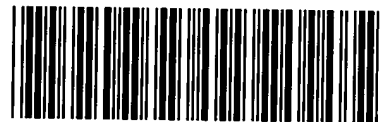


Bristol City Holdings Limited

Annual Report and Consolidated Financial Statements Year Ended 31 May 2016

Registration number: 01501663

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Bristol City Holdings Limited

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Bristol City Holdings Limited

Company Information

Chairman K W Dawe

Directors K W Dawe
D J Harman
J S Lansdown

Company secretary D J Harman

Registered office Ashton Gate
Bristol
BS3 2EJ

Solicitors Burges Salmon LLP
One Glass Wharf
Bristol
BS2 0ZX

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

Auditors PKF Francis Clark
Ground Floor
Blackbrook Gate 1
Blackbrook Business Park
Taunton
Somerset
TA1 2PX

Bristol City Holdings Limited

Chairman's Statement

Year Ended 31 May 2016

The overall Group loss for the year was £14,798,070 (2015 - £10,145,172). This is a reflection of ongoing stadium redevelopment throughout the season, with reduced match day capacities and revenue, as well as the team's poor run of results during the first half of the season and subsequent change of manager. By way of increased share capital the total cash requirement by the Club to sustain its operations for the year was £16,388,173.

Following the very successful 2014/15 promotion season, a lack of new players recruited during the summer led to a high number of loan signings and signalled a disappointing start to this Championship season. The poor sequence of results continued and as a result the Board made the decision to replace manager Steve Cotterill.

The Board were united in the decision to appoint Lee Johnson as Head Coach. Team performances and results soon improved and the Club finished a respectable 18th in the league table, 12 points above the relegation zone.

Chief Executive, John Pelling left the Club in September and in January the board appointed Mark Ashton as Chief Operating Officer with overall responsibility for the football department. In conjunction with Lee Johnson and his staff, Mark undertook a full review of all areas of the football department and importantly made plans for significant player trading in what was to become a very busy summer transfer window.

Progress has been seen across all areas of the board's "five pillars" strategy - financial control and prudence; player recruitment and identification; academy and youth development; modern facilities and community engagement.

Following the successful redevelopment of the Dolman stand and the completion of the new South stand, work has continued this year with the demolition of the Williams stand and the building of the new west stand. Work is on schedule and it is expected the new west stand will be open and ready for the start of next season, pushing the stadium capacity to 26,700.

The stadium has again hosted a full programme of football and rugby fixtures whilst the significant construction work associated with the stadium redevelopment continues. We look forward to next season's enhanced stadium facilities and increased football, rugby and non-match day commercial revenues.

As we look forward to the coming season with renewed optimism, the board would like to formally acknowledge the owner's continuing and generous financial support and to thank all our loyal and hard working staff for their continued efforts during this year.



D J Harman
Company Secretary

Bristol City Holdings Limited

Strategic Report

Year Ended 31 May 2016

The Directors present their strategic report for the year ended 31 May 2016.

Principal activity

The principal activity of the group is the operation of sports facilities.

Fair review of the business

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

Implementation of FRS102

The group has transferred from previously extant UK GAAP to FRS 102 as at 1 June 2014.

The change in accounting framework has impacted the presentation of the accounts in certain areas. The most notable financial impact is in respect of long term intra-group loans and the provision for accrued holiday pay as detailed in note 29 to the accounts.

Key performance indicators

The financial success of the group is linked to the success of the football club's first team and in 2015/16 the following statistics contributed to the results shown in the group's profit and loss account:

- i) Average league attendance - 15,575 (2015 - 11,681), including 13,669 season ticket sales (2015 - 8,796)
- ii) Final league position - 18th in the Championship, meaning that the 2016/17 season will be spent in the Championship

Note 2 shows the financial impact of the above compared to the previous season

- i) Total gate revenue up £174,728 (5%) (2015 - up £1,042,406 (40%))
- ii) Central distributions from broadcasting, the Football League and solidarity payments up £3,793,751 (390%) (2015 - down £269,683 (22%))

Principal risks and uncertainties

The principal risk to the group is the availability of equity finance to fund the continuing losses. The continuing support of Pula Sport Limited and the ultimate controlling parties, Mr & Mrs S P Lansdown, is critical as explained in the going concern accounting policy.

Approved by the Board on 9 Nov 2016 and signed on its behalf by:



D J Harman
Company secretary

Bristol City Holdings Limited

Directors' Report

Year Ended 31 May 2016

The Directors present their report and the consolidated financial statements for the year ended 31 May 2016.

Directors of the Group

The directors who held office during the year were as follows:

K W Dawe - Chairman

D J Harman

J S Lansdown

Financial instruments

Objectives and policies

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.

Price risk, credit risk, liquidity risk and cash flow risk

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.

Employment of disabled persons

Full and fair consideration is given to the employment of disabled persons having regard to their particular attitudes and abilities. Appropriate provision is made for disabled persons to enable them to fulfil their role and this includes the re-training for alternative work of employees who become disabled.

