employees become it is the group's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Employee involvement

The group operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2004. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Future developments

The group's owners continue to strive for promotion to the Premier League, without jeopardising the Club's financial position.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 of the profit or loss of the Company for that year. 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;
- 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 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.

Auditors

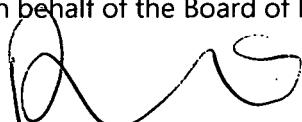
In accordance with the Company's articles, a resolution proposing that Myers Clark be reappointed as auditors of the Company will be put at a General Meeting.

READING FOOTBALL HOLDINGS LIMITED**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2016 (continued)**

Statement of disclosure to the auditor

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware. Additionally, the directors 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 auditors are aware of that information.

Signed on behalf of the Board of Directors



Sir John Madejski OBE DL
Co-Chairman

28 February 2017

READING FOOTBALL HOLDINGS LIMITED**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF READING FOOTBALL HOLDINGS LIMITED**

We have audited the financial statements of Reading Football Holdings Limited for the year ended 30 June 2016 set out on pages 9 to 31. 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 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group and the company's affairs as at 30 June 2016 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.

Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the group's ability to continue as a going concern. The group incurred a net loss of £17,262,594 during the year ended 30 June 2016 and, at that date it had net current liabilities of £80,844,181. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

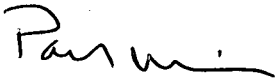
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

READING FOOTBALL HOLDINGS LIMITED**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF READING FOOTBALL HOLDINGS LIMITED (continued)**

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, 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.



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

28 February 2017

**Chartered Accountants
Statutory Auditor**

**Egale 1
80 St Albans Road
Watford
Hertfordshire
WD17 1DL**

READING FOOTBALL HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016 £	2015 £
Turnover	2	26,941,959	16,215,418
Operating expenses		(52,897,756)	(21,228,558)
Other operating income		331,584	134,425
Operating loss		(25,624,213)	(4,878,715)
Profit on disposal of players' registrations		7,101,626	-
Loss on foreign currency translation		(1,709,262)	-
Profit on disposal of investments		5,625,000	-
Loss before interest and taxation		(14,606,849)	(4,878,715)
Amount received under a guarantee		-	898,332
Interest payable and similar charges	3	(2,657,620)	(446,882)
Loss on ordinary activities before taxation	4	(17,264,469)	(4,427,265)
Taxation	6	-	-
Loss for the financial year		(17,264,469)	(4,427,265)
Loss for the financial year attributable to:			
Non-controlling interests		1,875	-
Owners of the parent company		(17,262,594)	(4,427,265)
		(17,262,594)	(4,427,265)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

The notes on pages 14 to 31 form part of these financial statements.

READING FOOTBALL HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2016

	Notes	2016 £	2015 £
Fixed assets			
Intangible assets	7	36,301,591	38,956,922
Tangible assets	8	41,669,625	31,746,951
Investments	9	-	-
		<u>77,971,216</u>	<u>70,703,873</u>
Current assets			
Stocks	11	285,433	273,804
Debtors	12	2,100,508	1,767,235
Cash at bank and in hand		469,820	5,699,478
		<u>2,855,761</u>	<u>7,740,517</u>
Creditors: amounts falling due within one year	13	(83,699,942)	(71,512,905)
Net current liabilities		<u>(80,844,181)</u>	<u>(63,772,388)</u>
Total assets less current liabilities		<u>(2,872,965)</u>	<u>6,931,485</u>
Creditors: amounts falling due after one year	14	(2,335,045)	(177,407)
Deferred contributions	15	(10,108,724)	(10,431,343)
		<u>(15,316,734)</u>	<u>(3,677,265)</u>
		=====	=====
Capital and reserves			
Called up share capital	16	750,000	750,000
Profit and loss account	17	(21,689,859)	(4,427,265)
		<u></u>	<u></u>
Equity attributable to owners of the parent entity		(20,939,859)	(3,677,265)
Non-controlling interests		5,623,125	-
		<u>(15,316,734)</u>	<u>(3,677,265)</u>
		=====	=====

Approved by the Board and authorised for issue on 28 February 2017

Sir John Madejski OBE, DL
DirectorNigel Howe
Director

The notes on pages 14 to 31 form part of these financial statements.

