

Company Registration No. 00051828 (England and Wales)

BRISTOL ROVERS FOOTBALL CLUB LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

OLD M^oLL

FRIDAY



A918Y71N

A05

20/03/2020

#246

COMPANIES HOUSE

BRISTOL ROVERS FOOTBALL CLUB LIMITED

COMPANY INFORMATION

| | |
|--------------------------|---|
| Directors | Mr M. Starnes Mr W. Al-Qadi Mr K. Masters |
| Secretary | Taylor Wessing Secretaries Limited |
| Company number | 00051828 |
| Registered office | The Memorial Stadium Filton Avenue Horfield BRISTOL BS7 0BF |
| Auditor | Old Mill Audit LLP Maltravers House Petters Way YEOVIL Somerset BA20 1SH |

BRISTOL ROVERS FOOTBALL CLUB LIMITED

CONTENTS

| | Page |
|---------------------------------------|-------------|
| Strategic report | 1 - 2 |
| Directors' report | 3 |
| Directors' responsibilities statement | 4 |
| Independent auditor's report | 5 - 7 |
| Profit and loss account | 8 |
| Balance sheet | 9 |
| Notes to the financial statements | 10 - 18 |

BRISTOL ROVERS FOOTBALL CLUB LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2019

The directors present the strategic report for the year ended 30 June 2019.

Fair review of the business

The relocation to a new stadium remains an aspiration and a core objective of the Club and its major shareholder. It was hugely disappointing that agreement couldn't be reached with the University of the West England to acquire some of their land for the purpose. This has necessitated the search for a new site and this work continues on multiple fronts.

In the meantime, improvements have been made to the Memorial Stadium. These included a relocation of the Club Superstore, refurbishment of the bars behind the North End Terrace, the creation of the Butcombe Lounge and the installation of additional temporary stands was undertaken at the start of the season. All of this work was commissioned in response to the feedback received from a fans survey. Disappointingly, some of the works overran the project timelines slightly but by September everything was complete and the benefits began to accrue.

Considerable investment was made in the stadium pitch before the season started and as a result of the excellent maintenance work undertaken by Head Groundsman, Daryle Sullivan, and his assistant Ben Ford, the Club gained an award for the best playing surface in EFL League 1.

The Club endured a very difficult start to the season on and off the field of play. 1st team performances were disappointing with the Club securing only 17 points before the end of November with early exits from the Carabao Cup and the FA Cup.

Arguably, the most successful manager in the Club's history, certainly with regard to promotions achieved, the popular Darrell Clarke was finding results difficult to come by despite a significant investment in the team. It became absolutely clear at the beginning of December that no improvement in the performances was forthcoming and that changes would need to be made if the Club was to have a realistic chance of maintaining its status in League One. Several discussions were held with Darrell and it became apparent that it was in his and the Club's best interests for a change in the leadership of the football activities.

Graham Coughlan was asked to step in as caretaker manager and after a run of good results over the Christmas period he was confirmed as first team manager. Changes to the squad in the January transfer window were difficult due to the limited availability of the players required and the impact of the EFL salary cap. Nevertheless, the deadline day signing of Jonson Clarke-Harris was achieved and his goals were pivotal in the final months of the season to maintaining League One status.

Progression to the semi-final of the Checktrade Trophy and a 37 points haul in the League demonstrated a considerable improvement in standards of performance and results under the new management which has carried forward into the new season.

Despite a 10% increase in revenue streams the Club made an operating loss of £3.25m which was funded by loans made available by the major shareholder. This is an unsustainable trading position and a series of actions are being taken to substantially reduce the deficit. Contracts, playing and otherwise, are being reviewed and where possible renegotiated to the Club's advantage. Whilst some gains have already been achieved further work is still required in this regard. Operating losses for the 2019-20 season are expected to fall by at least £1.7m.

It is the Club's policy to move towards a more sustainable business model by increasing revenue streams, obtaining best value for all goods and services received and achieving surpluses on the player trading account. Investment has been made in the development of young players which it is anticipated will produce benefits over the next two to three seasons. It's been encouraging to see a number of the Club's Academy graduates making a significant number of appearances in the 1st team in the current season.

