

Bristol City Holdings Limited

Annual Report and Consolidated Financial Statements Year Ended 31 May 2019

Registration number: 01501663



Bristol City Holdings Limited

Contents

Company Information	1
Strategic Report	2 to 4
Directors' Report	5 to 6
Statement of Directors' Responsibilities	7
Independent Auditor's Report	8 to 10
Consolidated Profit and Loss Account	11
Consolidated Balance Sheet	12
Balance Sheet	13
Consolidated Statement of Changes in Equity	14
Statement of Changes in Equity	15
Consolidated Statement of Cash Flows	16
Notes to the Financial Statements	17 to 40

Bristol City Holdings Limited

Company Information

Chairman J S Lansdown

Directors D J Harman

Company secretary G T Marshall

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Auditors PKF Francis Clark
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Bristol City Holdings Limited

Strategic Report

Year Ended 31 May 2019

The directors present their strategic report for the year ended 31 May 2019.

Fair review of the business

The overall group profit this year was £9.8m (2018 - loss of £25.16m) and the total cash requirement by the Club to sustain its operations for the year was £10.1m (2018 - £18.68m), the funding for which was received by increased equity investments into Bristol City Holdings Limited, by the parent company Pula Sport Limited.

The profit for the year is a result of significant profits achieved on player sales, including several Academy players whose transfer fees were recognised as full profit. Excluding player trading, the loss for the year is within the expectations of the Board reflecting the ongoing investment into the operations of the Football Club and wider operational infrastructure of the Group, including investment in the new training facilities. These profits have resulted in net assets as at 31 May 2019 of £6.15m (2018 - net liabilities £13.76m). As described in Note 2 to the financial statements the Directors are satisfied with both the going concern status of the group and the valuation of the key assets and liabilities included within the balance sheet.

The company itself has not traded during the year and therefore this report provides a review of the two significant subsidiaries; Bristol City Football Club Limited (which operates the professional football team) and Ashton Gate Limited (which operates the stadium facilities). In addition, the newly incorporated subsidiary of Bristol City Football Club, Bristol City Women Football Club Limited (which operates the professional women's football team), is included in this report. The consolidated financial and other key performance indicators, with which the directors are satisfied, are set out in a table at the end of this report.

Bristol City Football Club

The overall Group profit before tax this year was £12.7m (2018 - loss £25.16m).

Following player sales, particularly the sale of Bobby Reid, Joe Bryan and Aden Flint during the summer of 2018 and of Lloyd Kelly to Bournemouth in May 2019, as well as further related payments received following the sale of Jonathan Kodjia to Aston Villa, the accounts include a profit on player disposals of £38.2m.

At the start of this season the Club welcomed seven new players. Marley Watkins' arrival from Norwich City was soon followed by Adam Webster and Hakeeb Adelakun from Ipswich Town and Scunthorpe United respectively. Andreas Weimann was signed from Derby County, Jack Hunt and Mo Eisa arrived from Sheffield Wednesday and Cheltenham Town respectively and goalkeeper Niki Mäenpää signed a one year deal to conclude a busy 2018 summer of player trading for the Club.

There were also many changes off the pitch in the summer of 2018, amongst them the arrival of Andy Rolls from Arsenal as Head of Performance, taking charge of the medical and sports science departments, and Andrew Proctor as first team physiotherapist from Oxford United. There were additional responsibilities too for our Chief Executive, Mark Ashton as we were delighted to see him elected to the EFL board in June 2018 giving the Club a voice at the top table of the English Football League.

There were many highlights on the pitch during the 2018-19 season. The Club had another good run in the FA cup, eventually losing to Wolverhampton Wanderers in the 5th round at Ashton Gate. Another favourite was Andreas Weimann's first career hat trick as City beat Sheffield United away at Bramhall Lane.

Bristol City Holdings Limited

Strategic Report

Year Ended 31 May 2019

Following good performances on the pitch, particularly away from home, the Club narrowly missed out on a play off position by 4 points eventually finishing the season in 8th place with 70 points, an improvement on last year's 11th place finish and 67 points.

Planning permission has been granted for the development of our training ground and as soon as tenders are agreed work will begin to transform our facilities at Failand which will enable the Club to bring together the first team and Under 23 squads along with the Academy.

During the season there has been far greater integration between the men's and women's teams. In June 2018 the strategic management of Bristol Academy Women's Football Club passed to the Bristol City Football Club Limited Board and in November 2018 the trade and assets were transferred to a newly incorporated wholly owned subsidiary of Bristol City Football Club Limited. We believe that the transfer will enable us to better fund and develop women's football in Bristol as part of the Bristol Sport group of companies.

The board would like to thank Keith Dawe for his support and contribution to the Club over many years following his decision to step down as Chairman and director at the end of May.

As we look forward to the coming season, the board would also like to formally acknowledge the continuing and generous financial support of Steve and Maggie Lansdown. Finally, we would like to thank all our loyal and hard working staff for their continued efforts during this year.

Ashton Gate Limited

During the financial year the company went from strength to strength. We achieved turnover growth of c.38% which was largely driven by further expansion of our non-match day meetings and events business, increased attendance at Bristol Bears' games and the first of our summer series of concerts. As the variety and scale of the events that we staged at the stadium grew, so did our reputation as the leading events venue in the South West of England.

