

**READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING
FOOTBALL HOLDINGS LIMITED)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

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**READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING
FOOTBALL HOLDINGS LIMITED)**

COMPANY INFORMATION

Directors	Mr N Niruttinanon Mr T Srisumrid Mrs K Y Srivikorn Mr P Piemongsant	(Appointed 24 November 2016)
Company number	09402921	
Registered office	7 (5th Floor) Old Park Lane London W1K 1QR	
Auditor	Myers Clark Egale 1 80 St Albans Road Watford Hertfordshire WD17 1DL	

READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING FOOTBALL HOLDINGS LIMITED)

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READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING FOOTBALL HOLDINGS LIMITED)

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2017

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 2017.

Background

As at 1 July 2016, the Company was 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, along with RFC Prop Co Limited, and its subsidiaries RFC (CP) 1 Limited and RFC (CP) 2 Limited.

During the year the Company sold 75% of its shareholding in The Reading Football Club Limited. The consolidated profit and loss account therefore includes the results of the Company and its subsidiaries for the period up to the date of disposal. The consolidated balance sheet only reports the assets and liabilities of the Company as there were no subsidiary undertakings at 30 June 2017.

During the year The Reading Football Club Limited sold 12.8% of RFC Prop Co Limited, moving it from a subsidiary to an associate of the group.

The Company's Board consists of five directors (as detailed on page 1). Details of appointments and resignations where applicable during the year are set out in the Directors' Report.

Fair review of the business

The consolidated profit and loss account includes the results of all subsidiaries up to the 15 May 2017 being the date of disposal and reports a profit on disposal of discontinued operations of £18.36m. This relates to the disposal of shares in The Reading Football Club Limited, RFC Prop Co Limited and their subsidiaries. On disposal the Company was no longer required to account for the net liabilities of The Reading Football Club Limited, RFC Prop Co Limited and their subsidiaries.

Principal risks and uncertainties

Following the disposal of the Company's subsidiaries the board believes that it has mitigated most of the potential risks and uncertainties to which it was exposed.

On behalf of the board



Mr T Srisumrid
Director
2 March 2018

READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING FOOTBALL HOLDINGS LIMITED)

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2017

The directors present their annual report and financial statements for the year ended 30 June 2017.

Principal activities

The principal activity of the Company is that of a holding company. During the year, the Company was parent to Reading Football Club Limited, RFC Prop Co Limited and their respective subsidiaries.

On 15 May 2017 the Company sold 75% of its share in The Reading Football Club Limited and its subsidiaries, Reading FC Community Trust, Reading Women's Football Club Limited and RFC Bearwood Limited.

At the year end, the Company held 25% of the share capital in The Reading Football Club Limited and 25% of the share capital in RFC Prop Co 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. Subsidiaries being Reading FC Community Trust, Reading Women's Football Club Limited and RFC Bearwood Limited.

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 is the purchase and development of land.

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

Directors

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

Mr N Howe	(Resigned 29 November 2017)
Sir J Madejski OBE, DL	(Resigned 8 August 2017)
Mr N Niruttinanon	
Mr T Srisumrid	
Mrs K Y Srivikorn	
Mr S Thanakarnjanasuth	(Resigned 18 August 2017)
Mr P Piemongsant	(Appointed 24 November 2016)

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING FOOTBALL HOLDINGS LIMITED)**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

Employee involvement

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

Future developments

The company will continue to be a holding company for its existing shareholdings.

Auditor

In accordance with the company's articles, a resolution proposing that Myers Clark be reappointed as auditor of the group 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 group and company, and of the profit or loss of the group 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;
- 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 and company 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 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 group and 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 auditor of the company 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 auditor of the company is aware of that information.

Going concern

The directors have a reasonable expectation that the Company 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.

**READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING
FOOTBALL HOLDINGS LIMITED)**

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017**

On behalf of the board



Mr T Srisumrid

Director

2 March 2018

READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING FOOTBALL HOLDINGS LIMITED)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING FOOTBALL HOLDINGS LIMITED)

Opinion

We have audited the financial statements of Reading Asia Holdings Limited (Formerly known as Reading Football Holdings Limited) (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2017 which comprise the Group Profit And Loss Account, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows, the Company 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 group's and the parent company's affairs as at 30 June 2017 and of its profit 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.