Work has been undertaken to improve communications with supporters through all channels with over 400,000 emails sent throughout the season.

BRISTOL ROVERS FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

On average, the club's official Twitter account attracted 4.7 million impressions a month in the period of June 2018 to June 2019.

Throughout the same period, video views on the platform grew to 2.3 million views, a trend carried forward into the current year.

The increasing trend in video media is mirrored on Facebook, with a 68% growth in video views (over 3' seconds).

On Facebook, the club has continued to hold a strong global audience of 108,000 followers.

The club's official Instagram account has been highlighted as a tool to connect with a younger segment of the club's fanbase and has seen positive growth in the engagement of the 18-24 audience sector.

The Club is extremely grateful for all the support that's forthcoming from fans, staff, volunteers, sponsors and advertisers which is essential for the further successful progression of the Club.

On behalf of the board



Mr M. Starnes

Director

28/2/20

BRISTOL ROVERS FOOTBALL CLUB LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2019

The directors present their annual report and financial statements for the year ended 30 June 2019.

Directors

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

Mr M. Starnes

Mr S. Hamer

(Resigned 20 November 2019)

Mr W. Al-Qadi

Mr K. Masters

Auditor

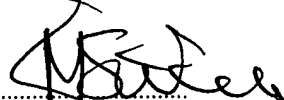
Old Mill Audit LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

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

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

On behalf of the board



Mr M. Starnes

Director

Date: 20/2/20

BRISTOL ROVERS FOOTBALL CLUB LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2019

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BRISTOL ROVERS FOOTBALL CLUB LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BRISTOL ROVERS FOOTBALL CLUB LIMITED

Opinion

We have audited the financial statements of Bristol Rovers Football Club Limited (the 'company') for the year ended 30 June 2019 which comprise the profit and loss account, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

BRISTOL ROVERS FOOTBALL CLUB LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BRISTOL ROVERS FOOTBALL CLUB LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

BRISTOL ROVERS FOOTBALL CLUB LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BRISTOL ROVERS FOOTBALL CLUB LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Stuart Grimster FCA (Senior Statutory Auditor)
for and on behalf of Old Mill Audit LLP
Statutory Auditor

Old Mill Audit LLP

Maltravers House
Petters Way
YEOVIL
Somerset
BA20 1SH

20 February 2020

BRISTOL ROVERS FOOTBALL CLUB LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2019

| | 2019 £ | 2018 £ |
|---|--------------------|--------------------|
| Turnover | 6,461,681 | 5,815,959 |
| Cost of sales | (9,431,795) | (8,283,814) |
| Net compensation for loss of youth players | (20,000) | 15,000 |
| Profit or loss on disposal of intangible assets | 573,029 | 580,004 |
| Gross loss | (2,417,085) | (1,872,851) |
| Administrative expenses | (426,428) | (475,056) |
| Amortisation | (474,517) | (346,957) |
| Other operating income | - | 1,448 |
| Donations from support organisations | 64,569 | 90,177 |
| Operating loss | (3,253,461) | (2,603,239) |
| Interest receivable and similar income | 131 | 30 |
| Interest payable and similar expenses | (57,113) | (8,476) |
| Loss before taxation | (3,310,443) | (2,611,685) |
| Tax on loss | - | - |
| Loss for the financial year | (3,310,443) | (2,611,685) |

