

Company Registration Number 01501663

Bristol City Holdings Limited

Report and Consolidated Financial Statements

31 May 2012

TUESDAY



A231LKN4

A23

26/02/2013

#49

COMPANIES HOUSE

Report and consolidated financial statements 2012

Contents

	Page
Officers and professional advisers	1
Chairman's statement	2
Directors' report	4
Directors' responsibilities statement	6
Independent auditor's report	7
Consolidated profit and loss account	9
Consolidated note of historical cost profits and losses	10
Consolidated balance sheet	11
Company balance sheet	12
Consolidated cash flow statement	13
Notes to the financial statements	14

Officers and professional advisers

Directors

K W Dawe (Chairman)
D J Harman (Managing Director)
J Lansdown (CEO)

Secretary

R A Barr

Auditor

Deloitte LLP
Bristol

Bankers

Barclays Bank PLC
Bristol & North Somerset Group
PO Box 207
Bristol
BS99 7AJ

Solicitors

Burges Salmon LLP
One Glass Wharf
Bristol
BS2 0ZX

Registered office

Ashton Gate
Bristol
BS3 2EJ

Chairman's statement (continued)

The financial results for the year ended 31 May 2012 once again reflect a disappointing and difficult year for the club. The loss of £14,406,061 illustrates how much work is required to reduce costs and grow our income in order to comply with the new Financial Fair Play (FFP) regulations being introduced by the Football League. It also shows how fixed-term contracts for players mean there is no easy or quick solution, but an improvement in recruitment, selection criteria and a fully-focussed and improved Academy can certainly aid us going forward.

Manager Derek McInnes has a firm focus on results on the pitch but is equally aware of the financial demands of FFP on the club, and this rounded understanding and determination can only help us in our ultimate aims.

The on-going developments of the new stadium (which has now been in fruition for five years) continue to cause us much frustration and cost however, with the management of the project now in the hands of the owners, this allows us to focus on our core business and push to get results without distractions.

The year saw another change of manager, from Keith Millen to Derek McInnes, with a struggle towards the end of the season and a battle against relegation. As a club I was very proud of the way in which everyone stuck together to ensure we overcame that battle and secured our new power Championship status for another year. The final few games saw Ashton Gate sold out and the management and players responded with an impressive eight-match unbeaten run to end the campaign on a relatively positive note.

Derek and his team have worked very hard in the build-up to this season to build the new squad, focusing on balance and good support from the team of coaching and medical staff. The team is gelling well and is looking to make progress against the 2011/12 season.

This year also marked Colin Sexstone's decision to stand down as Chairman. Over 11 years Colin has been Chief Executive and, latterly, Chairman for the club, providing support and determination on the stadium development, as well as a drive and determination to make us successful.

I was very honoured to take on the mantle as Chairman in the summer, heading up a new Board of Directors at a time of significant change and development for the club. Whilst it is challenging, it's also an extremely exciting period.

We continue to develop strongly the Academy and Community Trust. We see these areas of the club as major stepping stones towards our future.

We will be working hard to ensure more, fresh young talent is recruited into our Academy, and that talent must then be given the opportunity to make its mark in the first team over time. With the new Elite Player Performance Plan (EPPP) youth development scheme now in place, we've committed a lot of finance into increasing staffing and improving our facilities to achieve Category 2 status – which would put our Academy up there with some of the best in the country.

We must not forget our roots either, Bristol City is a community club and we will look to support the work of the Community Trust wherever possible as it spreads our inspirational message to 50,000 youngsters each year.

The main challenge facing the Board will be to reduce our losses, achieve FFP, whilst remaining competitive. With good planning and ownership I am confident this can be achieved.

I would like to thank our staff for all their hard work throughout the last 12 months. It has been a difficult time, with the need for the company to carry out redundancies across the business, and this has seen a lot of hard-working and dedicated members of the team leaving or transferring to different departments. We were very sorry to see these employees leave and thank them for all their efforts over the years, we wish them the very best for the future.

Chairman's statement (continued)

Finally, my thanks also go to our supporters, whose continued support through good times and bad is essential for a successful club. I know this will continue throughout the next 12 months.



Keith Dawe
Chairman

Directors' report

The directors present their annual report and the consolidated financial statements for the year ended 31 May 2012

Principal activity

The principal activity of the group during the year continued to be the running of a professional football club and stadium facilities. The principal activity of the company continues to be that of a holding company.

Results and dividends

The group loss for the year, after taxation, was £14,406,061 (2011 £11,454,525). The directors can not recommend the payment of a dividend (2011 £nil).

Review of business and future developments

Information concerning the review of business and future developments is contained in the Chairman's Report.