Employee involvement

We recognise that organisations are most successful where management and staff share a common purpose, work in partnership and communicate openly. The group operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2004. We hold a monthly meeting which is held in working hours and attended by all employees, during which we provide employees with information about the company and policies.

Bristol City Holdings Limited

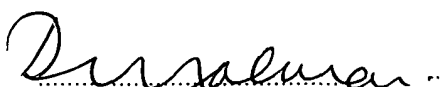
Directors' Report

Year Ended 31 May 2016

Disclosure of information to the auditor

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 9 Nov 2016 and signed on its behalf by:



D J Harman
Company secretary

Bristol City Holdings Limited

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and 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; 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 Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Bristol City Holdings Limited

Independent Auditor's Report

We have audited the financial statements of Bristol City Holdings Limited for the year ended 31 May 2016, set out on pages 9 to 36. 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 Statement of Directors' Responsibilities (set out on page 6), 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 (APB's) Ethical Standards for Auditors to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the Company's affairs as at 31 May 2016 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Bristol City Holdings Limited

Independent Auditor's Report

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 Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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



.....
Nicholas Farrant BA MSc ACA (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Ground Floor
Blackbrook Gate 1
Blackbrook Business Park
Taunton
Somerset
TA1 2PX

Date: 9 NOVEMBER 2016

Bristol City Holdings Limited

Consolidated Profit and Loss Account

Year Ended 31 May 2016

	Note	2016 £	2015 £
Turnover	3	14,175,396	7,695,219
Employee benefits expense		(17,432,898)	(11,046,830)
Depreciation and amortisation expense		(2,707,852)	(1,838,764)
Other expenses		<u>(8,469,365)</u>	<u>(5,995,462)</u>
Operating loss	4	(14,434,719)	(11,185,837)
Profit on disposal of players' contracts		<u>81,358</u>	<u>1,382,222</u>
Loss before interest and taxation		(14,353,361)	(9,803,615)
Loss excluding player trading		(12,450,077)	(9,876,082)
Player trading*		<u>(1,903,284)</u>	<u>72,467</u>
Net loss on financial liabilities at fair value through profit and loss account		(230,531)	-
Other interest receivable and similar income	8	-	9,690
Interest payable and similar charges	9	<u>(345,265)</u>	<u>(351,247)</u>
Loss before tax		(14,929,157)	(10,145,172)
Taxation	10	<u>131,087</u>	<u>-</u>
Loss for the year		<u>(14,798,070)</u>	<u>(10,145,172)</u>
Profit/(loss) attributable to:			
Owners of the company		<u>(14,798,070)</u>	<u>(10,145,172)</u>

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

Bristol City Holdings Limited

Consolidated Statement of Comprehensive Income

Year Ended 31 May 2016

	Note	2016 £	2015 £
Loss for the year		(14,798,070)	(10,145,172)
Surplus/(deficit) on property, plant and equipment revaluation		-	(3,086,764)
Total comprehensive income for the year		<u>(14,798,070)</u>	<u>(13,231,936)</u>
Total comprehensive income attributable to:			
Owners of the company		<u>(14,798,070)</u>	<u>(13,231,936)</u>

The notes on pages 16 to 36 form an integral part of these financial statements.

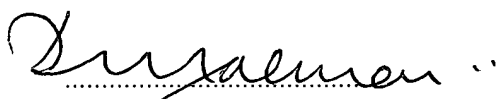
Bristol City Holdings Limited

Consolidated Balance Sheet

31 May 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	11	4,116,092	1,892,889
Tangible assets	12	51,181,018	24,666,566
		<u>55,297,110</u>	<u>26,559,455</u>
Current assets			
Stocks	14	201,905	97,968
Debtors	15	3,986,707	2,812,052
Cash at bank and in hand		521,595	518,790
		<u>4,710,207</u>	<u>3,428,810</u>
Creditors: Amounts falling due within one year	17	<u>(56,037,528)</u>	<u>(27,712,508)</u>
Net current liabilities		<u>(51,327,321)</u>	<u>(24,283,698)</u>
Total assets less current liabilities		3,969,789	2,275,757
Creditors: Amounts falling due after more than one year	17	(17,817,905)	(17,260,377)
Deferred income		<u>(1,922,551)</u>	<u>(2,376,150)</u>
Net liabilities		<u>(15,770,667)</u>	<u>(17,360,770)</u>
Capital and reserves			
Called up share capital	23	73,030,909	56,642,736
Share premium reserve		9,969,543	9,969,543
Revaluation reserve		1,709,404	1,709,404
Capital contribution reserve		2,462,626	2,789,623
Profit and loss account		<u>(102,943,149)</u>	<u>(88,472,076)</u>
Shareholders' deficit		<u>(15,770,667)</u>	<u>(17,360,770)</u>
Total capital employed		<u>(15,770,667)</u>	<u>(17,360,770)</u>

Approved and authorised by the Board on 9 Nov 2016 and signed on its behalf by:



D J Harman
Director

Company Registration Number: 01501663

Bristol City Holdings Limited

Balance Sheet

31 May 2016

	Note	2016 £	2015 £
Current assets			
Debtors	15	<u>31,488,173</u>	<u>15,100,000</u>
Capital and reserves			
Called up share capital		73,030,909	56,642,736
Share premium reserve		9,969,543	9,969,543
Profit and loss account		<u>(51,512,279)</u>	<u>(51,512,279)</u>
Shareholders' funds		<u>31,488,173</u>	<u>15,100,000</u>

Approved and authorised by the Board on 9 Nov 2016 and signed on its behalf by:



D J Harman

Director

Company Registration Number: 01501663

Bristol City Holdings Limited

Consolidated Statement of Changes in Equity

Year Ended 31 May 2016

	Share capital £	Share premium £	Revaluation reserve £	Capital contribution reserve £	Profit and loss account £	Total equity £
At 1 June 2015	56,642,736	9,969,543	1,709,404	2,789,623	(88,472,076)	(17,360,770)
Loss for the year	-	-	-	-	(14,798,070)	(14,798,070)
New share capital subscribed	16,388,173	-	-	-	-	16,388,173
Transfers	-	-	-	(326,997)	326,997	-
At 31 May 2016	<u>73,030,909</u>	<u>9,969,543</u>	<u>1,709,404</u>	<u>2,462,626</u>	<u>(102,943,149)</u>	<u>(15,770,667)</u>

	Share capital £	Share premium £	Revaluation reserve £	Capital contribution reserve £	Profit and loss account £	Total equity £
At 1 June 2014	48,842,736	9,969,543	4,796,168	3,110,523	(78,647,804)	(11,928,834)
Loss for the year	-	-	-	-	(10,145,172)	(10,145,172)
Other comprehensive income	-	-	(3,086,764)	-	-	(3,086,764)
New share capital subscribed	7,800,000	-	-	-	-	7,800,000
Transfers	-	-	-	(320,900)	320,900	-
At 31 May 2015	<u>56,642,736</u>	<u>9,969,543</u>	<u>1,709,404</u>	<u>2,789,623</u>	<u>(88,472,076)</u>	<u>(17,360,770)</u>

The notes on pages 16 to 36 form an integral part of these financial statements.
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Bristol City Holdings Limited

Statement of Changes in Equity

Year Ended 31 May 2016

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 June 2015	56,642,736	9,969,543	(51,512,279)	15,100,000
New share capital subscribed	<u>16,388,173</u>	<u>-</u>	<u>-</u>	<u>16,388,173</u>
At 31 May 2016	<u><u>73,030,909</u></u>	<u><u>9,969,543</u></u>	<u><u>(51,512,279)</u></u>	<u><u>31,488,173</u></u>

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 June 2014	48,842,736	9,969,543	(51,512,279)	7,300,000
New share capital subscribed	<u>7,800,000</u>	<u>-</u>	<u>-</u>	<u>7,800,000</u>
At 31 May 2015	<u><u>56,642,736</u></u>	<u><u>9,969,543</u></u>	<u><u>(51,512,279)</u></u>	<u><u>15,100,000</u></u>

The notes on pages 16 to 36 form an integral part of these financial statements.

Bristol City Holdings Limited

Consolidated Statement of Cash Flows

Year Ended 31 May 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Loss for the year		(14,798,070)	(10,145,172)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	2,707,852	1,838,764
Profit on disposal of player contracts		(81,358)	(1,382,222)
Financial instrument movements through profit and loss		230,531	-
Loss on disposal of tangible assets		-	201,808
Finance income	8	-	(9,690)
Finance costs	9	345,265	351,247
		<u>(11,595,780)</u>	<u>(9,145,265)</u>
Working capital adjustments			
(Increase)/decrease in stocks	14	(103,937)	3,090
Increase in trade debtors	15	(1,174,655)	(1,713,680)
Increase in trade creditors	17	216,226	5,820,169
(Decrease)/increase in deferred income		<u>(453,599)</u>	<u>1,528,628</u>
Net cash flow from operating activities		<u>(13,111,745)</u>	<u>(3,507,058)</u>
Cash flows from investing activities			
Interest received		-	9,690
Acquisitions of tangible assets		(27,208,543)	(16,327,732)
Proceeds from sale of tangible assets		-	6,058
Acquisition of intangible assets	11	(4,770,771)	(2,254,057)
Proceeds from sale of intangible assets		<u>615,165</u>	<u>1,700,000</u>
Net cash flows from investing activities		<u>(31,364,149)</u>	<u>(16,866,041)</u>
Cash flows from financing activities			
Interest paid	9	(24,365)	(30,347)
Proceeds from issue of ordinary shares, net of issue costs		16,388,173	7,800,000
Proceeds from bank borrowing draw downs		<u>27,878,897</u>	<u>13,228,430</u>
Net cash flows from financing activities		<u>44,242,705</u>	<u>20,998,083</u>
Net (decrease)/increase in cash and cash equivalents		(233,189)	624,984
Cash and cash equivalents at 1 June		<u>(2,824,454)</u>	<u>(3,449,438)</u>
Cash and cash equivalents at 31 May		<u><u>(3,057,643)</u></u>	<u><u>(2,824,454)</u></u>

The notes on pages 16 to 36 form an integral part of these financial statements.