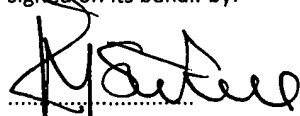
BRISTOL ROVERS FOOTBALL CLUB LIMITED

BALANCE SHEET AS AT 30 JUNE 2019

| | Notes | 2019 £ | £ | 2018 £ | £ |
|--|-------|----------------|---------------------|------------------|---------------------|
| Fixed assets | | | | | |
| Intangible assets | 3 | | 323,220 | | 556,050 |
| Tangible assets | 4 | | 520,037 | | 257,048 |
| Investments | 5 | | 20,000 | | 20,000 |
| | | | <u>863,257</u> | | <u>833,098</u> |
| Current assets | | | | | |
| Stocks | | 101,202 | | 131,728 | |
| Debtors | 6 | 633,163 | | 576,519 | |
| Cash at bank and in hand | | 218,503 | | 379,081 | |
| | | <u>952,868</u> | | <u>1,087,328</u> | |
| Creditors: amounts falling due within one year | 7 | (17,582,878) | | (14,448,382) | |
| Net current liabilities | | | (16,630,010) | | (13,361,054) |
| Total assets less current liabilities | | | (15,766,753) | | (12,527,956) |
| Creditors: amounts falling due after more than one year | 8 | | (122,970) | | (51,324) |
| Net liabilities | | | <u>(15,889,723)</u> | | <u>(12,579,280)</u> |
| Capital and reserves | | | | | |
| Called up share capital | | | 139,664 | | 139,664 |
| Share premium account | | | 252,174 | | 252,174 |
| Profit and loss reserves | | | (16,281,561) | | (12,971,118) |
| Total equity | | | <u>(15,889,723)</u> | | <u>(12,579,280)</u> |

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

The financial statements were approved by the board of directors and authorised for issue on 26/2/20 and are signed on its behalf by:


Mr M. Starnes
Director

Company Registration No. 00051828

BRISTOL ROVERS FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

Company information

Bristol Rovers Football Club Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Memorial Stadium, Filton Avenue, Horfield, BRISTOL, BS7 0BF.

1.1 Accounting convention

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

The financial statements have been prepared with early application of the FRS 102 Triennial Review 2017 amendments in full.

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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Bristol Rovers (1883) Limited. These consolidated financial statements are available from its registered office, The Memorial Stadium, Filton Avenue, Horfield, Bristol, BS7 0BF.

BRISTOL ROVERS FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

1.2 Going concern

The Balance Sheet discloses net liabilities of £15,889,723 (2018:£12,579,280). Notwithstanding the net liabilities, the financial statements have been prepared on the going concern basis which assumes the company will continue in operational existence for the foreseeable future. The company relies on the continued support of the Al Qadi family for its day to day funding and funds its working capital requirements through a facility provided by Dwane Sports Limited, a company owned by the Al Qadi family, that is repayable only at such time as the club is in a position to repay the outstanding loans.

Mr H Al Qadi has confirmed his intention to maintain support for a period of at least twelve months from the signing of these accounts.

On the basis above the directors consider it appropriate to prepare the financial statements on a going concern basis.

1.3 Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts. Gate, season tickets and other match day revenue is recognised over the period of the football season as matches are played. Sponsorship and similar commercial income is recognised over the duration of the respective contracts. The fixed element of the broadcasting revenues is recognised over the duration of the football season, whilst facility fees for live coverage or highlights are taken when earned. Payments received from the Football League are recognised over the period of the football season to which payments relate.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired represent the initial cost of player contract payments.

Amortisation 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:

| | |
|------------------|--------------------------|
| Player contracts | Life on initial contract |
|------------------|--------------------------|

1.5 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:

| | |
|------------------------|--|
| Leasehold improvements | Between 5-33% on a straight line basis |
| Plant and equipment | Between 5-33% on a straight line basis |

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

1.6 Fixed asset 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.

BRISTOL ROVERS FOOTBALL CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

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.

1.7 Impairment of fixed assets

At each reporting period end date, the company 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 (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 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.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 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.

BRISTOL ROVERS FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

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 creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.11 Equity instruments

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

1.12 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.

BRISTOL ROVERS FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating 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 profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 186 (2018 - 180).