READING FOOTBALL HOLDINGS LIMITED

COMPANY BALANCE SHEET
AS AT 30 JUNE 2016

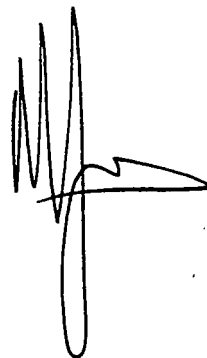
	Notes	£	2016 £	£	2015 £
Fixed asset investments	9		5,300,000		4,500,000
Current assets					
Debtors	12	-		-	
Cash at bank and in hand		-		-	
Creditors: amounts falling due within one year	13	(4,550,000)		(3,750,000)	
Net current liabilities			(4,550,000)		(3,750,000)
			750,000		750,000
			=====		=====
Capital and reserves					
Called up share capital	16		750,000		750,000
Profit and loss account	17		-		-
Shareholders' funds			750,000		750,000
			=====		=====

Approved by the Board and authorised for issue on 28 February 2017

Sir John Madejski OBE, DL
Director



Nigel Howe
Director



Company Registration No. 09402921

The notes on pages 14 to 31 form part of these financial statements.

READING FOOTBALL HOLDINGS LIMITED**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016**

	Called up share capital £	Retained earnings £	Non- controlling interests £	Total equity £
At 1 July 2015	750,000	(4,427,265)	-	(3,677,265)
Loss for the year	-	(17,262,594)	5,623,125	(11,639,469)
At 30 June 2016	<u>750,000</u>	<u>(21,689,859)</u>	<u>5,623,125</u>	<u>(15,316,734)</u>

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016**

	Called up share capital £	Retained earnings £	Total equity £
At 1 July 2015	750,000	-	750,000
Loss for the year	-	-	-
At 30 June 2016	<u>750,000</u>	<u>-</u>	<u>750,000</u>

READING FOOTBALL HOLDINGS LIMITED

CONSOLIDATED CASHFLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016

	2016		2015	
	£	£	£	£
Cash flow from operating activities				
(Loss)/profit for the financial year		(14,606,849)		(4,878,715)
Adjusted for:				
Depreciation of tangible fixed assets		1,586,324		379,908
Amortisation of intangible fixed assets		6,854,516		2,242,094
Profit on disposal of investments		(5,625,000)		-
Loss on foreign currency translation		1,709,262		-
Profit on disposal of intangible assets		(7,101,626)		-
Amount received under guarantee		-		898,332
Interest paid		2,657,620		446,882
Movements in working capital:				
Decrease/(increase) in trade debtors		(333,273)		(240,417)
Decrease/(increase) in stocks		(11,629)		159,188
Increase/(decrease) in trade creditors		2,434,276		869,962
		(12,436,379)		(122,766)
Interest paid		(2,657,620)		(446,882)
		(15,093,999)		(569,648)
Cash flows from investing activities				
Purchases of tangible fixed assets	(11,508,998)		(1,717,949)	
Purchases of intangible fixed assets	(5,149,888)		(965,108)	
Proceeds from sales of intangible assets	8,052,333		-	
Net cash generated from investing activities		(8,606,553)		(2,683,057)
Cash flows from financing activities				
Increase/(decrease) in other loans	12,775,823		7,870,422	
Advances of bank loans	2,674,325		-	
Net capital advances/(repayments) under hire purchase contracts	346,421		-	
Net cash generated from financing activities		15,796,569		7,870,422
Net increase/decrease in cash and cash equivalents		(7,903,983)		4,617,717
Cash and cash equivalents at beginning of the year		5,699,478		-
Acquisition of subsidiary		-		1,081,761
Cash and cash equivalents at end of the year		(2,204,505)		5,699,478
Relating to:				
Cash at bank and in hand		469,820		5,699,478
Bank loan and overdraft		(2,674,325)		-
		(2,204,505)		5,699,478

READING FOOTBALL HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016****1. Accounting policies****Company information**

Reading Football Holdings Limited ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is Madejski Stadium, Junction 11 M4, Reading, Berkshire, RG2 0FL.