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2016

1 General information

The company is a private company limited by share capital incorporated in England & Wales.

The address of its registered office is:

Ashton Gate
Bristol
BS3 2EJ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The group has transferred from previously extant UK GAAP to FRS102 at 1 June 2014. Comparatives have been restated, and an explanation of how transition to FRS102 has affected the reported financial position and financial performance is given in note 28.

There are no material departures from the requirements of FRS102.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 May 2016.

Subsidiary undertakings are included using the acquisition method of accounting. Under this method the group profit and loss account and statement of cashflows include the results and the cashflows of subsidiaries from the date of acquisition and to the date of sale outside the group in the case of disposal of subsidiaries. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

No profit or loss account is presented for the company as permitted by Section 408 of the Companies Act 2006. Its profit for the financial year was £Nil (2015 - £Nil).

No cash flow statement is presented for the company, as advantage has been taken of the disclosure exemption available under FRS102.

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2016

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.

The group is currently loss-making and has net current liabilities and net liabilities. It is also part way through a stadium redevelopment project at Ashton Gate. In order to continue in operational existence as a going concern and meet its liabilities as they fall due, the group is dependent on securing additional finance. Such finance comes from the bank in connection with the stadium redevelopment and from the parent company, Pula Sport Limited, a company owned and controlled by Mr & Mrs S P Lansdown, in funding working capital. Pula Sport Limited invests in the company via equity injections which confirms the long term commitment that they, and Mr & Mrs S P Lansdown, have to the company and the group. Pula Sport Limited has confirmed its ongoing support for the company and group.

The directors are confident that taking into account the commitment by Pula Sport Limited that the group will have sufficient working capital until the end of the 2016/17 season and beyond for the foreseeable future, being not less than 12 months from the date of approval of these financial statements.

Accordingly, the directors consider it appropriate to prepare these financial statements on a going concern basis.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key judgements that have a significant effect on the amounts recognised in the financial statements are described below:

Freehold land and buildings

Properties are carried at cost, less accumulated depreciation and any subsequent accumulated impairment loss. This requires an estimation in the depreciation rates used as well as assessment of the ongoing economic contribution of the assets of the group as to whether an indicator of impairment has occurred.

Player contracts

The carrying value of player contracts is reviewed for impairment in light of player performance and injury.

Financial instruments

Long term intra-group loan liabilities at a below market rate of interest are measured at fair value, being the present value of the future payments discounted at a market rate of interest for a similar debt instrument. In calculating the discount, the directors use an equivalent interest rate as charged by third parties on borrowings the group has sourced externally, and consider this to be a market rate of interest for the group.

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2016

Turnover

Turnover represents the total amount receivable from the principal activities of the group, 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.

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

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.

Deferred tax assets are only recognised when they meet the recognition criteria as set out in FRS102.

Players' contracts and transfer fees

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 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.

Intangible assets

Intangible assets are stated in the statement of financial position at cost, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2016

Amortisation

Amortisation is charged on intangible assets so as to write off the cost of their estimated useful lives.

Asset class

Players' contracts

Software

Amortisation method and rate

Over the term of the contract

Over 4 to 7 years

Tangible fixed assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Assets under construction represents the development of Ashton Gate stadium. Depreciation is not charged on assets under construction. Upon formal completion of each stage of the development the cost of assets will be transferred to the freehold buildings category.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction, over their estimated useful lives, as follows:

Asset class

Freehold buildings

Leasehold buildings

Plant and machinery

Fixtures and fittings

Motor vehicles

Depreciation method and rate

50 years straight line

over the lease term

7 years straight line

4 - 10 years straight line

4 years straight line

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Leases

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

Defined contribution pension obligation

The group contributes to some employees' personal pension plans. The group also operates a defined contribution pension scheme to which it contributes for members. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

Capitalised finance cost

Finance costs relating to the stadium rebuild are capitalised in the period in which they arise.

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2016

Financial instruments

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

The group holds the following financial instruments:

Short term trade debtors and creditors;
Short term debtors and creditors in relation to transfer fees;
Short term intra group debtors and creditors;
Short term bank loans;
Long term intra group loans at below market rate;
Derivative financial instruments (interest rate swaps).

Basic financial assets comprise short term trade and other debtors and cash and bank balances, including short term loans. Basic financial liabilities comprise short term trade and other creditors. Such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Long term intra group loan liabilities constitute a finance transaction because they are at a below market rate of interest. Such loans are measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. At inception the discount is recognised as a capital contribution within Equity. As the discount unwinds it is charged against profit. An equivalent transfer is made annually between the Capital Contribution Reserve and the Profit and Loss reserve.

Interest rate swap contracts are valued using market derived projections of future cash flows discounted back to estimated present values.