Principal risks and uncertainties

A key risk to the business is the performance of the team which may affect revenue from games and also sponsorship. The group is aware of this risk and addresses the issue by seeking to strengthen the squad through the development and acquisition of players.

An emerging risk for the group is the management of the new stadium project given the scale of the investment. From the start of the project, the directors have obtained support and advice from experienced professionals and advisers, and this will continue throughout the project.

Financial risk management

The directors have reviewed the financial risk management objectives and policies of the group. They do not believe there to be significant risks in this area. The group, from time to time, enters into hedging instruments, but does not believe there to be any material exposures. It does not enter into any financial instruments for speculative purposes.

Appropriate trade terms are negotiated with suppliers and customers. Management reviews these terms, the relationships with suppliers and customers and manages any exposure on normal trade terms. The group prepares regular forecasts of cash flow and liquidity and any requirement for additional funding is managed by the directors on a needs basis.

Going concern

The financial statements have been prepared on a going concern basis. Please refer to the Accounting Policies section of the financial statements for further information.

Directors' report (continued)

Directors

The current membership of the Board is stated on page 1. All directors served throughout the year and subsequently except as noted below.

M Mulligan (Finance Director) – Resigned 16 May 2012

C L Sexstone (Chairman) – Resigned 31 May 2012

G Price (Company Director) – Resigned 01 September 2012

Auditor

Each of the persons who is a director at the date of approval of this report confirms that

- (1) so far as the director is aware, there is no relevant audit information of which the group's auditor is unaware, and
- (2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

By order of the Board



J Lansdown
Director

Directors' responsibilities statement

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 the 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, and
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report

to the members of Bristol City Holdings Limited

We have audited the financial statements of Bristol City Holdings Limited for the year ended 31 May 2012 which comprise the Consolidated Profit and Loss Account, the Consolidated Note of Historical Cost Profits and Losses, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 May 2012 and of the group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the group's ability to continue as a going concern, which is largely dependent on the continued financial support of Stephen Lansdown. The group made a net loss of £14,406,061 during the year ended 31 May 2012 and, as of that date, the group had net current liabilities of £10,438,249 and net liabilities of £35,937,309. 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 group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group were unable to continue as a going concern.

Independent auditor's report

to the members of Bristol City Holdings Limited (continued)

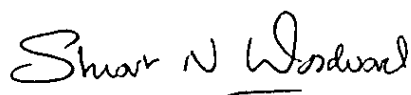
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if in our opinion

- adequate accounting records have not been kept by the parent company or returns adequate for our audit have not been received from branches not visited by us or
- the 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



Stuart Woodward (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Bristol, United Kingdom
30 November 2012

Consolidated profit and loss account

for the year ended 31 May 2012

	Notes	2012 £	2011 £
Turnover	2	11,876,923	11,994,649
Staff costs	3	(18,683,855)	(15,923,269)
Amortisation and impairment of players' contracts	9	(1,900,022)	(2,123,329)
Depreciation	10	(394,705)	(331,670)
Other operating charges		(5,936,634)	(4,446,295)
New stadium development expenditure		(148,696)	(691,315)
Total other operating charges		(6,085,330)	(5,137,610)
		(27,063,912)	(23,515,878)
Operating loss	5	(15,186,989)	(11,521,229)
Profit on disposal of players' contracts		1,598,460	779,522
Loss on ordinary activities before interest and taxation		(13,588,529)	(10,741,707)
Loss excluding player trading and stadium expenditure		(13,138,271)	(8,706,585)
Player trading*		(301,562)	(1,343,807)
New stadium development expenditure		(148,696)	(691,315)
Interest payable and similar charges	6	(817,532)	(712,818)
Loss on ordinary activities before taxation		(14,406,061)	(11,454,525)
Tax on loss on ordinary activities	7	-	-
Loss for the financial year	17	(14,406,061)	(11,454,525)

All results derive from continuing activities

There are no recognised gains and losses for the current or preceding financial year other than as stated in the profit and loss account. Accordingly, no separate statement of total recognised gains and losses is presented.