1.1 Accounting convention

The financial statements for the year ended 30 June 2016 have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, which has been applied consistently, except with regard to the Reading FC Community Trust whose financial statements are prepared in accordance with the Companies Act 2006 and the Charities Statement of Recommended Practice (SORP) FRS 102.

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 on the historical cost convention. The principal accounting policies adopted are set out below.

These group and company financial statements for the year ended 30 June 2016 are the first financial statements of The Reading Football Holdings Limited prepared in accordance with FRS 102. The date of transition to FRS 102 was 1 July 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 26.

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only a reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical; and
- No cash flow statement has been presented for the parent company.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account, and related notes. The company's profit for the year was £nil (2015: £nil).

1.2 Going concern

The financial statements have been drawn up on the basis that the group 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 it is not their intention to withdraw their support in the foreseeable future and will not seek repayment of their loans unless the group's cashflow permits repayment to be made without jeopardising the group's financial position.

1.3 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination.

The consolidated financial statements incorporate those of Reading Football Holdings Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016 (continued)

1. Accounting policies (continued)

1.3 Basis of consolidation (continued)

All financial statements are made up to 30 June 2016. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Reading Football Club Limited and its subsidiaries, and RFC Propco Limited and its subsidiaries, have been included in the group financial statements using the purchase method of accounting. Accordingly, the group profit and loss account and statement of cash flows include the results and cash flows of Reading Football Club Limited and its subsidiaries, and RFC Propco Limited and its subsidiaries, for the 12 month period. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

1.4 Turnover and income recognition

Turnover, which excludes value added tax, represents receipts and all other income associated with the group's principal activities.

Football activities:

Turnover excludes fees receivable from other football clubs on the transfer of players' registrations.

Broadcasting fees are recognised over the course of the season as the games are played. The fixed element of broadcasting income is recognised over the course of the playing season.

Match day receipts are stated after deducting the percentage based payments to The Football Association, The Football League and visiting clubs. This revenue is recognised over the course of the football season as the games are played.

Sponsorship and similar commercial income is recognised over the duration of the respective contracts

1.5 Intangible assets

Goodwill

Goodwill arising on consolidation represents the excess of the fair value of the consideration given over the fair value of the identifiable assets of subsidiary undertakings acquired. Goodwill arising on acquisition is capitalised as an intangible asset and amortised over its expected useful life of 20 years.

Players' registration costs

Transfer fees payable for the acquisition of players' registrations, including transfer fee levies and other direct costs, are capitalised as intangible fixed assets. These costs are amortised, in equal annual instalments, fully over the contract period. In the event that the initial contract is renegotiated prior to expiry, the written down value at the date of renegotiation is amortised over the extended period. Permanent diminutions in value below the amortised value, such as through injury or loss of form, are provided for when management become aware that the diminution is permanent.

1.6 Tangible fixed assets and depreciation

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

READING FOOTBALL HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016 (continued)**
1.6 Tangible fixed assets and depreciation (continued)

Depreciation is calculated so as to write off the cost of all tangible fixed assets over their expected useful economic lives on a straight line basis. The principal annual rates used for this purpose, are as follows:

% of cost		
Fixtures, fittings and equipment	-	20
Training ground improvements	-	10

Freehold buildings are depreciated in equal annual amounts over the useful economic life of the building, being 50 years. Additions to the building are only depreciated once completed and are done so over the remaining useful economic life of the building. Where the additions are considered to have a shorter useful economic life than the remaining life of the building, they are depreciated over their useful economic life.