3 Revenue

The analysis of the group's revenue for the year, all of which arose in the UK, is as follows:

	2016 £	2015 £
Sale of goods	3,049,226	1,366,628
Rendering of services	2,809,903	1,618,865
Ticket sales	3,847,263	3,672,535
Football League income	4,469,004	912,117
Other revenue	-	125,074
	<u>14,175,396</u>	<u>7,695,219</u>

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2016

The analysis of the group's turnover for the year by class of business is as follows:

	2016	2015
	£	£
Matchday revenue	1,193,719	2,084,106
Season ticket revenue	2,653,544	1,588,429
Broadcasting revenue	287,864	60,000
Football League pool	2,169,004	552,117
Solidarity payment	2,300,000	360,000
Other football related income	770,339	889,979
Other commercial and retail income	4,800,926	2,035,514
Management charges receivable	-	125,074
	<u>14,175,396</u>	<u>7,695,219</u>

4 Operating loss

Arrived at after charging:

	2016	2015
	£	£
Depreciation expense	694,091	509,447
Amortisation expense	2,013,761	1,310,819
Impairment loss	-	18,498
Operating lease expense - property	183,983	182,967
Operating lease expense - other	41,280	41,280
Loss on disposal of property, plant and equipment	<u>-</u>	<u>201,808</u>

5 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2016	2015
	£	£
Wages and salaries	15,821,801	9,932,978
Social security costs	1,446,599	1,080,017
Pension costs, defined contribution scheme	<u>164,498</u>	<u>33,835</u>
	<u>17,432,898</u>	<u>11,046,830</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2016	2015
	No.	No.
Office, management & grounds	303	148
Players	<u>50</u>	<u>51</u>
	<u>353</u>	<u>199</u>

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2016

6 Directors' remuneration

The directors' remuneration for the year was as follows:

	2016 £	2015 £
Remuneration	<u>59,826</u>	<u>61,937</u>

7 Auditors' remuneration

	2016 £	2015 £
Audit of these financial statements	1,500	1,000
Audit of the financial statements of other group companies	<u>23,900</u>	<u>19,500</u>
	<u>25,400</u>	<u>20,500</u>

Other fees to auditors

Taxation compliance services	5,375	4,500
All other assurance services	8,250	-
All other non-audit services	4,175	2,250
Previous auditor's remuneration	<u>-</u>	<u>10,400</u>
	<u>17,800</u>	<u>17,150</u>

The amount paid to the previous auditor's in the prior year is analysed as follows:

Audit of the company's subsidiaries' accounts: £4,750; Taxation compliance services: £3,650; Other services: £2,000.

8 Other interest receivable and similar income

	2016 £	2015 £
Bank interest receivable	<u>-</u>	<u>9,690</u>

9 Interest payable and similar charges

	2016 £	2015 £
Interest on bank overdrafts and borrowings	18,268	30,347
Interest expense on other finance liabilities	<u>326,997</u>	<u>320,900</u>
	<u>345,265</u>	<u>351,247</u>

The interest expense on other finance liabilities represents the amount charged to the profit and loss account in respect of the unwinding of the discount on the long term intra-group loan from the group's immediate parent, Pula Sport Limited.

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2016

10 Taxation

Tax charged/(credited) in the income statement

	2016 £	2015 £
Current taxation		
UK corporation tax	<u>(131,087)</u>	<u>-</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2015 - higher than the standard rate of corporation tax in the UK) of 20% (2015 - 20.83%).

The differences are reconciled below:

	2016 £	2015 £
Loss before tax	<u>(14,929,157)</u>	<u>(10,145,172)</u>
Corporation tax at standard rate	(2,985,831)	(2,113,239)
Expense not deductible for tax purposes	72,087	764,209
Effect of change in accounting standards	(65,001)	(27,228)
Fixed asset differences	(345,453)	157,497
Other short-term timing differences	-	(1,393)
Unrelieved tax losses carried forward	3,193,111	1,826,630
Group relief surrendered	-	36,497
Unrealised deficit on revaluation	<u>-</u>	<u>(642,973)</u>
Total tax credit	<u>(131,087)</u>	<u>-</u>

Deferred tax

Group

There are £94,982,000 of unused tax losses (2015 - £81,188,000) for which no deferred tax asset is recognised in the Balance Sheet.

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2016

11 Intangible assets

Group

	Players' contracts £	Software £	Total £
Cost or valuation			
At 1 June 2015	3,877,000	51,057	3,928,057
Additions	4,641,893	128,878	4,770,771
Disposals	(1,612,500)	-	(1,612,500)
At 31 May 2016	<u>6,906,393</u>	<u>179,935</u>	<u>7,086,328</u>
Amortisation			
At 1 June 2015	2,034,104	1,064	2,035,168
Amortisation charge	1,984,642	29,119	2,013,761
Amortisation eliminated on disposals	(1,078,693)	-	(1,078,693)
At 31 May 2016	<u>2,940,053</u>	<u>30,183</u>	<u>2,970,236</u>
Carrying amount			
At 31 May 2016	<u>3,966,340</u>	<u>149,752</u>	<u>4,116,092</u>
At 31 May 2015	<u>1,842,896</u>	<u>49,993</u>	<u>1,892,889</u>

