

Company Registration Number 01501663

Bristol City Holdings Limited

Annual Report and Consolidated Financial Statements

31 May 2014

FRIDAY



A4234FUH

A10

27/02/2015

#160

COMPANIES HOUSE

Report and consolidated financial statements 2014

Contents

	Page
Officers and professional advisers	1
Chairman's statement	2
Strategic report	3
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
J Lansdown

Secretary

Doug Harman

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

The group's loss after taxation was £9,545,470 (2013 £12,959,145) an improvement of over 26% on the previous year. The total cash required by the club to sustain its operations for the year was £7.3m against £15.4m for the previous year. This result underlines the continuing trend and significant progress being made to reduce our annual losses.

However, on the pitch it was a difficult start to the season leading to the departure of Head Coach, Sean O'Driscoll. The appointment of Steve Cotterill as the Club's Manager in December signalled the beginning of improved performances, better results and a strong finish to our League One season.

Special mention needs to be made of Louis Carey who retired from the game at the end of the 2013/14 season having become the club's top appearance maker. We all wish Louis the very best for the future and on behalf of the board I would like to once again formally record our thanks and appreciation to a great servant to the club.

The Board's "five pillars" strategy remains at the centre of our plans, underpinned by financial control and prudence, player development and recruitment. During this period progress has been encouraging and is already yielding positive results.

Our plans to provide the people of Bristol with significantly enhanced stadium facilities here at Ashton Gate Stadium have received much publicity. Sizeable costs for professional advice and planning applications to support this work have been incurred during the 2013/14 financial year. The go-ahead for demolition of the Wedlock Stand was given after year end and has now started, this will be replaced by a much improved South Stand for the beginning of the 2015/16 season. Work to refurbish the Dolman Stand is also planned and is due for completion by the start of season 2015/16. With these two stands operational again, the Williams Stand will then be demolished and replaced.

The building work at Ashton Gate is considerable and by August 2016 we aim to have a spectacularly refurbished stadium with modern facilities for all users and visitors to Ashton Gate Stadium. These new facilities are crucial to our drive for significantly higher commercial revenues across the group businesses. I hope everyone will continue to bear with us during the building process and the necessary reduced capacity - I am sure that the end results will justify any short term inconvenience.

In the meantime we welcome our friends from Bristol Rugby to their new home at Ashton Gate.

Finally, I would like to record my thanks to all our loyal and hard working staff for their continued skill and commitment during this year plus acknowledge the contribution made to the club by our dedicated fans. I am sure that we will all benefit from the rebuilding work that we are just starting at Ashton Gate and that together we will have a stadium that we can all be proud of and which will give us a sound base for future success together.



Doug Harman
Secretary

Strategic report

Review of business and future developments

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

Key performance indicators

The financial success of the group is linked to the success of the football club and in 2013/14 the following statistics contributed to the results shown in the group's profit and loss account

- (i) Average League Attendance – 11,592 including 8,823 season ticket sales
- (ii) Final League position – 12th in League One meaning that season 2014/15 will be spent once again in League One
- (iii) No significant progress in any of the three cup competitions entered

Note 2 shows the revenue impact of the above compared to the previous season in the Championship

- (i) Total gate revenue down £462,984 (15%)
- (ii) Central distributions from broadcasting, the Football League and Solidarity payments down £2,948,225 (70%)

The group's financial outcome is very much dependent on its ability to control costs and note 3 shows that in a year when turnover reduced by £3.8m (39%), staff costs were reduced by £5.6m (33%)

Principal risks and uncertainties

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

By order of the Board



D Harman
Secretary

Directors' report

The directors present their annual report and the consolidated financial statements for the year ended 31 May 2014

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 loss before tax included in the profit and loss account is £9,545,470 (2013: loss of £12,959,145).

The directors cannot recommend the payment of a dividend (2013: £nil).