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 recognised in the profit and loss account.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

1.7 Valuation of investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

1.8 Impairment of fixed assets and financial assets

At each reporting end date, the company reviews the carrying amounts of its tangible, intangible and financial 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. An impairment loss is recognised in profit or loss.

1.9 Cash and cash equivalents

Cash and cash equivalents 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.

1.10 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.

READING FOOTBALL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016 (continued)**1.10 Financial instruments (continued)****Basic financial assets**

Basic financial assets, which include trade and other receivables and cash due within one year, are initially measured at transaction price including transaction costs and are subsequently carried at cost less impairment.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities including trade and other payables and loans from fellow group companies due within one year, are initially recognised at transaction price including transaction costs and are subsequently measured at the undiscounted amount of the cash or other consideration expected to be paid.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 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.

1.12 Deferred income

Deferred income represents income from sponsorship agreements and other contractual agreements which will be credited to the profit and loss account over the period of the agreements, season ticket renewals for the 2016/17 season and advance income from executive boxes.

1.13 Stocks

Stocks are valued at the lower of cost and net realisable value. The cost of each stock line is calculated on a first in first out (FIFO) basis. Any damaged stock is returned and removed from stock as it is detected. The company provides against merchandise that relates to previous football seasons if net realisable value is expected to be below cost.

1.14 Players' signing on fees

Players' contracts of employment may include a signing on fee payable in equal instalments over the period of the contract. The group's policy is to charge such fees evenly to the profit and loss account over the period of the player's contract. Where a player's registration is transferred any signing on fees payable in respect of future periods are charged against the profit/loss on disposal of players' registrations in the period in which the disposal is recognised.

READING FOOTBALL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016 (continued)**1.15 Deferred taxation**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

1.16 Finance leases, hire purchase contracts and operating leases

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of change on the net obligation in each period.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.17 Grants

Capital grants received are included in the balance sheet as liabilities. Where grants are not repayable they are released to the profit and loss account over the useful life of the applicable asset.

Revenue grants are released to the profit and loss account to match the expenditure to which they relate.

1.18 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.19 Pensions

The company makes contributions on behalf of employees and directors to The Football League Pension and Life Assurance Scheme. Contributions are charged to the profit and loss account over the period to which they relate. In addition, the company is making contributions in respect of its share of the deficit of the defined benefit section of The Football League Pension and Life Assurance Scheme (the "Scheme"). Under the provisions of FRS 102 Section 28 the Scheme would be treated as a defined benefit multi-employee scheme. The Scheme's actuary has advised that the participating employers' share of the underlying assets and liabilities cannot be identified on a reasonable and consistent basis and accordingly no disclosures are made under the provisions of FRS 102 Section 28. The assets of the Scheme is held independent to the company.

READING FOOTBALL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016 (continued)**1.20 Judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2. Segmental information

	Turnover	Turnover	Profit/(loss)	Profit/(loss)
	2016	2015	2016	2015
	£	£	£	£
Central group costs	-	-	-	-
Football activities	25,784,213	15,763,427	(23,497,576)	(4,054,367)
Community Trust	979,728	431,946	(6,991)	4,874
Women's football	178,018	20,045	(315,026)	(76,895)
Property development	-	-	965	-
Amortisation of goodwill arising on consolidation			(1,805,585)	(752,327)
Operating loss			(25,624,213)	(4,878,715)
Profit on disposal of players' registrations			7,101,626	-
Loss on foreign currency translation			(1,709,262)	-
Profit on disposal of investments			5,625,000	-
Amount received under a guarantee			-	898,332
Interest payable and similar charges			(2,657,620)	(446,882)
	<u>26,941,959</u>	<u>16,215,418</u>	<u>(17,264,469)</u>	<u>(4,427,265)</u>
	=====	=====	=====	=====

All turnover arises in the United Kingdom and excludes VAT.