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2016

12 Tangible assets

Group

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Assets under construction £	Other property, plant and equipment £	Total £
Cost or valuation						
At 1 June 2015	12,689,724	204,682	131,723	17,701,142	587,796	31,315,067
Additions	84,989	161,892	42,324	26,717,753	201,585	27,208,543
Transfers	27,309,691	-	-	(27,309,691)	-	-
At 31 May 2016	40,084,404	366,574	174,047	17,109,204	789,381	58,523,610
Depreciation						
At 1 June 2015	5,931,078	115,290	90,436	-	511,697	6,648,501
Charge for the year	565,419	41,154	34,971	-	52,547	694,091
At 31 May 2016	6,496,497	156,444	125,407	-	564,244	7,342,592
Carrying amount						
At 31 May 2016	33,587,907	210,130	48,640	17,109,204	225,137	51,181,018
At 31 May 2015	6,758,646	89,392	41,287	17,701,142	76,099	24,666,566

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2016

Included within the net book value of land and buildings above is £32,652,589 (2015 - £5,629,020) in respect of freehold land and buildings and £935,318 (2015 - £1,129,626) in respect of long leasehold land and buildings.

Included within land and buildings is land with a cost of £538,709 (2015 - £538,709) which is not depreciated.

Capitalised borrowing costs

Within assets under the course of construction are capitalised borrowing costs of £1,100,075 (2015 - £101,783). The capitalisation rate used to determine the amount of finance costs capitalised during the period was 1.9%.

13 Investments

Company

Details of undertakings

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

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held 2016	2015
Subsidiary undertakings				
Bristol City Football Club Limited	England & Wales	Ordinary shares	100%	100%
Ashton Gate Limited	England & Wales	Ordinary shares	100%	100%
BCFC Limited	England & Wales	Ordinary shares	100%	100%

The principal activity of Bristol City Football Club Limited is that of a professional football club.

The principal activity of Ashton Gate Limited is stadium management and hospitality.

The principal activity of BCFC Limited is that of a dormant company.

The following is a subsidiary of Ashton Gate Limited:

St James Parade (122) Limited	England & Wales	Ordinary shares	100%	100%
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The principal activity of St James Parade (122) Limited is that of a dormant company.

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2016

14 Stocks

	2016 £	Group 2015 £	2016 £	Company 2015 £
Stock of consumables	40,435	49,866	-	-
Goods for resale	161,470	48,102	-	-
	<u>201,905</u>	<u>97,968</u>	<u>-</u>	<u>-</u>

Group

The cost of stocks recognised as an expense in the year amounted to £1,327,127 (2015 - £376,071).

15 Debtors

	Note	2016 £	Group 2015 £	2016 £	Company 2015 £
Trade debtors		324,833	197,894	-	-
Amounts owed by related parties	28	269,155	-	31,488,173	15,100,000
Other debtors		1,712,763	1,738,462	-	-
Transfer fees receivable		250,000	15,828	-	-
Prepayments		<u>1,429,956</u>	<u>859,868</u>	<u>-</u>	<u>-</u>
Total current trade and other debtors		<u>3,986,707</u>	<u>2,812,052</u>	<u>31,488,173</u>	<u>15,100,000</u>

16 Cash and cash equivalents

	2016 £	Group 2015 £	2016 £	Company 2015 £
Cash on hand	28,039	9,100	-	-
Cash at bank	<u>493,556</u>	<u>509,690</u>	<u>-</u>	<u>-</u>
	521,595	518,790	-	-
Bank overdrafts	<u>(3,579,238)</u>	<u>(3,343,244)</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents in statement of cash flows	<u>(3,057,643)</u>	<u>(2,824,454)</u>	<u>-</u>	<u>-</u>

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2016

17 Creditors

	Note	2016 £	Group 2015 £	2016 £	Company 2015 £
Due within one year					
Loans and borrowings	18	46,819,858	18,711,064	-	-
Trade creditors		3,736,659	5,220,918	-	-
Amounts due to related parties	28	545,328	7,129	-	-
Social security and other taxes		586,793	1,119,374	-	-
Other creditors		1,409,699	917,761	-	-
Transfer fees payable		1,525,565	662,000	-	-
Accrued expenses		1,413,626	1,074,262	-	-
		<u>56,037,528</u>	<u>27,712,508</u>	<u>-</u>	<u>-</u>
Due after one year					
Loans and borrowings	18	17,587,374	17,260,377	-	-
Derivative financial instruments	27	230,531	-	-	-
		<u>17,817,905</u>	<u>17,260,377</u>	<u>-</u>	<u>-</u>

18 Loans and borrowings

	2016 £	Group 2015 £	2016 £	Company 2015 £
Current loans and borrowings				
Bank borrowings	43,240,620	15,367,820	-	-
Bank overdrafts	<u>3,579,238</u>	<u>3,343,244</u>	<u>-</u>	<u>-</u>
	<u>46,819,858</u>	<u>18,711,064</u>	<u>-</u>	<u>-</u>
Non-current loans and borrowings				
Other borrowings	<u>17,587,374</u>	<u>17,260,377</u>	<u>-</u>	<u>-</u>

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2016

Group

Bank borrowings

The bank loan is denominated in sterling with a nominal interest rate of 1.4% above base rate (1.9% at the year end), and is repayable on demand. The carrying amount at year end is £43,240,620 (2015 - £15,367,820).