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

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

D Harman (appointed secretary 14 October 2013)

K Skeggs (resigned as secretary 14 October 2013)

Directors' report

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



D Harman
Secretary

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 2014 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 23. 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 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 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 2014 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 Directors' Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

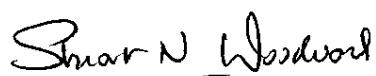
Independent auditor's report

to the members of Bristol City Holdings Limited (continued)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



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

26 February 2015

Consolidated profit and loss account

for the year ended 31 May 2014

	Notes	2014 £	2013 £
Turnover	2	6,081,107	9,903,422
Staff costs	3	(11,322,342)	(16,857,966)
Amortisation and impairment of players' contracts	9	(920,381)	(1,578,600)
Depreciation	10	(476,674)	(401,975)
Other operating charges		(3,940,059)	(4,279,789)
New stadium development expenditure		(22,648)	(309,714)
Total other operating charges		(3,962,707)	(4,589,503)
		(16,682,104)	(23,428,044)
Operating loss	5	(10,600,997)	(13,524,622)
Profit on disposal of players' contracts		1,124,040	626,813
Loss on ordinary activities before interest and taxation		(9,476,957)	(12,897,809)
Loss excluding player trading and stadium expenditure		(9,657,968)	(11,636,308)
Player trading*		203,659	(951,787)
New stadium development expenditure		(22,648)	(309,714)
Interest payable and similar charges	6	(68,513)	(61,336)
Loss on ordinary activities before taxation		(9,545,470)	(12,959,145)
Tax on loss on ordinary activities	7	-	-
Loss for the financial year	17	(9,545,470)	(12,959,145)

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 2014

	2014 £	2013 £
Reported loss on ordinary activities before taxation	(9,545,470)	(12,959,145)
Difference between historical cost depreciation charge and the actual charge calculated on the revalued amount	160,990	160,990
Historical cost loss on ordinary activities after taxation	(9,384,480)	(12,798,155)

Consolidated balance sheet

at 31 May 2014

	Notes	2014 £	2013 £
Fixed assets			
Intangible assets	9	1,267,429	1,874,422
Tangible assets	10	12,161,409	10,154,256
		<u>13,428,838</u>	<u>12,028,678</u>
Current assets			
Stocks of goods for resale		101,058	145,587
Debtors	12	1,098,372	1,675,885
Cash at bank and in hand	18(b)	-	4,676
		<u>1,199,430</u>	<u>1,826,148</u>
Creditors: amounts falling due within one year	13	(7,022,537)	(6,193,015)
Net current liabilities		<u>(5,823,107)</u>	<u>(4,366,867)</u>
Total assets less current liabilities		7,605,731	7,661,811
Creditors: amounts falling due after more than one year	14	(22,189,390)	(20,000,000)
Net liabilities		<u>(14,583,659)</u>	<u>(12,338,189)</u>
Capital and reserves			
Called up share capital	16	48,842,736	41,542,736
Share premium account	17	9,969,543	9,969,543
Revaluation reserve	17	4,796,168	4,957,158
Profit and loss account	17	(78,192,106)	(68,807,626)
Shareholders' deficit	17	<u>(14,583,659)</u>	<u>(12,338,189)</u>

The financial statements of Bristol City Holdings Limited, registered number 01501663, were approved by the Board of Directors and authorised for issue on 26 February 2015

Signed on behalf of the Board of Directors



D Harman
Secretary

Company balance sheet

at 31 May 2014

	Notes	2014 £	2013 £
Fixed assets			
Investments	11	-	-
Current assets			
Debtors	12	7,300,000	-
		7,300,000	-
Net current assets		7,300,000	-
Total assets less current liabilities, being net assets		7,300,000	-
Capital and reserves			
Called up share capital	16	48,842,736	41,542,736
Share premium account	17	9,969,543	9,969,543
Profit and loss account	17	(51,512,279)	(51,512,279)
Shareholders' funds	17	7,300,000	-

The financial statements of Bristol City Holdings Limited, registered number 01501663, were approved by the Board of Directors and authorised for issue on 26 February 2015