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 company's ability to continue as a going concern. The group incurred a net loss of continuing operations of £9,565,069 during the year ended 30 June 2017 and, at that date it had net current liabilities of £7,310,416. 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.

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 group's or the parent 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.

READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING FOOTBALL HOLDINGS LIMITED)**INDEPENDENT AUDITOR'S REPORT (CONTINUED)****TO THE MEMBERS OF READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING FOOTBALL HOLDINGS LIMITED)****Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and 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 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.

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 group's and the parent 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 group or the parent 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.

READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING FOOTBALL HOLDINGS LIMITED)**INDEPENDENT AUDITOR'S REPORT (CONTINUED)****TO THE MEMBERS OF READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING FOOTBALL HOLDINGS LIMITED)**

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
Chartered Accountants
Statutory Auditor

2 March 2018

Egale 1
80 St Albans Road
Watford
Hertfordshire
WD17 1DL

READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING FOOTBALL HOLDINGS LIMITED)

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Continuing operations	Discontinued operations	30 June 2017	Continuing operations	Discontinued operations	30 June 2016
		£	£	£	£	£	£
Turnover	3	-	27,788,964	27,788,964	-	26,941,960	26,941,960
Administrative expenses		(1,582,728)	(37,443,997)	(39,026,725)	-	(52,897,756)	(52,897,756)
Other operating income		-	268,849	268,849	-	331,584	331,584
Operating loss	4	(1,582,728)	(9,386,184)	(10,968,912)	-	(25,624,212)	(25,624,212)
Share of results of associates and joint ventures		221,888	-	221,888	-	-	-
Profit on disposal of investments		(7,162,499)	1,926,542	(5,235,957)	-	5,625,000	5,625,000
Interest payable and similar expenses	8	(1,181,440)	(2,207,606)	(3,389,046)	-	(2,657,620)	(2,657,620)
Profit on disposal of players' registrations		-	5,250,418	5,250,418	-	7,101,626	7,101,626
Amounts written off loans		-	9,252,004	9,252,004	-	-	-
Gain/(loss) on foreign exchange		139,710	-	139,710	-	(1,709,262)	(1,709,262)
Profit/(loss) on disposal of operations - Discontinued		-	18,359,343	18,359,343	-	-	-
Profit/(loss) before taxation		(9,565,069)	23,194,517	13,629,448	-	(17,264,468)	(17,264,468)
Tax on profit/(loss)	9	-	-	-	-	-	-
Profit/(loss) for the financial year		(9,565,069)	23,194,517	13,629,448	-	(17,264,468)	(17,264,468)
Profit/(loss) for the financial year is attributable to:							
- Owners of the parent company				13,629,448			(17,266,343)
- Non-controlling interests				-			1,875
				<u>13,629,448</u>			<u>(17,264,468)</u>

READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING FOOTBALL HOLDINGS LIMITED)
**GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	£	£
Profit/(loss) for the year	13,629,448	(17,264,468)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>13,629,448</u>	<u>(17,264,468)</u>
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	13,629,448	(17,266,343)
- Non-controlling interests	-	1,875
	<u>13,629,448</u>	<u>(17,264,468)</u>

READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING FOOTBALL HOLDINGS LIMITED)

GROUP BALANCE SHEET AS AT 30 JUNE 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Goodwill	11	-	-	33,553,779	
Other intangible assets	11	-	-	2,747,812	
Total intangible assets		-	-	36,301,591	
Tangible assets	12	-	-	32,849,077	
Investment properties	13	-	-	8,820,548	
Investments	14	6,359,388	-	-	
		6,359,388		77,971,216	
Current assets					
Stocks	17	-	285,433		
Debtors	18	14,005,220	38,432,533		
Cash at bank and in hand		4,773	469,820		
		14,009,993	39,187,786		
Creditors: amounts falling due within one year	19	(27,679,797)	(120,031,967)		
Net current liabilities		(13,669,804)		(80,844,181)	
Total assets less current liabilities		(7,310,416)		(2,872,965)	
Creditors: amounts falling due after more than one year	20	-		(12,443,768)	
Net liabilities		(7,310,416)		(15,316,733)	
Capital and reserves					
Called up share capital	24	750,000		750,000	
Profit and loss reserves		(8,060,416)		(21,689,858)	
Equity attributable to owners of the parent company		(7,310,416)		(20,939,858)	
Non-controlling interests		-		5,623,125	
		(7,310,416)		(15,316,733)	

**READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING
FOOTBALL HOLDINGS LIMITED)**

GROUP BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2017

The financial statements were approved by the board of directors and authorised for issue on 2 March 2018 and are signed on its behalf by:



Mr T Srisumrid
Director

READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING FOOTBALL HOLDINGS LIMITED)

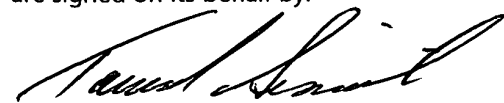
COMPANY BALANCE SHEET AS AT 30 JUNE 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Investments	14		6,137,500		5,300,000
Current assets					
Debtors	18	14,005,220		36,332,025	
Cash at bank and in hand		4,773		-	
		<u>14,009,993</u>		<u>36,332,025</u>	
Creditors: amounts falling due within one year	19	<u>(27,679,797)</u>		<u>(40,882,025)</u>	
Net current liabilities			(13,669,804)		(4,550,000)
Total assets less current liabilities			<u>(7,532,304)</u>		<u>750,000</u>
Capital and reserves					
Called up share capital	24		750,000		750,000
Profit and loss reserves			(8,282,304)		-
Total equity			<u>(7,532,304)</u>		<u>750,000</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £8,282,304 (2016 - £0 profit).

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 2 March 2018 and are signed on its behalf by:



Mr T Srisumrid
Director

Company Registration No. 09402921

READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING FOOTBALL HOLDINGS LIMITED)

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	Share capital £	Profit and loss reserves £	Total controlling interest £	Non- controlling interest £	Total £
Balance at 1 July 2015	750,000	(4,427,265)	(3,677,265)	-	(3,677,265)
Year ended 30 June 2016:					
Loss and total comprehensive income for the year	-	(17,262,594)	(17,262,594)	1,875	(17,260,719)
Other movements	-	-	-	5,621,250	5,621,250
Balance at 30 June 2016	750,000	(21,689,859)	(20,939,859)	5,623,125	(15,316,734)
Year ended 30 June 2017:					
Profit and total comprehensive income for the year	-	13,629,443	13,629,443	-	13,629,443
Other movements	-	-	-	(5,623,125)	(5,623,125)
Balance at 30 June 2017	750,000	(8,060,416)	(7,310,416)	-	(7,310,416)

READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING FOOTBALL HOLDINGS LIMITED)

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017**

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 July 2015	750,000	-	750,000
Year ended 30 June 2016:			
Profit and total comprehensive income for the year	-	-	-
Balance at 30 June 2016	750,000	-	750,000
Year ended 30 June 2017:			
Loss and total comprehensive income for the year	-	(8,282,304)	(8,282,304)
Balance at 30 June 2017	750,000	(8,282,304)	(7,532,304)

READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING FOOTBALL HOLDINGS LIMITED)
**GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017**

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash absorbed by operations	27	(19,986,969)		(12,436,379)	
Interest paid		(3,389,046)		(2,657,620)	
Net cash outflow from operating activities		(23,376,015)		(15,093,999)	
Investing activities					
Purchase of intangible assets		(8,400,598)		(5,149,888)	
Proceeds on disposal of intangibles		5,510,136		8,052,333	
Purchase of tangible fixed assets		(1,233,792)		(11,508,998)	
Disposal of subsidiary		(1,393,345)		-	
Net cash used in investing activities		(5,517,599)		(8,606,553)	
Financing activities					
Proceeds from issue of shares		8,000,000		-	
Increase/(decrease) in other loans		20,206,043		15,450,148	
Advance/(repayment) of finance leases obligations		82,814		346,421	
Net cash generated from financing activities		28,288,857		15,796,569	
Net decrease in cash and cash equivalents		(604,757)		(7,903,983)	
Cash and cash equivalents at beginning of year		469,820		5,699,478	
Effect of foreign exchange rates		139,710		-	
Cash and cash equivalents at end of year		4,773		(2,204,505)	
Relating to:					
Cash at bank and in hand		4,773		469,820	
Bank overdrafts included in creditors payable within one year		-		(2,674,325)	

READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING FOOTBALL HOLDINGS LIMITED)
**COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017**

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations		22,448,730		8,954,156	
Interest paid		(1,181,440)		-	
Net cash inflow from operating activities		21,267,290		8,954,156	
Investing activities					
Proceeds on disposal of subsidiaries		(837,500)		(800,000)	
Proceeds on disposal of fixed asset investments		(7,162,499)		-	
Net cash used in investing activities		(7,999,999)		(800,000)	
Financing activities					
Repayment of borrowings		(17,257,678)		(8,154,156)	
Repayment of bank loans		3,855,450		-	
Net cash used in financing activities		(13,402,228)		(8,154,156)	
Net (decrease)/increase in cash and cash equivalents		(134,937)		-	
Cash and cash equivalents at beginning of year		-		-	
Effect of foreign exchange rates		139,710		-	
Cash and cash equivalents at end of year		4,773		-	

READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING FOOTBALL HOLDINGS LIMITED)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

1 Accounting policies**Company information**

Reading Asia Holdings Limited (Formerly known as Reading Football Holdings Limited) ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 7 (5th Floor) Old Park Lane, London, W1K 1QR.

The group consists of Reading Asia Holdings Limited (Formerly known as Reading Football Holdings Limited) and all of its subsidiaries.

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.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 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 Asia Holdings Limited (Formerly known as 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). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

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.

The 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 The Reading Football Club Limited and its subsidiaries for the ten month period until their disposal on 15 May 2017, and RFC Propco Limited and its subsidiaries, for the period until their reclassification from subsidiary to associate on 10 October 2016.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

1.3 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 it is not their intention to withdraw their support in the foreseeable future and will not seek repayment of their loans unless the company's cashflow permits repayment to be made without jeopardising the company's financial position.

READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING FOOTBALL HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

1.4 Turnover

Turnover, which excludes value added tax, represents receipts and all other income associated with the company's principal activity, excluding fees receivable from other football clubs on the transfer of players' registrations.

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.

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.

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

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years.

1.6 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. Fees receivable are set off against the players' net book value at the date of sale, plus any payments made in settlement of contracts, and the difference is treated as a profit or loss on disposal. 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.

1.7 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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Over economic life of building
Training ground improvements	10% of cost
Fixtures, fittings and equipment	20% of cost

Assets in the course of construction are not depreciated.

READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING FOOTBALL HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

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.

1.8 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. 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 group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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.

1.11 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

1.12 Cash at bank and in hand

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.

READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING FOOTBALL HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

1.13 Financial instruments

The group 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 group's balance sheet when the group 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.

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 group 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 group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies due within one year, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Derecognition of financial liabilities

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

1.14 Equity instruments

Equity instruments issued by the group 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 group.

1.15 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING FOOTBALL HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

Deferred tax

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 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.

1.17 Leases

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.18 Capital 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.

1.19 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 company'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.

1.20 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 2017/18 season and advance income from executive boxes.

READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING FOOTBALL HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

1.21 Pension

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 are held independent from the company.

2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2017 £	2016 £
Turnover analysed by class of business		
Football activities	26,645,018	25,784,213
Community trust	1,014,346	979,728
Women's football	129,600	178,019
	<u>27,788,964</u>	<u>26,941,960</u>
	2017 £	2016 £
Other significant revenue		
Grants received	<u>268,849</u>	<u>322,619</u>

READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING FOOTBALL HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

4 Operating loss

	2017 £	2016 £
Operating loss for the year is stated after charging:		
Depreciation of owned tangible fixed assets	1,448,919	1,586,386
Amortisation of intangible assets	4,532,298	6,854,516
Profit on disposal of player registrations	5,250,418	7,101,626
Cost of stocks recognised as an expense	451,543	516,072
Operating lease charges	132,333	144,692
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2017 £	2016 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	-	-
Audit of the financial statements of the company's subsidiaries	34,300	39,700
	<u> </u>	<u> </u>

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2017 Number	2016 Number	Company 2017 Number	2016 Number
Players	63	81	-	-
Football management and coaching staff	102	138	-	-
Administrative staff	64	101	-	-
Staff employed under government training schemes	17	17	-	-
Matchday staff	211	236	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	457	573	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	Group 2017 £	2016 £	Company 2017 £	2016 £
Wages and salaries	25,280,853	27,818,154	-	-
Social security costs	3,111,329	3,176,601	-	-
Pension costs	92,774	96,374	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	28,484,956	31,091,129	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING FOOTBALL HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