The bank loan has been drawn down for the stadium redevelopment. The facility is secured by Pula Sport Limited's guarantee.

The bank overdraft is denominated in sterling with a nominal interest rate of 1.75% plus base rate (0.5% at the year end), and is repayable on demand. The carrying amount at year end is £3,579,238 (2015 - £3,343,244).

The bank overdraft is secured by limited guarantees given by S P Lansdown totalling £4,500,000 and an unlimited guarantee given by Ashton Gate Limited.

Other borrowings

Other borrowings with a carrying amount of £17,587,374 (2015 - £17,260,377) are denominated in sterling with a nominal interest rate of 0%. The final instalment is due on 30 May 2025.

The loan of £20,050,000 from Pula Sport Limited is interest free and secured by a fixed charge over the stadium together with fixed charges over the plant and machinery, securities, debts, goodwill and insurances held by the company and a floating charge over the undertaking and assets of the company.

The loan is repayable in five equal instalments at annual intervals beginning on 30 May 2021. The loan is interest free save for any interest accruing where repayments fall due and are not made, in which case interest shall accrue from the date due until repaid at a rate of 4.5% per annum above the 3-month London Inter-Bank Offered Rate.

The loan has been represented in accordance with the requirements of FRS102. It is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. The movement on the loan each year is the unwinding of this discount, which is charged to the profit and loss account as an interest expense.

Included in the loans and borrowings are the following amounts due after more than five years:

	2016 £	2015 £
After more than five years by instalments	<u>13,896,638</u>	<u>17,260,377</u>

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2016

19 Analysis of net debt

	At 1 June 2015 £	Cash flow £	Non cash movements £	At 31 May 2016 £
Cash at bank and on hand	518,790	2,805	-	521,595
Bank overdrafts	(3,343,244)	(236,764)	-	(3,580,008)
Cash and cash equivalents	(2,824,454)	(233,959)	-	(3,058,413)
Bank loans due within one year	(15,367,820)	(27,872,800)	-	(43,240,620)
Other loans due after one year	(17,260,377)	-	(326,997)	(17,587,374)
Net debt	<u>(35,452,651)</u>	<u>(28,106,759)</u>	<u>(326,997)</u>	<u>(63,886,407)</u>

20 Deferred income

	2016 £
Balance brought forward	2,376,150
Released to profit during the year	(2,376,150)
Received during the year	<u>1,922,551</u>
Balance carried forward	<u>1,922,551</u>

The deferred income balance consists of football season ticket income in respect of the 2016/17 season.

21 Obligations under leases and hire purchase contracts

Group

Operating leases

The total of future minimum lease payments is as follows:

	2016 £	2015 £
Not later than one year	191,619	212,763
Later than one year and not later than five years	<u>232,500</u>	<u>219,495</u>
	<u>424,119</u>	<u>432,258</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £225,263 (2015 - £218,505).

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2016

22 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme and contributes to certain employees' personal pension plans. The pension cost charge for the year represents total contributions payable and amounted to £164,498 (2015 - £33,835).

23 Share capital

Allotted share capital

	No.	2016 £	No.	2015 £
Ordinary shares of £1 each	<u>73,030,909</u>	<u>73,030,909</u>	<u>57,742,736</u>	<u>57,742,736</u>

Called up and paid share capital

	No.	2016 £	No.	2015 £
Ordinary shares of £1 each	<u>73,030,909</u>	<u>73,030,909</u>	<u>56,642,736</u>	<u>56,642,736</u>

New shares allotted

During the year 15,288,173 £1 ordinary shares having an aggregate nominal value of £15,288,173 were allotted for an aggregate consideration of £15,288,173.

In addition, a further 1,100,000 £1 ordinary shares, allotted in the prior year, were called up and fully paid during the year for aggregate consideration of £1,100,000

Rights, preferences and restrictions

Ordinary shares have the right to one vote per share held at general meetings.

24 Commitments

Group

Capital commitments

The total amount contracted for but not provided in the financial statements in respect of the stadium redevelopment was £4,074,276 (2015 - £26,168,397).

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2016

25 Contingent liabilities

Group

Contractual liabilities under players' contracts may be payable of £Nil (2015 - £1,462,800) at various stages in the future contingent on the relevant players meeting certain performance conditions

26 Non adjusting events after the financial period

Since the end of the financial year the group has contracted for the purchase and sale of various players. The net receipt from these transfers, taking into account the applicable levies and excluding value added tax, was approximately £194,885 (2015 - outgoings of £2,237,158). These transfers will be accounted for in the year ending 31 May 2017.

The group is also due to receive £4,310,750 (2015 - £Nil) in respect of sell on clauses for players disposed of in previous years.

27 Financial instruments

Group

Financial liabilities measured at fair value

Interest rate swap

The fair value is £230,531 (2015 - £Nil) and the change in value included in profit or loss is £230,531 (2015 - £Nil).