* Player trading comprises amortisation and impairment of players' contracts and the profit on disposal of players' contracts

Consolidated note of historical cost profits and losses
for the year ended 31 May 2012

	<i>2012</i> £	<i>2011</i> £
Reported loss on ordinary activities before taxation	(14,406,061)	(11,454,525)
Difference between historical cost depreciation charge and the actual charge calculated on the revalued amount	<u>150,851</u>	<u>150,851</u>
<i>Historical cost loss on ordinary activities before taxation</i>	<u>(14,255,210)</u>	<u>(11,303,674)</u>

Consolidated balance sheet

at 31 May 2012

	<i>Notes</i>	<i>2012</i> £	<i>2011</i> £
Fixed assets			
Intangible assets	9	1,822,832	2,940,019
Tangible assets	10	9,673,450	9,984,457
		<u>11,496,282</u>	<u>12,924,476</u>
Current assets			
Stocks of goods for resale		123,178	140,972
Debtors	12	1,916,196	2,361,323
Cash at bank and in hand	18(b)	2,925	6,430
		<u>2,042,299</u>	<u>2,508,725</u>
Creditors , amounts falling due within one year	13	(12,480,548)	(12,313,710)
Net current liabilities		<u>(10,438,249)</u>	<u>(9,804,985)</u>
Total assets less current liabilities		1,058,033	3,119,491
Creditors , amounts falling due after more than one year	14	(36,995,342)	(24,650,739)
Net liabilities		<u>(35,937,309)</u>	<u>(21,531,248)</u>
Capital and reserves			
Called up share capital	16	9,525,462	9,525,462
Share premium account	17	9,969,543	9,969,543
Revaluation reserve	17	5,118,148	5,268,999
Profit and loss account	17	(60,550,462)	(46,295,252)
Shareholders' deficit		<u>(35,937,309)</u>	<u>(21,531,248)</u>

The financial statements of Bristol City Holdings Limited, registered number 01501663, were approved by the Board of Directors and authorised for issue on

Signed on behalf of the Board of Directors



D Harman
Director

Company balance sheet

at 31 May 2012

	Notes	2012 £	2011 £
Fixed assets			
Investments	11	3	3
Creditors: amounts falling due within one year	13	(4,212,926)	(4,212,926)
Net current liabilities		(4,212,926)	(4,212,926)
Total assets less current liabilities, being net liabilities		(4,212,923)	(4,212,923)
Capital and reserves			
Called up share capital	16	9,525,462	9,525,462
Share premium account	17	9,969,543	9,969,543
Profit and loss account	17	(23,707,928)	(23,707,928)
Shareholders' deficit		(4,212,923)	(4,212,923)

The financial statements of Bristol City Holdings Limited, registered number 01501663, were approved by the Board of Directors and authorised for issue on

Signed on behalf of the Board of Directors



D Harman
Director

Consolidated cash flow statement

for the year ended 31 May 2012

	<i>Notes</i>	<i>2012 £</i>	<i>2011 £</i>
Cash outflow from operating activities	18(a)	(12,024,514)	(9,153,731)
Returns on investments and servicing of finance			
Interest paid		(59,336)	(72,308)
Net cash outflow from returns on investments and servicing of finance		(59,336)	(72,308)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(83,698)	(14,078)
Payments to acquire intangible fixed assets		(970,000)	(2,625,000)
Proceeds from disposal of intangible fixed assets		1,261,873	888,124
Net cash inflow from capital expenditure and financial investment		208,175	(1,750,954)
Net cash outflow before financing		(11,875,675)	(10,976,993)
Financing			
Repayment of Football League loan		(167,796)	(153,813)
Secured loan received		11,600,000	8,600,000
Net cash inflow from financing		11,432,204	8,446,187
Decrease in cash		(443,471)	(2,530,806)
Reconciliation of net cash flow to movement in net debt (note 18(b))			
Decrease in cash		(443,471)	(2,530,806)
Cash inflow from increase in debt		(11,432,204)	(8,446,187)
Change in net debt resulting from cash flows		(11,875,675)	(10,976,993)
Notional interest charge on debt element of 'A' ordinary shares		-	(162,449)
Secured loan interest		(758,196)	(478,061)
		(12,633,871)	(11,617,503)
Net debt at start of year		(31,570,211)	(19,952,708)
Net debt at end of year	18(b)	(44,204,082)	(31,570,211)

Notes to the financial statements

for the year ended 31 May 2012

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding year.

Going concern

In accordance with their responsibilities, the directors have considered the appropriateness of the going concern basis for the preparation of the financial statements. In forming their view, they considered the period to 31 May 2013, a period of less than 12 months from the approval of the financial statements.

The group meets its day-to-day working capital requirements through an overdraft facility, which is repayable on demand. The directors have prepared projected cash flow information for the period to 31 May 2013.

The group is currently loss-making and has net current liabilities and net liabilities. In order to continue in operational existence as a going concern and to meet its liabilities as they fall due, the group is dependent on securing additional finance. Since the year-end Stephen Lansdown has agreed to subscribe for additional shares and/or loan stock in the coming year, should the need arise.