Signed on behalf of the Board of Directors



D Harman
Secretary

Consolidated cash flow statement

for the year ended 31 May 2014

	Notes	2014 £	2013 £
Cash outflow from operating activities	18(a)	(7,923,380)	(14,095,258)
Returns on investments and servicing of finance			
Interest paid		(68,513)	(61,336)
Net cash outflow from returns on investments and servicing of finance		(68,513)	(61,336)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(2,496,933)	(882,781)
Payments to acquire intangible fixed assets		(700,292)	(2,135,000)
Proceeds from disposal of intangible fixed assets		1,510,944	1,546,794
Proceeds from disposal of tangible fixed assets		12,744	-
Net cash (outflow) / inflow from capital expenditure and financial investment		(1,673,537)	(1,470,987)
Net cash outflow before financing		(9,665,430)	(15,627,581)
Financing			
Repayment of Football League loan		-	(13,591)
Secured loan received		-	15,350,000
Loan received		2,189,390	-
Proceeds from issued share capital		7,300,000	-
Net cash inflow from financing		9,489,390	15,336,409
Decrease in cash		(176,040)	(291,172)
Reconciliation of net cash flow to movement in net debt (note 18(b))			
Decrease in cash		(176,040)	(291,172)
Cash inflow from increase in debt		(2,189,390)	(15,336,409)
Change in net debt resulting from cash flows		(2,365,430)	(15,627,581)
Debt to equity conversion			
- Reversal of secured loan		-	30,550,000
- Waiver of secured loan interest		-	1,795,342
- Reversal of debt element of 'A' shares		-	4,212,923
		-	20,930,684
Net debt at start of year		(23,273,398)	(44,204,082)
Net debt at end of year	18(b)	(25,638,828)	(23,273,398)

Notes to the financial statements

for the year ended 31 May 2014

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 2015, 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 2015 which show a requirement for £9m of additional cash in the period.

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. Such finance comes from the parent company, Pula Sport Limited, a company owned and controlled by Stephen Lansdown. Pula Sport Limited invests in the company via equity injections which confirms the long term commitment that they and Stephen Lansdown have to the company and the group. Pula Sport Limited has confirmed its support for the £9m expected shortfall in cash of the group in 2014/15.

The directors are confident that taking into account the commitment by Pula Sport Limited to subscribe for further shares in Bristol City Holdings Limited should the need arise, the group will have sufficient working capital until at least the end of the 2014/15 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.

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 2014.

Notes to the financial statements

for the year ended 31 May 2014

1. Accounting policies (continued)

Intangible assets – player contracts

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.

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 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.

Notes to the financial statements

for the year ended 31 May 2014

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
Long leasehold property	over the lease term, 99 years
Plant and machinery	over 7 years
Fixtures and fittings	over 5 years
Assets under the course of construction	once commissioned

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. As the properties are demolished the assets are written down, based on the impairment that the work represents.

Assets under the course of construction

Assets under the course of construction relate to the stadium redevelopment project. In the year, plans were announced to redevelop Ashton Gate stadium. Directly attributable costs (including finance costs) relating to stadium redevelopment have been capitalised into assets under the course of construction.

The related impairment of those parts of the existing stadium which will be demolished as part of the redevelopment of the stadium will be recognised at the point at which the company commits to this action, which is expected to be the financial year ending 31 May 2015 in all cases.

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.

Notes to the financial statements

for the year ended 31 May 2014

1. Accounting policies (continued)

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.

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.

	2014 £	2013 £
<i>Turnover by segment</i>		
Match day revenue	1,094,322	1,132,457
Season ticket revenue	1,535,792	1,960,641
Broadcasting revenue	82,000	80,000
Football League pool	679,800	1,820,000
Solidarity payment	480,000	2,290,025
Other football related income	641,369	694,544
Stadium revenue	1,567,824	1,925,755
	<u>6,081,107</u>	<u>9,903,422</u>

3. Staff costs

	2014 £	2013 £
<i>Group</i>		
Wages and salaries	9,906,056	14,939,390
Social security costs	1,165,358	1,874,374
Pension contributions	250,928	44,202
	<u>11,322,342</u>	<u>16,857,966</u>

The company had no unpaid pension contributions outstanding at the year end (2013: £nil).