The net assets/(liabilities) of the different segments were:

- Football club	£(42,160,936)
- Community Trust	£179,034
- Women's football	£(611,690)
- Property development	£14,898,086
- Holding company	£750,000

READING FOOTBALL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016 (continued)**3. Interest payable and similar charges**

	2016	2015
	£	£
Bank loans and overdrafts	102,884	-
Other loans	1,037,212	446,882
Fees for arranging finance	1,492,088	-
Charges on finance leases and hire purchase contracts	25,436	-
	<u>2,657,620</u>	<u>446,882</u>
	=====	=====

4. Loss on ordinary activities before taxation

	2016	2015
	£	£
Loss on ordinary activities before taxation is stated after charging /(crediting):		
Directors' emoluments (note 6)	687,795	243,996
Operating lease rentals	144,692	67,061
Depreciation	1,586,324	379,908
Amortisation of intangible fixed assets	6,854,516	2,242,094
Inventory recognised as an expense	516,072	165,405
Profit on disposal of intangible fixed assets	7,101,626	-
	<u>7,101,626</u>	<u>-</u>
	=====	=====

Auditor's remuneration

Fees payable to the group's auditor for the audit of the group and subsidiaries' annual accounts	44,714	14,167
Fees payable to the group's auditor for accounting and taxation services	9,200	2,917
	<u>53,914</u>	<u>17,083</u>
	=====	=====

READING FOOTBALL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016 (continued)

5. Staff numbers and costs

	2016 Number	2015 Number
The average number of persons employed by the group, including directors, was as follows:		
Players	81	79
Football management and coaching staff	138	127
Administrative staff	101	88
Staff employed under government training schemes	17	20
Matchday staff	236	305
	<u>573</u>	<u>619</u>
	===	===
	2016	2015
The aggregate payroll costs of these persons for the period they were employed by the group were as follows:	£	£
Gross wages and salaries	28,471,472	12,646,990
Social security costs	3,217,763	1,475,154
Pension costs	99,883	71,571
	<u>31,789,118</u>	<u>14,193,716</u>
	=====	=====

Key management remuneration

Key management personnel include all directors of the company who together have authority and responsibility for planning, directing and controlling the activities of the company.

Directors' remuneration (including pension contributions) was:	687,795	243,996
	=====	=====

Remuneration disclosed above include the following amounts paid to the highest paid director:

Emoluments of the highest paid director (including pension contributions) was:	406,857	172,500
	=====	=====

The number of directors for whom retirement benefits are accruing under defined contribution schemes was 2 (2015: 1).

READING FOOTBALL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016 (continued)6. **Taxation**

It is anticipated there will be no corporation tax liability due to the availability of losses brought forward and tax losses incurred within the group.

	2016 £	2015 £
Current tax charge	-	-
	=====	=====
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	(17,264,469)	(4,427,265)
	=====	=====
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20% (2015: 21%)	(3,452,894)	(929,726)
	-----	-----
Effects of:		
Non-deductible expenses	74,282	-
Depreciation	317,265	79,781
Amortisation of goodwill	361,117	157,989
Non-taxable income	(64,524)	(28,229)
Tax losses	2,764,754	720,185
	-----	-----
	3,452,894	929,726
	-----	-----
Current tax charge	-	-
	=====	=====

On the basis of these financial statements no provision has been made for corporation tax.

At 30 June 2016, a subsidiary company had tax losses carried forward of approximately £40m (2015: £35m).

A deferred tax asset has not been recognised in respect of the net timing differences relating to tax trading losses indicated above as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is approximately £8m (2015: £7.3m). The asset would be recovered if sufficient taxable trading profits arose in the future.