The directors are confident that taking into account the commitment by Stephen Lansdown to subscribe for further shares and/or loan stock in Bristol City Holdings Limited should the need arise, the group will have sufficient working capital until at least the end of the 2012/13 season.

In considering the longer term the directors believe that the group will either return to profitable trading or that additional funding will be made available. Profitability is dependent on a number of factors both in and out of the group's control but the principal factor is the success of the team. The directors continue to seek to increase the income of the group whilst controlling costs.

Accordingly, the directors consider it appropriate to prepare these financial statements on a going concern basis. Should the assumptions referred to above prove to be invalid, the going concern basis may also be invalid and, accordingly, adjustments may have to be made to reduce the value of assets to their realisable amounts, to provide for any further liabilities which might arise and to reclassify all fixed assets and long-term liabilities as current assets and liabilities respectively.

Basis of preparation

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold buildings and in accordance with applicable accounting standards.

Basis of consolidation

The group financial statements consolidate the financial statements of Bristol City Holdings Limited and all its subsidiary undertakings up to 31 May 2012.

Notes to the financial statements

for the year ended 31 May 2012

1. Accounting policies (continued)

Player costs

The costs associated with acquiring players' registrations or extending their contracts are capitalised as intangible assets and amortised, in equal instalments, over the period of the respective players' contracts. Where a contract is renegotiated prior to the expiry of its original term, the net book value at that time, and any new costs relating to the contract extension, are amortised over the remaining revised contract life.

Under the conditions of certain transfer agreements or contract renegotiations, further fees will be payable in the event of the players concerned making a certain number of first-team appearances or on the occurrence of certain other specified future events. Liabilities in respect of these additional transfer fees are accounted for, as provisions, when it becomes probable that the number of appearances will be achieved or the specified future events will occur.

Provision is made for any impairment and player registrations are written down for impairment when the carrying amount exceeds the amount recoverable through use or sale.

Signing-on fees are charged evenly to the profit and loss account over the period of the player's contract.

Profit on disposal of players' contracts

Profits or losses on the disposal of players' contracts are credited or charged to the profit and loss account in the year in which the player is sold. They are calculated as the difference arising between the transfer fees received and the net book value of the contracts at the time of the disposal. Any excess of net book value of a player's contract over its net realisable value is taken to the profit and loss account as and when it arises.

Revenue recognition

Turnover represents the total amount receivable from the principal activities of the company, excluding transfer fees receivable, and is stated net of value added tax. Income from broadcasting, match days and those elements of commercial activities relating to matches is recognised when the related matches are played, income from advance ticket sales, including season tickets, is deferred accordingly. Other commercial income is recognised on a receivable basis.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the exception that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the financial statements

for the year ended 31 May 2012

1. Accounting policies (continued)

Stocks

Stocks are stated at the lower of cost on a first-in, first-out basis and net realisable value. Net realisable value is based on estimated selling price.

Leasing commitments

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term.

Post-retirement benefits

The group contributes to some employees' personal pension plans. The amount charged in the profit and loss account represents the contributions paid in respect of the accounting period.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold buildings	over 50 years (except the pitch which is over 10 years)
Long leasehold property	over the lease term
Plant and machinery	over 4 to 10 years
Fixtures and fittings	over 2 to 10 years

Revaluation of properties

The group has taken advantage of the transitional provisions of FRS 15 "Tangible fixed assets" and retained the book amounts of certain freehold properties which were revalued prior to implementation of that standard. The properties were last revalued at 31 July 1995 and the valuations have not subsequently been updated.

New stadium project

Directly attributable costs incurred in relation to the planning application, design and associated elements of the group's new stadium project have been charged to the profit and loss account. Costs relating to the raising of finance for the new stadium project cannot be capitalised until such time as the applicable finance facilities have been finalised; accordingly, these costs are also charged to the profit and loss account.

Other operating income

Donations are credited to income in the year in which they are received. Any other operating income is credited to the profit and loss account in the year in which it falls due.

Profit and loss account

The company has taken advantage of the exemption granted under the Companies Act 2006 not to publish its own profit and loss account. The loss attributable to the members of the parent undertaking is disclosed in note 8.

Notes to the financial statements

for the year ended 31 May 2012

2. Turnover

Turnover represents the amounts received and receivable, stated net of value added tax. All sales are made to customers in the UK. The segmental analysis of turnover is set out below.