7 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	644,000	644,000
Company pension contributions to defined contribution schemes	48,607	43,795
	<u>692,607</u>	<u>687,795</u>

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

	2017 £	2016 £
Remuneration for qualifying services	374,000	374,000
Company pension contributions to defined contribution schemes	32,857	32,857
	<u>374,000</u>	<u>374,000</u>

8 Interest payable and similar expenses

	2017 £	2016 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	-	102,884
Interest on other loans	1,696,217	1,037,212
Interest on finance leases and hire purchase contracts	28,910	25,436
Fees for arranging finance	1,081,726	1,492,088
Other interest on financial liabilities	543,643	-
	<u>3,350,496</u>	<u>2,657,620</u>
Other finance costs:		
Other interest	38,550	-
	<u>3,389,046</u>	<u>2,657,620</u>
Total finance costs	<u>3,389,046</u>	<u>2,657,620</u>

9 Taxation

Of the charge to current tax in relation to discontinued operations, £0 relates to tax on profits and £0 arose on disposal.

In April 2017, the corporation tax rate changed from 20% to 19%.

READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING FOOTBALL HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

9 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit/(loss) before taxation	13,629,448	(17,264,468)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.75% (2016: 20.00%)	2,691,816	(3,452,894)
Tax effect of expenses that are not deductible in determining taxable profit	63,429	74,282
Tax effect of income not taxable in determining taxable profit	(2,352,985)	(64,524)
Unutilised tax losses carried forward	2,489,622	2,764,754
Depreciation on assets not qualifying for tax allowances	66,027	317,265
Amortisation on assets not qualifying for tax allowances	297,169	361,117
Chargeable gains	370,892	-
Profit on disposal of subsidiaries	(3,625,970)	-
Taxation charge for the year	-	-

10 Discontinued operations

On 15 May 2017 the company entered into a sale agreement to dispose of The Reading Football Club Limited and its subsidiaries.

11 Intangible fixed assets

Group	Goodwill £	Player trading £	Total £
Cost			
At 1 July 2016	36,111,690	11,675,092	47,786,782
Additions - separately acquired	-	8,400,598	8,400,598
Disposals	(36,111,690)	(20,075,690)	(56,187,380)
At 30 June 2017	-	-	-
Amortisation and impairment			
At 1 July 2016	2,557,911	8,927,280	11,485,191
Amortisation charged for the year	1,504,654	3,061,041	4,565,695
Disposals	(4,062,565)	(11,988,321)	(16,050,886)
At 30 June 2017	-	-	-

READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING FOOTBALL HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

11 Intangible fixed assets

(Continued)

Carrying amount

At 30 June 2017

At 30 June 2016

-	-	-
33,553,779	2,747,812	36,301,591

The company had no intangible fixed assets at 30 June 2017 or 30 June 2016.

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 company's youth system.

The directors consider the net realisable value of intangible fixed assets to be significantly greater than their book value.

Amortisation of intangible fixed assets is included in operating expenses.

12 Tangible fixed assets

Group	Freehold land and buildings	Training ground improvements	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1 July 2016	46,435,709	4,893,800	1,642,224	52,971,733
Additions	439,253	215,131	571,386	1,225,770
Disposals	(46,874,962)	(5,108,931)	(2,213,610)	(54,197,503)
At 30 June 2017	-	-	-	-
Depreciation and impairment				
At 1 July 2016	16,394,420	2,642,347	1,085,898	20,122,665
Depreciation charged in the year	921,810	265,320	208,024	1,395,154
Eliminated in respect of disposals	(17,316,230)	(2,907,667)	(1,293,922)	(21,517,819)
At 30 June 2017	-	-	-	-
Carrying amount				
At 30 June 2017	-	-	-	-
At 30 June 2016	30,041,101	2,251,650	556,326	32,849,077

The company had no tangible fixed assets at 30 June 2017 or 30 June 2016.

READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING FOOTBALL HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

12 Tangible fixed assets

(Continued)

Assets held under finance lease and hire purchase contracts during the year have an original cost of £1,125,091 (2016: £841,519) and have a net book value of £nil (2016: £509,053). Depreciation charged for the year was £115,283 (2016: £107,389).

Included in freehold land and buildings were total costs capitalised to date of £1,361,443 (2016: £1,361,443) for the stadium extension project. These have not been depreciated as the project is still active but not yet completed.

All tangible fixed assets are pledged as security for the company's other loans.

13 Investment property

	Group 2017 £	Company 2017 £
Fair value		
At 1 July 2016 and 30 June 2017	8,820,548	-
Additions	771,364	-
Disposals	(9,591,912)	-
	<u> </u>	<u> </u>
At 30 June 2017	-	-
	<u> </u>	<u> </u>

Investment property comprises of costs relating to land and related professional fees which are held for investment purposes by RFC Prop Co Limited.

The company's investment property comprises of land around Madejski Stadium, Reading.

14 Fixed asset investments

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Investments in subsidiaries		-	-	-	5,300,000
Investments in associates	15	6,137,500	-	6,137,500	-
		<u>6,137,500</u>	<u> </u>	<u>6,137,500</u>	<u>5,300,000</u>

READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING FOOTBALL HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

14 Fixed asset investments

(Continued)

Movements in fixed asset investments Group

Shares in group
undertakings
and
participating
interests

£

Cost or valuation

At 1 July 2016

5,300,000

Additions

837,500

Share of profit in associates

221,888

At 30 June 2017

6,359,388

Carrying amount

At 30 June 2017

6,359,388

At 30 June 2016

-

Movements in fixed asset investments Company

Shares in group
undertakings

£

Cost or valuation

At 1 July 2016

5,300,000

Additions

837,500

At 30 June 2017

6,137,500

Carrying amount

At 30 June 2017

6,137,500

At 30 June 2016

5,300,000

READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING FOOTBALL HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

15 Associates

Details of associates at 30 June 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
RFC Prop Co Limited	England & Wales	Property investment	Ordinary	25.00	
The Reading Football Club Limited	England & Wales	Professional football club	Ordinary	25.00	
Reading Women's Football Club Limited	England & Wales	Professional football club	Ordinary	25.00	
Reading FC Community Trust	England & Wales	Community Trust	Ordinary	25.00	
RFC Bearwood	England & Wales	Property investment	Ordinary	25.00	
RFC (CP) 1 Limited	England & Wales	Dormant	Ordinary	25.00	
RFC (CP) 2 Limited	England & Wales	Dormant	Ordinary	25.00	

16 Financial instruments

	Group 2017 £	2016 £	Company 2017 £	2016 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	14,005,220	1,478,859	14,005,220	36,332,025
Carrying amount of financial liabilities				
Measured at amortised cost	20,450,060	75,377,245	27,679,797	40,882,025

17 Stocks

	Group 2017 £	2016 £	Company 2017 £	2016 £
Finished goods and goods for resale	-	285,433	-	-

18 Debtors

	Group 2017 £	2016 £	Company 2017 £	2016 £
Amounts falling due within one year:				
Trade debtors	-	865,326	-	-
Amounts due from subsidiary undertakings	-	36,332,025	-	36,332,025
Amounts due from associate undertakings	14,005,220	-	14,005,220	-
Other debtors	-	143,713	-	-
Prepayments and accrued income	-	1,091,469	-	-
	14,005,220	38,432,533	14,005,220	36,332,025

READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING FOOTBALL HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

19 Creditors: amounts falling due within one year

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Bank loans and overdrafts	21	3,855,450	624,325	3,855,450	-
Obligations under finance leases	22	-	215,151	-	-
Other borrowings	21	23,624,347	101,300,438	23,624,347	40,882,025
Trade creditors		-	3,871,670	-	-
Amounts due to group undertakings		-	2,481,385	-	-
Other taxation and social security		-	1,663,592	-	-
Deferred income		-	7,949,800	-	-
Other creditors		200,000	1,134,399	200,000	-
Accruals and deferred income		-	791,207	-	-
		<u>27,679,797</u>	<u>120,031,967</u>	<u>27,679,797</u>	<u>40,882,025</u>