Derivatives

Interest rate swap

The interest rate swap contract is valued using market derived projections of future cash flows in respect of the hedging instruments discounted back to estimated present values.

The interest rate swap settles on a quarterly basis. The floating rate on the interest rate swap is three months' LIBOR. The company will settle the difference between the fixed and the floating interest rate on a net basis.

The interest rate swap contract was entered into as a hedge of variable interest rate risk of the group's floating rate borrowings. Hedge accounting under FRS102 has not been applied and movements in fair values are recognised immediately in the profit and loss account.

Outstanding receive floating pay fixed contracts

	Average contract fixed interest rate		Notional Principle Value		Fair Value	
	2016	2015	2016	2015	2016	2015
	%	%	£	£	£	£
2 to 5 years	1.08	-	45,000,000	-	230,531	-

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2016

28 Related party transactions

Group

Key management compensation

	2016	2015
	£	£
Salaries and other short term employee benefits	<u>1,118,034</u>	<u>664,868</u>

Summary of transactions with parent

Immediate parent company

During the year, the immediate parent company provided funding to the group of £16,687,404 (2015 - £7,800,000), of which £16,388,173 (2015 - £7,800,000) was converted to equity. At the balance sheet date, the amount due to the immediate parent company was £299,231 (2015 - £Nil). The advance was made interest free and is repayable on demand.

The group also has a long-term loan of £20,050,000 (2015 - £20,050,000) from the immediate parent company. The group also received £300,000 (2015 - £nil) of funding from its intermediate parent company during the year. This funding was advanced interest free and is repayable on demand. At the balance sheet date the amount due to the immediate parent company was £20,350,000 (2015 - £20,050,000). Note 18 details the terms of the long-term loan arrangement.

Summary of transactions with other related parties

Fellow subsidiaries of the wider group

During the year, the group recognised sales in respect of income collected on its behalf by wider group companies in respect of ticket sales, online merchandise sales, corporate hospitality and car parking. The group recharged expenditure and was recharged expenditure by the wider group. The group also made purchases in respect of merchandise, management charges and other costs from the wider group.

Ultimate controlling party

S P Lansdown has guaranteed the bank borrowings of the group up to a maximum of £4,500,000 (2015 - £4,500,000).

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2016

Income and receivables from related parties

	Other related parties £
2016	
Income collected by related parties	4,977,526
Expenditure recharged to related parties	514,659
Sale of property or other assets	391,023
	<u>5,883,208</u>
Amounts receivable from related party	<u>138,067</u>
	Other related parties £
2015	
Income collected by related parties	2,465,006
Expenditure recharged to related parties	71,093
	<u>2,536,099</u>
Amounts receivable from related party	<u>230,091</u>

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2016

Expenditure with and payables to related parties

	Other related parties £
2016	
Purchases	2,416,808
Amounts payable to related party	243,106
	Other related parties £
2015	
Purchases	1,303,323
Income collected on behalf of related parties	1,374,095
	2,677,418

29 Parent and ultimate parent undertaking

The company's immediate parent is Pula Sport Limited, incorporated in Guernsey.

The ultimate parent is Pula Limited, incorporated in Guernsey.

The ultimate controlling parties are Mr & Mrs S P Lansdown, by virtue of their majority shareholding in the ultimate parent company.

30 Transition to FRS 102

The group has transferred to FRS102 from previously extant UK GAAP at 1 June 2014. The impact of the transition on the financial statements is as set out below.

Reconciliation of Equity at 1 June 2014

	£
Funds attributable to members at 1 June 2014 under previous UK GAAP	(14,583,659)
Holiday Pay Accrual	(455,698)
Discount on long term intra group loans	3,110,523
Funds attributable to members at 1 June 2014 under FRS 102	(11,928,834)

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2016

Reconciliation of Equity at 31 May 2015

	£
Funds attributable to members at 31 May 2015 under previous UK GAAP	(19,825,390)
Holiday Pay Accrual	(325,003)
Discount on long term intra group loans	2,789,623
	<hr/>
Funds attributable to members at 31 May 2015 under FRS 102	<u>(17,360,770)</u>

Reconciliation of Profit and Loss at 31 May 2015

	£
Profit for the year ended 31 May 2015 under previous UK GAAP	(9,954,967)
Holiday Pay Accrual	130,695
Unwinding of discount on long term intra group loans	(320,900)
	<hr/>
Profit for the year ended 31 May 2015 under FRS 102	<u>(10,145,172)</u>

On transition to FRS102, an accrual has been made for holiday pay which is contractually payable to staff members at the year end.

Software assets have been reclassified from tangible fixed assets to intangible fixed assets. This has had no net impact on funds attributable to members or reported profits for the comparative period.

The freehold property has been transferred at deemed cost on 1 June 2014. The previous policy of revaluation has been broken at this date.

Long term, interest free, intra group loans have been discounted at a market rate of interest. The discount arising on transition has been credited to a capital contribution reserve. Each year, the discount is unwound and an amount is charged to other interest payable in the profit and loss account. An amount equal to the interest charged is transferred from the capital contribution reserve to the profit and loss reserve.

There is no impact on the financial statements of the company.