	2012 £	2011 £
<i>Turnover by segment</i>		
Matchday revenue	1,360,953	1,377,704
Season ticket revenue	2,003,273	2,429,402
Broadcasting revenue	220,000	127,864
Football League pool	2,450,000	2,520,400
Solidarity payment	2,171,000	2,171,000
Other football related income	337,574	325,619
Stadium revenue	3,334,123	3,042,660
	<u>11,876,923</u>	<u>11,994,649</u>

3. Staff costs

	2012 £	2011 £
<i>Group</i>		
Wages and salaries	16,563,114	14,166,613
Social security costs	2,007,717	1,635,126
Pension contributions	113,024	121,530
	<u>18,683,855</u>	<u>15,923,269</u>

The average monthly number of employees and directors during the year was as follows:

	No	No
Office, management and ground staff	124	115
Players	34	31
	<u>158</u>	<u>146</u>

The company has no employees and therefore no remuneration was paid in the current or prior year.

Notes to the financial statements

for the year ended 31 May 2012

4. Directors

The emoluments of directors of the group were	2012 £	2011 £
Fees and other emoluments (including benefits in kind)	<u>430,954</u>	<u>277,343</u>
	£	£
Highest paid director	<u>139,421</u>	<u>127,632</u>

Included within the above is £43,842 (2011 £9,920) paid to Seven Skies Limited in relation to services by Martin Mulligan as a director of the group

No directors were remunerated by the company in the current or prior year

5. Operating loss

This is stated after charging	2012 £	2011 £
Operating lease rentals		
- property	104,393	79,568
- others	74,692	77,983
Auditor's remuneration		
Fees payable to the company's auditor for the audit of the company's annual accounts	500	500
Fees payable to the company's auditor for the audit of the company's subsidiaries pursuant to legislation	14,500	14,500
Other non-audit fees		
- tax services	3,500	3,500
- interim financial statements review	5,000	5,000
- other services	1,750	7,450
Amortisation of players' contracts	1,900,022	2,123,329
Depreciation of owned assets	<u>394,705</u>	<u>331,670</u>

The company-only audit fee of £500 (2011 £500) was incurred by Ashton Gate Limited and not recharged

Notes to the financial statements

for the year ended 31 May 2012

6 Interest payable and similar charges

	2012 £	2011 £
Bank overdraft	59,336	72,308
Secured loan	758,196	478,061
Notional interest charge on debt element of 'A' ordinary shares	-	162,449
	<u>817,532</u>	<u>712,818</u>

The interest on the secured loan is accrued even though it is not payable, under the terms of the loan, until the loan is repaid in full

As well as being convertible into ordinary shares at a fixed price, the 'A' ordinary shares also give holders the right to seek redemption at £2 per share after the fifth anniversary of their issue. This redemption right results in a requirement under FRS 25 for an element of the share capital represented by the 'A' ordinary shares to be treated as a debt. The debt element is £4,212,923 (see note 13) and a notional interest charge was made each year on such debt element until expiry in 2011.

Neither the secured loan interest nor the notional loan interest on the debt element of the 'A' ordinary shares represented any requirement for a cash payment in the year ended 31 May 2012.

Notes to the financial statements

for the year ended 31 May 2012

7. Tax on loss on ordinary activities

No charge to taxation arises in the current or preceding year due to losses being incurred and no provision for deferred taxation is required

The tax rate used in 2012 is 25.67%. This has been calculated by taking a 26% tax rate up to 5 April 2012, and then pro-rating for the change in tax rate from this date to 24%.

The tax assessed on the loss on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 25.67% (2011: 27.67%). The differences are explained below:

	2012 £	2011 £
Loss on ordinary activities before tax	<u>(14,406,061)</u>	<u>(11,454,525)</u>
	£	£
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25.67% (2011: 27.67%)	(3,698,036)	(3,168,981)
Effect of:		
Expenses not deductible for tax purposes	116,467	292,928
Difference between capital allowances and depreciation	30,961	22,186
Other timing differences	(21,712)	25,935
Losses carried forward	<u>3,572,320</u>	<u>2,827,932</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

The group has an unrecognised deferred tax asset of £13,407k at 31 May 2012. The deferred tax asset has not been recognised as it does not satisfy the recognition criteria for deferred tax assets in FRS 19.

The company is not aware of any factors that will materially affect the future tax charge apart from the proposed, phased reduction in income tax rates to 22% by 2014.

8. Loss attributable to members of the parent undertaking

The loss dealt with in the financial statements of the parent undertaking was £nil (2011: £162,449).