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

	No	No
Office, management and ground staff	119	129
Players	51	37
	<u>170</u>	<u>166</u>

The above employee numbers correspond with the two subsidiary companies. Bristol City Holdings Limited itself 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 2014

4. Directors

The emoluments of directors of the group were	2014 £	2013 £
Fees and other emoluments (including benefits in kind)	<u>196,745</u>	<u>252,034</u>
	£	£
Highest paid director	<u>80,845</u>	<u>129,603</u>

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

5. Operating loss

This is stated after charging	2014 £	2013 £
Operating lease rentals		
- property	228,900	360,987
- other	47,635	10,737
Auditor's remuneration		
Fees payable to the company's auditor		
for the audit of the company's annual accounts	1,000	500
Fees payable to the company's auditor		
for the audit of the company's subsidiaries pursuant to legislation	20,000	19,000
Other non-audit fees		
- tax services	5,250	3,500
- interim financial statements review	-	5,000
- other services	3,500	1,750
Amortisation of players' contracts	920,381	1,578,600
Depreciation of owned assets	476,674	401,975
Loss on disposal of fixed assets	<u>363</u>	<u>-</u>

The company-only audit fee of £1,000 (2013 £500) was borne by Ashton Gate Limited and not recharged

Notes to the financial statements

for the year ended 31 May 2014

6 Interest payable and similar charges

	2014 £	2013 £
Bank overdraft	<u>68,513</u>	<u>61,336</u>

7. Tax on loss on ordinary activities

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

The tax rate used in 2014 is 22.67%. This has been calculated by taking a 23% tax rate up to 5 April 2014, and then pro-rating for the change in tax rate from this date to 21%.

The tax assessed on the loss on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 22.67% (2013: 23.83%). The differences are explained below:

	2014 £	2013 £
Loss on ordinary activities before tax	<u>(9,545,470)</u>	<u>(12,959,145)</u>
	£	£
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 22.67% (2013: 23.83%)	(2,163,552)	(3,088,537)
Effect of:		
Expenses not deductible for tax purposes	111,486	141,069
Income not taxable	-	(310)
Difference between capital allowances and depreciation	52,735	28,712
Other timing differences	(2,689)	-
Losses carried forward	<u>2,002,020</u>	<u>2,919,066</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

The group has an unrecognised deferred tax asset of £14,946k at 31 May 2014 (2013: £13,794k). The deferred tax asset has not been recognised as the continued losses of the group mean that 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.

Notes to the financial statements

for the year ended 31 May 2014

8. Loss attributable to members of the parent undertaking

The loss dealt with in the financial statements of the parent undertaking was £nil (2013 £30,550,003) following the impairment of its investments – see note 11

9. Intangible fixed assets

<i>Group</i>	<i>Players' contracts</i> £
Cost	
At 1 June 2013	3,250,000
Additions	700,292
Disposals	(1,176,292)
At 31 May 2014	2,774,000
Amortisation	
At 1 June 2013	1,375,578
Charge for the year	920,381
Disposals	(789,388)
At 31 May 2014	1,506,571
Net book value	
At 31 May 2014	1,267,429
At 31 May 2013	1,874,422

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 2014

10. Tangible fixed assets

	<i>Freehold land and buildings £</i>	<i>Long leasehold property £</i>	<i>Plant and machinery £</i>	<i>Fixtures and fittings £</i>	<i>Assets under the course of construction £</i>	<i>Total £</i>
Cost						
At 1 June 2013	12,641,356	1,086,723	990,389	773,173	-	15,491,641
Additions	768,023	-	10,763	209,547	1,508,600	2,496,933
Disposals	-	-	-	(13,107)	-	(13,107)
Impairment – disposal	(1,818,296)	(4,113)	(381,244)	(467,172)	-	(2,670,825)
At 31 May 2014	11,591,083	1,082,610	619,908	502,441	1,508,600	15,304,642
Depreciation						
At 1 June 2013	3,958,959	52,575	740,089	585,762	-	5,337,385
Charge for the year	292,231	8,194	89,833	86,416	-	476,674
Impairment – disposal	(1,818,297)	(4,113)	(381,244)	(467,172)	-	(2,670,826)
At 31 May 2014	2,432,893	56,656	448,678	205,006	-	3,143,233
Net book value						
At 31 May 2014	9,158,190	1,025,954	171,230	297,435	1,508,600	12,161,409
At 31 May 2013	8,682,397	1,034,148	250,300	187,411	-	10,154,256

Included in freehold land and buildings is land with a cost of £538,445 (2013 £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. As the assets to which the revaluation relates are demolished an impairment loss is identified.