READING FOOTBALL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016 (continued)7. Intangible fixed assets
Group

	Goodwill £	Players' registration costs £	Total £
Cost			
At 1 July 2015	36,111,690	9,595,187	45,706,877
Additions	-	5,149,888	5,149,888
Disposals	-	(3,069,983)	(3,069,983)
At 30 June 2016	36,111,690	11,675,092	47,786,782
Amortisation			
At 1 July 2015	752,327	5,997,628	6,749,955
Charge for the year	1,805,585	5,048,931	6,854,516
Disposals	-	(2,119,276)	(2,119,276)
At 30 June 2016	2,557,911	8,927,280	11,485,191
Net book value			
At 30 June 2016	33,553,779	2,747,812	36,301,591
	=====	=====	=====
At 30 June 2015	35,359,363	3,597,559	38,956,922
	=====	=====	=====

The figures for cost of player registrations are historic cost figures for purchased players only. Accordingly, the net book amount of player registrations will not reflect, nor is it intended to, the current market value of these players, nor does it take into account players developed through the club's youth system.

The directors consider the net realisable value to be significantly greater than their book value.

Amortisation of intangible fixed assets is included in operating expenses.

READING FOOTBALL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016 (continued)8. Tangible fixed assets
Group

	Freehold land and buildings £	Fixtures, Fittings and equipment £	Total £
Cost			
At 1 July 2016	48,985,565	1,297,718	50,283,283
Additions	11,164,491	344,507	11,508,998
Disposals	-	-	-
At 30 June 2016	60,150,056	1,642,225	61,792,281
Depreciation			
At 1 July 2016	16,225,664	865,335	17,090,999
Charge for the year	1,365,762	220,562	1,586,324
Disposals	-	-	-
At 30 June 2016	19,036,759	1,085,897	20,122,656
Net book value			
At 30 June 2016	41,113,297	556,328	41,669,625
	=====	=====	=====
At 30 June 2015	31,314,568	432,383	31,746,951
	=====	=====	=====

Included in freehold land and buildings are the total costs capitalised to date of £1,361,443 for the stadium extension project. These have not been depreciated as the project is still active but not yet completed.

Also included in freehold land and buildings are costs of £7,993,030 relating to the acquisition and development of land. The project is ongoing and consequently no depreciation has been provided.

Also included in freehold land and buildings are costs of £8,820,548 relating to land and related professional fees which is held for investment purposes by a subsidiary company.

The net book value of tangible fixed assets includes £509,053 in respect of assets held under hire purchase contracts. The depreciation charge in respect of such assets amounted to £107,389.

READING FOOTBALL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016 (continued)9. Fixed asset investments
Company

	2016	2015
	£	£
Shares in group undertakings	5,300,000	4,500,000
	=====	=====

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
The Reading Football Club Limited	England & Wales	Ordinary	100
Reading Women's Football Club Limited	England & Wales	Ordinary	100
Reading FC Community Trust	England & Wales	Ordinary	100
RFC Bearwood Limited	England & Wales	Ordinary	100
RFC Prop Co Limited	England & Wales	Ordinary	25
RFC (CP) 1 Limited	England & Wales	Ordinary	25
RFC (CP) 2 Limited	England & Wales	Ordinary	25

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

Company	Principal activity	Capital and reserves 2016	Profit/(loss) for the year 2016
		£	£
The Reading Football Club Limited	Professional football club	(42,160,936)	(15,034,948)
Reading Women's Football Club Limited	Professional Football club	(611,690)	(315,026)
Reading FC Community Trust	Community trust	179,034	(6,991)
RFC Bearwood Limited	Property investment	(96,918)	(96,919)
RFC Prop Co Limited	Property investment	14,995,000	(5,000)
RFC (CP) 1 Limited	Dormant	-	-
RFC (CP) 2 Limited	Dormant	-	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016 (continued)**
10. Financial instruments

Basic financial instruments, which include trade and other receivables/payables, cash and bank balances, third party loans and loans from fellow group companies, 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.