Notes to the financial statements

for the year ended 31 May 2012

9. Intangible fixed assets

<i>Group</i>	<i>Players' contracts</i> £
Cost:	
At 1 June 2011	6,890,789
Additions	1,035,000
Disposals	(2,290,000)
At 31 May 2012	<u>5,635,789</u>
Amortisation:	
At 1 June 2011	3,950,770
Charge for the year	1,900,022
Disposals	(2,037,835)
At 31 May 2012	<u>3,812,957</u>
Net book value:	
At 31 May 2012	<u><u>1,822,832</u></u>
At 31 May 2011	<u><u>2,940,019</u></u>

Company

The company held no intangible fixed assets during the course of the year or at the year-end

Notes to the financial statements

for the year ended 31 May 2012

10. Tangible fixed assets

<i>Group</i>	<i>Freehold land and buildings £</i>	<i>Long leasehold property £</i>	<i>Plant and machinery £</i>	<i>Fixtures and fittings £</i>	<i>Total £</i>
Cost or valuation:					
At 1 June 2011	12,088,244	1,083,588	818,338	534,992	14,525,162
Additions	11,314	3,135	44,289	24,960	83,698
At 31 May 2012	12,099,558	1,086,723	862,627	559,952	14,608,860
Depreciation:					
At 1 June 2011	3,422,056	33,453	580,179	505,017	4,540,705
Charge for the year	263,382	10,928	88,539	31,856	394,705
At 31 May 2012	3,685,438	44,381	668,718	536,873	4,935,410
Net book value:					
At 31 May 2012	<u>8,414,120</u>	<u>1,042,342</u>	<u>193,909</u>	<u>23,079</u>	<u>9,673,450</u>
At 31 May 2011	<u>8,666,188</u>	<u>1,050,135</u>	<u>238,159</u>	<u>29,975</u>	<u>9,984,457</u>

Included in freehold land and buildings is land with a cost of £538,445 (2011 £538,445) which is not depreciated

The freehold buildings were revalued as at 31 July 1995 on the basis of depreciated replacement cost by Alder King Consultant Surveyors. This valuation has been incorporated in the financial statements. The directors have elected to adopt the transitional rules of Financial Reporting Standard 15 and retain the freehold land and buildings at its historical valuation and not adopt a policy of revaluations going forward.

On the historical cost basis, freehold land and buildings would have been included as follows

	<i>£</i>
Cost:	
At 1 June 2011	4,402,459
Additions and transfers in	11,314
At 31 May 2012	<u>4,413,773</u>
Cumulative depreciation based on cost:	
At 31 May 2012	<u>1,117,801</u>
At 31 May 2011	<u>1,005,270</u>

Company

The company held no fixed assets during the course of the year or at the year-end

Notes to the financial statements

for the year ended 31 May 2012

11. Investments

Company

*Subsidiary
undertakings
£*

Cost at 1 June 2011 and 31 May 2012

3

Details of the investments in which the company holds more than 20% of the nominal value of any class of share capital are as follows

<i>Name of company</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
Bristol City Football Club Limited	Ordinary shares	100%	Professional football club
Ashton Gate Limited	Ordinary shares	100%	Stadium management
BCFC Limited	Ordinary shares	100%	Dormant

12. Debtors

	<i>Group</i>		<i>Company</i>	
	<i>2012 £</i>	<i>2011 £</i>	<i>2012 £</i>	<i>2011 £</i>
Trade debtors	371,489	673,871	-	-
Other debtors and prepayments	544,707	1,276,202	-	-
Amounts receivable in respect of transfer fees	1,000,000	411,250	-	-
	<u>1,916,196</u>	<u>2,361,323</u>	<u>-</u>	<u>-</u>

Notes to the financial statements

for the year ended 31 May 2012

13. Creditors: amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Bank overdraft (note 18b)	2,985,151	2,545,185	-	-
Football League loan (note 15)	13,591	167,796	-	-
Amounts payable in respect of transfer fees	310,000	245,000	-	-
Contractual liabilities under players' contracts	145,962	27,278	-	-
Trade creditors	756,112	845,105	-	-
Amounts due to subsidiary undertakings	-	-	3	3
Other taxes and social security costs	961,169	904,657	-	-
Accruals and deferred income	3,095,640	3,365,766	-	-
Debt element of 'A' ordinary shares (note 15)	4,212,923	4,212,923	4,212,923	4,212,923
	<u>12,480,548</u>	<u>12,313,710</u>	<u>4,212,926</u>	<u>4,212,926</u>

The overdraft is repayable on demand and is secured by a fixed and floating charge over the assets of the Group

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

	<i>Group</i>		<i>Company</i>	
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Football League loan (note 15)	-	13,591	-	-
Secured loan (note 15)	35,200,000	23,600,000	-	-
Secured loan interest accrued (note 15)	1,795,342	1,037,148	-	-
	<u>36,995,342</u>	<u>24,650,739</u>	<u>-</u>	<u>-</u>