The impairment included within fixed assets relates to a historical cost and depreciation difference between the consolidated BCFC Holdings accounts and the individual subsidiary accounts. The impairment has no impact on net book value in either the consolidated or subsidiary accounts.

Assets under the course of construction relate to the redevelopment of the stadium.

Notes to the financial statements

for the year ended 31 May 2014

10. Tangible fixed assets (continued)

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

	£
Cost	
At 1 June 2013	4,955,571
At 31 May 2014	5,741,594
Cumulative depreciation based on cost	
At 31 May 2014	1,379,572
At 31 May 2013	1,230,332

Company

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

11. Investments

<i>Company</i>	<i>2014</i>	<i>2013</i>
	£	£
Cost – subsidiary undertakings	-	30,550,003
Provision for impairment	-	(30,550,003)
Net book value	-	-

Details of the fully impaired 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

Notes to the financial statements

for the year ended 31 May 2014

12. Debtors

	<i>Group</i>		<i>Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Trade debtors	223,591	210,216	-	-
Other debtors and prepayments	624,781	715,839	-	-
Amounts due by fellow subsidiary undertaking	-	-	7,300,000	-
Amounts receivable in respect of transfer fees	250,000	749,830	-	-
	<u>1,098,372</u>	<u>1,675,885</u>	<u>7,300,000</u>	<u>-</u>

13. Creditors: amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Bank overdraft (note 18b)	3,449,438	3,278,074	-	-
Amounts payable in respect of transfer fees	187,500	475,000	-	-
Trade creditors	1,266,874	501,550	-	-
Other taxes and social security costs	234,909	549,533	-	-
Accruals and deferred income	1,883,816	1,388,858	-	-
	<u>7,022,537</u>	<u>6,193,015</u>	<u>-</u>	<u>-</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>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Secured loan (note 15)	20,050,000	20,000,000	-	-
Secured stadium loan (note 15)	2,139,390	-	-	-
	<u>22,189,390</u>	<u>20,000,000</u>	<u>-</u>	<u>-</u>

Notes to the financial statements

for the year ended 31 May 2014

15. Loan

	<i>Group</i>		<i>Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Wholly repayable within five years				
Secured loan	20,050,000	20,000,000	-	-
Secured stadium loan	2,139,390	-	-	-
	<u>22,189,390</u>	<u>20,000,000</u>	<u>-</u>	<u>-</u>
Less included in creditors amounts falling due within one year	-	-	-	-
	<u>22,189,390</u>	<u>20,000,000</u>	<u>-</u>	<u>-</u>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Between two and five years	<u>22,189,390</u>	<u>20,000,000</u>	<u>-</u>	<u>-</u>

The loan of £20,050,000 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 secured loan of £2,139,390 has been drawn down for the Stadium redevelopment. The facility is secured by Pula Sport Limited's guarantee and the interest rate is agreed at 1.4% above base rate, which currently is 1.9%. Repayment of the credit facility is on demand.

Notes to the financial statements

for the year ended 31 May 2014

16. Called up share capital

Group and Company

	2014 No	Share conversion No	Shares issued No	2013 No
Authorised				
Ordinary shares of £1 each	52,842,736	-	11,200,000	41,642,736
Unclassified shares of £1 each	3,907,264	-	-	3,907,264
	<u>56,750,000</u>	<u>-</u>	<u>11,200,000</u>	<u>45,550,000</u>

	2014 £	Share conversion £	Shares issued £	2013 £
Allotted, called up and fully paid				
Ordinary shares of £1 each	48,842,736	-	7,300,000	41,542,736
	<u>48,842,736</u>	<u>-</u>	<u>7,300,000</u>	<u>41,542,736</u>

17. Reconciliation of shareholders' (deficit)/funds and movements on reserves

Group

	Share capital £	Share premium account £	Revaluation reserve £	Profit and loss account £	Total £
At 1 June 2013	41,542,736	9,969,543	4,957,158	(68,807,626)	(12,338,189)
Loss for the year	-	-	-	(9,545,470)	(9,545,470)
Shares issued	7,300,000	-	-	-	7,300,000
Transfer in respect of depreciation	-	-	(160,990)	160,990	-
At 31 May 2014	<u>48,842,736</u>	<u>9,969,543</u>	<u>4,796,168</u>	<u>(78,192,106)</u>	<u>(14,583,659)</u>