	2016	2015
	£	£
Carrying amount of financial assets		
Measured at amortised cost	1,478,859	6,628,116
	=====	=====
Carrying amount of financial liabilities		
Measured at amortised cost	75,377,245	62,011,249
	=====	=====

11. Stocks

	Group	Group
	2016	2015
	£	£
Goods for resale	285,433	273,804
	=====	=====

12. Debtors

	2016	Group	2016	Company
	£	2015	£	2015
	£	£	£	£
Trade debtors	865,326	852,782	-	-
Other debtors	143,713	75,856	-	-
Prepayments and accrued income	1,091,469	838,597	-	-
	=====	=====	=====	=====
	2,100,508	1,767,235	-	-
	=====	=====	=====	=====

READING FOOTBALL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016 (continued)

13. Creditors: amounts falling due within one year

	2016	Group 2015	2016	Company 2015
	£	£	£	£
Bank loans and overdrafts	624,325	-	-	-
Obligations under finance lease and hire purchase contracts	215,151	62,873	-	-
Trade creditors	3,871,670	1,965,959	-	-
Other creditors	215,894	1,133,519	-	-
Other taxes and social security costs	1,663,591	1,574,590	-	-
Other loans	68,368,304	59,903,329	4,550,000	3,750,000
Accruals	791,207	787,078	-	-
Deferred income	7,949,800	6,085,557	-	-
	<u>83,699,942</u>	<u>71,512,905</u>	<u>4,550,000</u>	<u>3,750,000</u>
	=====	=====	=====	=====
Debt due in one year or less:	<u>69,207,780</u>	<u>59,966,202</u>	<u>4,550,000</u>	<u>3,750,000</u>
	=====	=====	=====	=====

Security has been provided in respect of the other loans noted above.

14. Creditors: amounts falling due after one year

	Group 2016	Group 2015
	£	£
Bank loans and overdrafts	2,050,000	-
Obligations under finance leases and hire purchase contracts (see note below)	247,795	79,088
Accrued players registration costs	37,250	98,319
	<u>2,335,045</u>	<u>177,407</u>
	=====	=====

Obligations under finance lease and hire purchase contracts	Group 2016	Group 2015
	£	£
Amounts repayable within one year	215,151	62,873
Amounts repayable in the second to fifth years	247,795	79,088
	<u>462,946</u>	<u>141,961</u>
Included in current liabilities	(215,151)	(62,873)
	<u>247,795</u>	<u>79,088</u>
	=====	=====

READING FOOTBALL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016 (continued)**15. Deferred contributions**

Pursuant to an agreement between The Reading Football Club Limited ("RFC"), Salmon Harvester Properties Limited ("SHP") and Reading Borough Council dated 4 March 1997 (as subsequently amended), RFC became entitled to contributions from SHP towards the capital cost of the stadium. Additionally RFC has received contributions from the Football Trust. The deferred contributions are released to the profit and loss account over the stadium's expected useful life of 50 years, in accordance with the depreciation policy for the asset.

16. Share capital

	2016	2015
	£	£
Allotted, called up and fully paid		
1,500,000 ordinary shares of 50p each	750,000	750,000
	=====	=====

17. Profit and loss account

	Group	Company
	£	£
At 1 July 2015	(4,427,265)	-
Loss for the year	(17,262,594)	-
At 30 June 2016	(21,689,859)	-
	=====	=====

18. Financial commitments – Group

At 30 June 2016 the group was committed to making the following payments under non-cancellable operating leases in the year to 30 June 2017:

	2016	2015
	£	£
Expiring within one year	100,889	80,884
Expiring in two to five years	97,568	38,605
Expiring after five years	-	-
	=====	=====

19. Contingent liabilities

Under the terms of certain contracts for the purchase of players' registrations, future payments may be due by The Reading Football Club Limited dependent on the future success of the team and/or future team selection of individual players. The maximum un-provided liability which may arise in respect of this at 30 June 2016 is £10,207,500. In addition, under the terms attached to the purchase of certain players' registrations, an amount may become payable to the previous club on any subsequent sale of the players' registration. This is normally expressed as a percentage of the subsequent transfer fee received in excess of the original transfer fee paid. Due to its unpredictable nature the amount in respect of these cannot be quantified.

READING FOOTBALL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016 (continued)**20. Pension costs****Defined benefit scheme**

The group contributes into the Football League Limited Pension and Life Assurance Scheme (Defined Benefit section) in respect of the club's share of the scheme's deficit in respect of certain ex-employees (see note 24). The assets of the scheme are held separately from those of the group in independently administered funds.