Notes to the financial statements

for the year ended 31 May 2012

15. Loans

	<i>Group</i>		<i>Company</i>	
	2012	2011	2012	2011
	£	£	£	£
Wholly repayable within five years				
Football League loan	13,591	181,387	-	-
Secured loan	35,200,000	23,600,000	-	-
Secured loan interest accrued	1,795,342	1,037,148	-	-
Debt element of 'A' ordinary shares	4,212,923	4,212,923	4,212,923	4,212,923
	<u>41,221,856</u>	<u>29,031,458</u>	<u>4,212,923</u>	<u>4,212,923</u>
Less included in creditors amounts falling due within one year	(4,226,514)	(4,380,719)	(4,212,923)	(4,212,923)
	<u>36,995,342</u>	<u>24,650,739</u>	<u>-</u>	<u>-</u>
	£	£	£	£
Within one year	4,226,514	4,380,719	4,212,923	4,212,923
Between one and two years	-	13,591	-	-
Between two and five years	36,995,342	24,637,148	-	-
	<u>41,221,856</u>	<u>29,031,458</u>	<u>4,212,923</u>	<u>4,212,923</u>

The secured loan accrues interest at a rate which is equivalent to 2% over the base rate published by Barclays Bank plc. The loan is secured by a fixed charge over the freehold property of a subsidiary undertaking together with fixed charges over the plant and machinery, securities, debts, goodwill and insurances held by a subsidiary undertaking and a floating charge over the undertaking and assets of a subsidiary undertaking. The lender has no right to receive interest as it accrues, rather it is only payable after the entire capital sum of the secured loan has been repaid in full.

Details of the rights attached to the debt element of the 'A' ordinary shares are given in notes 6 and 16.

The Football League loan is interest-free and repayable in monthly instalments over two years.

Notes to the financial statements

for the year ended 31 May 2012

16. Called up share capital

	<i>Group</i>		<i>Company</i>	
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
	<i>No</i>	<i>No</i>	<i>£</i>	<i>£</i>
Authorised				
Ordinary shares of £1 each	8,986,274	8,986,274	8,986,274	8,986,274
'A' ordinary shares of £1 each	2,106,462	2,106,462	2,106,462	2,106,462
Unclassified shares of £1 each	3,907,264	3,907,264	3,907,264	3,907,264
	<u>15,000,000</u>	<u>15,000,000</u>	<u>15,000,000</u>	<u>15,000,000</u>
	<i>No</i>	<i>No</i>	<i>£</i>	<i>£</i>
Allotted, called up and fully paid				
Ordinary shares of £1 each	8,886,274	8,886,274	8,886,274	8,886,274
'A' ordinary shares of £1 each	2,106,462	2,106,462	2,106,462	2,106,462
	<u>10,992,736</u>	<u>10,992,736</u>	<u>10,992,736</u>	<u>10,992,736</u>
Debt element of called up share capital on 'A' ordinary shares	<u>(1,467,274)</u>	<u>(1,467,274)</u>	<u>(1,467,274)</u>	<u>(1,467,274)</u>
	<u>9,525,462</u>	<u>9,525,462</u>	<u>9,525,462</u>	<u>9,525,462</u>

The 'A' ordinary shares have no voting rights. On a return of capital all shares rank *pari passu*. The 'A' ordinary shares can be converted to ordinary shares at the request of the holder or at the request of the company. The 'A' ordinary shares can be redeemed at the request of the holder after five years from the dates of original issue on 22 December 2005 and 22 March 2006, or at the request of the company.

As explained in note 6, FRS 25 requires part of the 'A' ordinary shares, including the related premium on the shares, to be classified as debt (see note 13). 'A' shares with a nominal value of £152,973 were converted to ordinary shares of £1 each on 9 February 2009. Consistent with this, the effect of the conversion was to reduce the proportion of 'A' shares classified as debt.

Notes to the financial statements

for the year ended 31 May 2012

17. Reconciliation of shareholders' deficit and movements on reserves

<i>Group</i>	<i>Share capital £</i>	<i>Share premium account £</i>	<i>Revaluation reserve £</i>	<i>Profit and loss account £</i>	<i>Total £</i>
At 1 June 2011	9,525,462	9,969,543	5,268,999	(46,295,252)	(21,531,248)
Loss for the year	-	-	-	(14,406,061)	(14,406,061)
Transfer of revaluation element of depreciation charge	-	-	(150,851)	150,851	-
At 31 May 2012	9,525,462	9,969,543	5,118,148	(60,550,462)	(35,937,309)