Company

	Share capital £	Share premium account £	Profit and loss account £	Total £
At 1 June 2013	41,542,736	9,969,543	(51,512,279)	-
Shares issued	7,300,000	-	-	7,300,000
Loss for the year	-	-	-	-
At 31 May 2014	<u>48,842,736</u>	<u>9,969,543</u>	<u>(51,512,279)</u>	<u>7,300,000</u>

Notes to the financial statements

for the year ended 31 May 2014

18. Notes to the consolidated statement of cash flows

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

	2014 £	2013 £
Operating loss	(10,600,997)	(13,524,622)
Amortisation of players' contracts	920,381	1,578,600
Depreciation	476,674	401,975
Loss on disposal of fixed assets	363	-
Decrease/(increase) in stocks	44,529	(22,409)
Decrease/(increase) in debtors	577,513	(9,859)
Increase/ (decrease) in creditors	658,157	(2,518,943)
Net cash outflow from operating activities	(7,923,380)	(14,095,258)

(b) Analysis of changes in net debt

Group	At 1 June 2013 £	Cash flow £	Non-cash items £	At 31 May 2014 £
Cash at bank and in hand	4,676	(4,676)	-	-
Overdraft	(3,278,074)	(171,364)	-	(3,449,438)
	<u>(3,273,398)</u>	<u>(176,040)</u>	<u>-</u>	<u>(3,449,438)</u>
Secured loan	(20,000,000)	(50,000)	-	(20,050,000)
Secured stadium loan	-	(2,139,390)	-	(2,139,390)
	<u>(20,000,000)</u>	<u>(2,189,390)</u>	<u>-</u>	<u>(22,189,390)</u>
Total	<u>(23,273,398)</u>	<u>(2,365,430)</u>	<u>-</u>	<u>(25,638,828)</u>

Notes to the financial statements

for the year ended 31 May 2014

19. Other financial commitments

At 31 May 2014 and 2013 the group had annual commitments under non-cancellable operating leases as set out below

Group and Company

	2014		2013	
	<i>Land and buildings</i>	<i>Other</i>	<i>Land and buildings</i>	<i>Other</i>
	£	£	£	£
Operating leases which expire				
Within one year	8,532	6,791	-	5,721
In two to five years	228,900	41,360	240,272	-
Total	237,432	48,151	240,272	5,721

20. 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>	
	2014	2013	2014	2013
	£	£	£	£
Contractual liabilities under players' contracts	560,000	777,996	-	-

21. Related party transactions

As disclosed in note 14 to these financial statements, an amount of £20,050,000 (2013 £20,000,000) is owed to Pula Sport Limited, the immediate holding company, in respect of a secured loan. Interest of £nil (2013 £nil) is payable to the same related party in relation to this loan. Details of transactions with Pula Sport Limited are set out in note 15.

During the year a director, J Lansdown, received £nil (2013 £3,400) in respect of rental income on a property used by playing staff.

Resource Solutions Group PLC in which K W Dawe is principal shareholder and director purchased hospitality from the group for an AMC Lounge Membership for £4,080. During the year the group paid placement and contractor fees to the companies owned by Resource Solutions Group PLC totalling £78,048. All transactions were negotiated and settled at arm's length. There was no outstanding debtor at the current or prior year-end.

Notes to the financial statements

for the year ended 31 May 2014

22. 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, was approximately £258,750. These transfers will be accounted for in the year ending 31 May 2015.

Work to redevelop the stadium started just after the period of these accounts when the decision was taken to demolish and rebuild the Wedlock stand and the lower section of the Dolman stand. The Wedlock Stand was demolished in summer 2014 and will be replaced by a much improved South Stand for the start of season 2015/16. August 2015 will also see the full re-opening of the refurbished Dolman Stand for which demolition commenced in January 2015. In accordance with our accounting policy, see note 1, the impairment charge relating to this demolition work will be recognised in the 2014/15 accounts.

23. Ultimate controlling party

The directors consider Stephen Lansdown to be the ultimate controlling party by virtue of his majority shareholding in Pula Sport Limited, the ultimate controlling entity.