BRISTOL ROVERS FOOTBALL CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

3 Intangible fixed assets

| | Player contracts £ |
|------------------------------------|-----------------------------------|
| Cost | |
| At 1 July 2018 | 956,386 |
| Additions | 387,759 |
| Disposals | (453,634) |
| At 30 June 2019 | 890,511 |
| Amortisation and impairment | |
| At 1 July 2018 | 400,336 |
| Amortisation charged for the year | 474,517 |
| Disposals | (307,562) |
| At 30 June 2019 | 567,291 |
| Carrying amount | |
| At 30 June 2019 | 323,220 |
| At 30 June 2018 | 556,050 |

4 Tangible fixed assets

| | Land and buildings £ | Plant and machinery etc £ | Total £ |
|------------------------------------|-------------------------------------|--|--------------------|
| Cost | | | |
| At 1 July 2018 | 739,517 | 296,102 | 1,035,619 |
| Additions | 402,956 | 30,468 | 433,424 |
| At 30 June 2019 | 1,142,473 | 326,570 | 1,469,043 |
| Depreciation and impairment | | | |
| At 1 July 2018 | 569,583 | 208,988 | 778,571 |
| Depreciation charged in the year | 136,134 | 34,301 | 170,435 |
| At 30 June 2019 | 705,717 | 243,289 | 949,006 |
| Carrying amount | | | |
| At 30 June 2019 | 436,756 | 83,281 | 520,037 |
| At 30 June 2018 | 169,933 | 87,115 | 257,048 |

BRISTOL ROVERS FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

| | | | |
|----------|---|-------------------|-------------------------------------|
| 5 | Fixed asset investments | 2019 | 2018 |
| | | £ | £ |
| | Investments | 20,000 | 20,000 |
| | | <u>20,000</u> | <u>20,000</u> |
| | Movements in fixed asset investments | | |
| | | | Shares in group undertakings |
| | | | £ |
| | Cost or valuation | | |
| | At 1 July 2018 & 30 June 2019 | | 20,000 |
| | | | <u>20,000</u> |
| | Carrying amount | | |
| | At 30 June 2019 | | 20,000 |
| | | | <u>20,000</u> |
| | At 30 June 2018 | | 20,000 |
| | | | <u>20,000</u> |
| 6 | Debtors | 2019 | 2018 |
| | | £ | £ |
| | Amounts falling due within one year: | | |
| | Trade debtors | 110,498 | 47,551 |
| | Other debtors | 522,665 | 528,968 |
| | | <u>633,163</u> | <u>576,519</u> |
| | | <u>633,163</u> | <u>576,519</u> |
| 7 | Creditors: amounts falling due within one year | 2019 | 2018 |
| | | £ | £ |
| | Bank loans and overdrafts | - | 39,566 |
| | Trade creditors | 380,580 | 325,499 |
| | Amounts owed to group undertakings | 15,131,791 | 12,113,933 |
| | Taxation and social security | 229,758 | 184,826 |
| | Other creditors | 1,840,749 | 1,784,558 |
| | | <u>17,582,878</u> | <u>14,448,382</u> |
| | | <u>17,582,878</u> | <u>14,448,382</u> |

BRISTOL ROVERS FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

8 Creditors: amounts falling due after more than one year

| | 2019 | 2018 |
|-----------------|----------------|---------------|
| | £ | £ |
| Other creditors | 122,970 | 51,324 |
| | <u>122,970</u> | <u>51,324</u> |

9 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

| | 2019 | 2018 |
|--|----------------|----------------|
| | £ | £ |
| | 418,837 | 196,030 |
| | <u>418,837</u> | <u>196,030</u> |

BRISTOL ROVERS FOOTBALL CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

10 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

| | Sales | | Purchases | |
|--|--------------|-------------|------------------|-------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Entities with control, joint control or significant influence over the company | - | - | 84,188 | 71,233 |
| Key management personnel | 463 | 608 | - | - |
| | <u>463</u> | <u>608</u> | <u>-</u> | <u>-</u> |

The following amounts were outstanding at the reporting end date:

| | 2019 | 2018 |
|--|----------------|----------------|
| | £ | £ |
| Amounts due from related parties | | |
| Entities with control, joint control or significant influence over the company | 301,604 | 198,799 |
| | <u>301,604</u> | <u>198,799</u> |

11 Parent company

Bristol Rovers (1883) Limited is the largest and smallest group of undertakings for which consolidated accounts are prepared. Their registered office is The Memorial Stadium, Filton Avenue, Horfield, Bristol, BS7 0BF.