<i>Company</i>	<i>Share capital £</i>	<i>Share premium account £</i>	<i>Profit and loss account £</i>	<i>Total £</i>
At 1 June 2011	9,525,462	9,969,543	(23,707,928)	(4,212,923)
At 31 May 2012	9,525,462	9,969,543	(23,707,928)	(4,212,923)

18 Notes to the consolidated statement of cash flows

(a) Reconciliation of operating loss to net cash outflow from operating activities

	<i>2012 £</i>	<i>2011 £</i>
Operating loss	(15,186,989)	(11,521,229)
Amortisation of players' contracts	1,900,022	2,123,329
Depreciation	394,705	331,670
Decrease/ (increase) in stocks	17,794	(67,292)
Decrease/(increase) in debtors	1,033,877	(467,562)
(Decrease)/increase in creditors	(183,923)	447,353
Net cash outflow from operating activities	(12,024,514)	(9,153,731)

Notes to the financial statements

for the year ended 31 May 2012

18. Notes to the consolidated statement of cash flows (continued)

(b) Analysis of changes in net debt

<i>Group</i>	<i>At 1 June 2011 £</i>	<i>Cash flow £</i>	<i>Non-cash flow £</i>	<i>At 31 May 2012 £</i>
Cash at bank and in hand	6,430	(3,505)	-	2,925
Overdraft	(2,545,185)	(439,966)	-	(2,985,151)
	<u>(2,538,755)</u>	<u>(443,471)</u>	<u>-</u>	<u>(2,982,226)</u>
Football League loan	(181,387)	167,796		(13,591)
Secured loan	(23,600,000)	(11,600,000)	-	(35,200,000)
Secured loan interest	(1,037,146)		(758,196)	(1,795,342)
Debt element of 'A' ordinary shares	(4,212,923)	-	-	(4,212,923)
	<u>(29,031,456)</u>	<u>(11,432,204)</u>	<u>(758,196)</u>	<u>(41,221,856)</u>
Total	<u>(31,570,211)</u>	<u>(11,875,675)</u>	<u>(758,196)</u>	<u>(44,204,082)</u>

19. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £nil (2011 £nil)

20. Other financial commitments

At 31 May 2012 and 2011 the group had annual commitments under non-cancellable operating leases as set out below

	<i>Other 2012 £</i>	<i>Other 2011 £</i>
Operating leases which expire		
Within one year	15,032	10,198
In two to five years	31,718	87,427
	<u>46,750</u>	<u>97,625</u>

Notes to the financial statements

for the year ended 31 May 2012

21. Contingent liabilities

The following amounts may be payable at various stages in the future contingent on the relevant players meeting certain performance conditions

	<i>Group</i>		<i>Company</i>	
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Contractual liabilities under players' contracts	<u>897,467</u>	<u>860,501</u>	<u>-</u>	<u>-</u>

22. Related party transactions

As disclosed in note 14 to these financial statements, an amount of £35,200,000 (2011 £23,600,000) is owed to S Lansdown, the majority shareholder, in respect of a secured loan. Interest of £1,795,342 (2011 £1,030,148) is payable to the same related party in relation to this loan.

During the year a director, J Lansdown, received £16,800 (2011 £15,400) in respect of rental income on a property used by playing staff.

Ashton Gate Limited has a year-end debtor of £nil (2011 £265,983) with Ashton Gateway Project Limited for the recharge of costs to the same value which Ashton Gate Limited will settle on its behalf. Ashton Gateway Project Limited is a joint venture between Vence LLP and another party. S Lansdown and J Lansdown are partners in Vence LLP.

Pure Sports Limited, a company in which C Sexstone (director) has a 10% interest, made purchases from the group in the year totalling £5,899 (2011 £14,104). There was no outstanding debtor at the current or previous year end.

Resource Solutions Group PLC in which K W Dawe is principal shareholder and director provided sponsorship for the group in the year for a fee of £100,000 (2011 £nil). There was no outstanding debtor at the current or previous year end.

23. Post balance sheet events

Since the end of the financial year the company has contracted for the purchase and sale of various players. The net outgoings from these transfers, taking into account the applicable levies but excluding value added tax, is approximately £330,516. These transfers will be accounted for in the year ending 31 May 2013.

24. Ultimate controlling party

The directors consider Stephen Lansdown to be the ultimate controlling party by virtue of his majority shareholding in Bristol City Holdings Limited.

Company profit and loss account

for the year ended 31 May 2012

	2012 £	2011 £
Turnover	-	-
Provision against amounts due from subsidiary undertakings	-	-
Operating loss	-	-
Interest payable and similar charges	-	(162,449)
Loss on ordinary activities before taxation	-	(162,449)