Defined contribution scheme

The group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the company to the funds.

The total contributions paid in the period were £124,679 (2015: £71,571).

21. Pension Commitments

Certain ex-employees of The Reading Football Club Limited are members of The Football League Pension and Life Assurance Scheme, a defined benefit scheme. The Club is one of a number of participating employers in the scheme. The assets of the scheme are held separately from those of the Club. Under the provisions of FRS 17 the scheme is accounted for as a defined contribution scheme. The latest actuarial valuation of the scheme reported that there was a deficit of £21.8m as at 31 August 2014. The Reading Football Club Limited's share of the deficit at 31 August 2014 was £36,066. This is being repaid by increased contributions in the years to 2021. On the basis that pension costs are spread over the working lives of the employees and the pension contributions vary in accordance with the actuarial valuation, no provision has been made for this in these financial statements.

22. Related party transactions**Shareholder loans**

Included in creditors are loans from the shareholders totalling £41,882,024 (2015: £49,036,181) of which £36,332,024 has been loaned to The Reading Football Club Limited, £1,000,000 to RFC Bearwood Limited and £4,550,000 to Reading Football Holdings Limited.

The loans have been made by companies which are controlled by the following directors of Reading Football Holdings Limited:

- £20,941,012 - Mr Narin Niruttinanon
- £10,470,506 - Mr Sumrith Thanakarnjanasuth
- £10,470,506 - Mrs K.Y. Sasima Srivikorn

There are no fixed terms for repayment of the loans. Of the total loans outstanding, £1,748,843 is secured over assets of The Reading Football Club Limited.

READING FOOTBALL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016 (continued)**22. Related party transactions (continued)****Related party transactions**

During the year Reading Football Club Limited sold 5,625,000 of its 11,250,000 holding in RFC Prop Co Limited to Empire Assets Group Pte Limited. Mr Narin Niruttinanon, Mr Sumrith Thanakarnjanasuth, Mrs K.Y. Sasima Srivikorn and Mr Theekharoj Piamphongsarn are shareholders in and collectively own 80% of Empire Assets Group Pte Limited. RFC Prop Co Limited's creditors at 30 June 2016 included loans of £3,399,890 from Empire Assets Group Pte Limited. The loans are interest free and have no fixed repayment terms.

Included in RFC Bearwood Limited's creditors at 30 June 2016 is a loan of £30,000 from Empire Asia Investments Ltd. Mr Taweesuk Srisumrid is also a director of Empire Asia Investments Ltd.

The group was invoiced £888,952 (2015: £273,654) for legal advice and management fees by Field Seymour Parkes, a firm of solicitors in which Mr Ian Wood-Smith is a partner. Included in trade creditors at 30 June 2016 is an amount payable of £12,850 (2015: £8,448) due to Field Seymour Parkes. All transactions were on normal commercial terms.

23. Post balance sheet events

Since the year end, The Reading Football Club Limited has acquired players' registrations at a cost of £2,674,396 (2015: £900,000) and sold players' registrations for proceeds of £6,060,000 (2015: £4,000,000).

Since the year end, The Reading Football Club Limited has converted part of its shareholder debt to equity in order to comply with the Financial Fair Play Regulations.

24. Control

There is no individual controlling party.

READING FOOTBALL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016 (continued)

25. Reconciliations on adoption of FRS 102

Reconciliation of equity

	1 July 2015	30 June 2016
	£	£
Equity as reported under previous UK GAAP and under FRS 102	(3,677,265)	(20,939,859)

Reconciliation of profit or loss

	30 June 2016	30 June 2015
	£	£
Profit/(loss) as reported under previous UK GAAP and under FRS 102	(17,262,594)	(4,427,265)
As restated	(17,262,594)	(4,427,265)

Notes to reconciliations on adoption of FRS 102

There were no adjustments to the prior year accounts as a result of the adoption of FRS 102.