20 Creditors: amounts falling due after more than one year

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Bank loans and overdrafts	21	-	2,050,000	-	-
Obligations under finance leases	22	-	247,794	-	-
Other borrowings	21	-	37,250	-	-
Deferred contributions		-	10,108,724	-	-
		<u>-</u>	<u>12,443,768</u>	<u>-</u>	<u>-</u>

21 Loans and overdrafts

	Group 2017 £	2016 £	Company 2017 £	2016 £
Bank loans	3,855,450	2,674,325	3,855,450	-
Loans from related parties	-	-	180,540	-
Other loans	16,594,610	68,368,304	23,443,807	40,882,025
	<u>20,450,060</u>	<u>71,042,629</u>	<u>27,479,797</u>	<u>40,882,025</u>
Payable within one year	20,450,060	68,992,629	27,479,797	40,882,025
Payable after one year	-	2,050,000	-	-

Security over the company's assets has also been provided in respect of the other loans noted above.

READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING FOOTBALL HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

22 Finance lease obligations

	Group 2017 £	2016 £	Company 2017 £	2016 £
Future minimum lease payments due under finance leases:				
Within one year	-	215,151	-	-
In two to five years	-	247,794	-	-
	<u>-</u>	<u>462,945</u>	<u>-</u>	<u>-</u>

Certain plant and machinery and motor vehicles are held under finance lease arrangements. Finance lease liabilities are secured by the assets held under finance leases. The lease agreements generally include fixed lease payments and a purchase option at the end of the lease term.

23 Retirement benefit schemes

Defined contribution schemes	2017 £	2016 £
Charge to profit or loss in respect of defined contribution schemes	<u>92,774</u>	<u>96,374</u>

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

Defined benefit scheme

Certain of the company's ex-employees are members of The Football League Pension and Life Assurance Scheme, a defined benefit scheme. The company is one of a number of participating employers in the scheme. The assets of the scheme are held separately from those of the company. Under provisions of FRS 102 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 as at 31 August 2014 was £36,066. This is being repaid by increased contributions in the years to 2021. The share of the deficit has not been recognised in the financial statements as the balance is not material.

24 Share capital

Ordinary share capital Issued and fully paid	Group and company 2017 £	2016 £
1,500,000 Ordinary Shares of 50p each	<u>750,000</u>	<u>750,000</u>

The company has one class of ordinary shares. Each share is entitled to one vote in any circumstances, equal rights to dividends, entitles the holder to participate in a distribution including arising from a winding up of the company and are non-redeemable.

READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING FOOTBALL HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

25 Events after the reporting date

On 6 November 2017, Reading Football Holdings Limited sold their investment in RFC Prop Co Limited at face value.

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017 £	2016 £
Aggregate compensation	692,607	687,795

Transactions with related parties

At the year end, Reading Football Holdings Limited ("the company") owed its shareholders £23,443.807 (2016: £40,882,025) of which £14,005,220 has been loaned to The Reading Football Club Limited, now an associate of the company. The loans are interest free with no fixed terms for repayment.

During the year The 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 ("Empire"). Mr N Niruttinanon, Mr S Thanakarnjanasuth, Mrs K Y Srivikorn and Mr T Piamphongsarn are shareholders in Empire. At the year end, the company owed Empire £141,990 (2016: £nil).

READING ASIA HOLDINGS LIMITED (FORMERLY KNOWN AS READING FOOTBALL HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

27 Cash generated from group operations

	2017 £	2016 £
Profit/(loss) for the year after tax	13,629,448	(14,606,849)
Adjustments for:		
Share of results of associates and joint ventures	(221,888)	-
Finance costs	3,389,046	2,657,620
Investment income	(1,926,542)	(5,625,000)
Gain on disposal of business	(18,359,343)	-
Fair value gains and losses on foreign exchange contracts and investment properties	(139,710)	1,709,262
Amortisation and impairment of intangible assets	4,565,694	6,854,516
Depreciation and impairment of tangible fixed assets	1,395,157	1,586,324
Loss/(gain) on sale of investments	1,912,081	(7,101,626)
Amounts written off investments	(9,252,004)	-
Movements in working capital:		
Decrease/(increase) in stocks	11,502	(11,629)
(Increase)/decrease in debtors	(17,102,694)	8,620,883
Increase in creditors	2,112,284	2,434,276
Cash absorbed by operations	(19,986,969)	(3,482,223)