Although our success in non sports based activity has been pronounced (supported by a superb operations team) we are of course home to two of the South West's biggest professional sports clubs. It has been both exciting and rewarding to see Bristol City Football Club and Bristol Bears Rugby Club have successful seasons and that has been very much a part of driving up attendance on match days. The combination of on field success and stadium operational excellence gives fans a truly wonderful match day experience. A central element of the stadium's strategy is to continue to improve operational delivery. This is achieved by having leading edge systems and processes but also by doing the basics well - making sure attendees at matches can easily gain access to the variety of services on offer at Ashton Gate.

Underpinning the delivery of match day is an outstanding workforce. We are proud that the majority of our workforce is local to the stadium with many starting their first ever job here. Their enthusiasm and commitment comes across to the people who use the stadium on a daily basis and is frequently commented on. We believe we have a central responsibility to give opportunity to our local community and for the stadium to be a provider of positive change and progress.

In late September 2018 we announced plans for the redevelopment of the site next door to the stadium, bordering Winterstoke Road. Since that time we have been working diligently in the background to refine those plans, taking on board feedback from a variety of people and organisations by way of an extensive consultation process. As we move now into the final quarter of 2019 we will be publishing our revised plans based on that feedback. We are aware there has been some disruption in the background planning environment (with the Joint Spatial Plan proposed by the four local unitary authorities rejected by the Planning Inspectorate) but our intentions remain unchanged nonetheless.

Bristol City Holdings Limited

Strategic Report

Year Ended 31 May 2019

Key performance indicators

The group's key financial and other performance indicators during the year were as follows:

	Unit	2019	2018
Turnover	£'000	30,251	25,975
Loss excluding player trading	£'000	(18,581)	(17,408)
Player trading	£'000	30,406	(7,461)
EBITDA (earnings before interest, tax, depreciation and amortisation)	£'000	(15,051)	(14,583)
Net book value of tangible fixed assets	£'000	51,507	53,031
Net debt	£'000	(69,093)	(71,624)
Year on year (decrease)/ increase in total gate revenue	£'000	(673)	1,626
Average football league attendance	No.	20,949	20,953

Revenue generating activities in respect of merchandised sales to the public ceased in the group from 1 June 2018. This is explained further in the accounting policies set out in Note 2 to these accounts.

Principal risks and uncertainties

The principal risk to the group is the availability of equity finance to fund the ongoing cash requirements of the group. 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 23/10/19 and signed on its behalf by:



D J Harman
Director

Bristol City Holdings Limited

Directors' Report

Year Ended 31 May 2019

The directors present their report and the financial statements for the year ended 31 May 2019.

Directors of the group

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

K W Dawe - Chairman (Resigned 31 May 2019)

D J Harman

J S Lansdown - Chairman

Principal activity

The principal activity of the group is the operation of sports facilities and running of a professional football club.

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 risk in this area. The group, from time to time, enters into hedging instruments in order to protect against interest rate risk. While interest rates remain unchanged, these instruments result in minimal charges to the profit and loss account in order to recognise the fair value of the instruments in accordance with FRS 102 where hedge accounting is not applied. The directors, having considered the most recent and most likely future interest rate movements, are satisfied that it is appropriate to hold the instruments as they will protect against any future significant and sustained increase in base rates. The group 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 aptitudes 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 2019

Future developments

The company has taken advantage of Section 414C(11) of the Companies Act 2006 and included details of future developments in the Strategic Report.

Important non adjusting events after the financial period

On 27 September 2019, Bristol City Football Club Limited capitalised £71,352,347 of debt due to its immediate parent company Bristol City Holdings Limited, in exchange for 71,352,347 ordinary shares of £1 each in the capital of the company.

On 16 September 2019, Ashton Gate Limited exchanged £765,170 of debt due from its 100% owned subsidiary, St James Parade (122) Limited, for 765,170 ordinary shares of £1 in that company. Immediately after the issue of shares, St James Parade (122) Limited undertook a capital reduction, leaving the company as the sole shareholder with 1 ordinary share of £1. The intention of the director of St James Parade (122) Limited is to distribute the reserves arising from the capital reduction to Ashton Gate Limited within the next twelve months.

Disclosure of information to the auditor

Each director has taken all the 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 23/10/19 and signed on its behalf by:



D J Harman
Director

Bristol City Holdings Limited

Statement of Directors' Responsibilities

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

Bristol City Holdings Limited

Independent Auditor's Report to the Members of Bristol City Holdings Limited

Opinion

We have audited the financial statements of Bristol City Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 May 2019, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 May 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

Bristol City Holdings Limited

Independent Auditor's Report to the Members of Bristol City Holdings Limited

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- 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; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 7), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Bristol City Holdings Limited

Independent Auditor's Report to the Members of Bristol City Holdings Limited

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



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

Ground Floor
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Somerset
TA1 2PX

Date: 24 October 2019

Bristol City Holdings Limited

Consolidated Profit and Loss Account

Year Ended 31 May 2019

	Note	Continuing operations 2019 £	Discontinued operations 2019 £	Total 2019 £	Continuing operations 2018 £	Discontinued operations 2018 £	Total 2018 £
Turnover	3	30,250,718	-	30,250,718	25,062,080	913,352	25,975,432
Other operating income	4	524,545	-	524,545	-	-	-
Employee benefits expense		(30,640,510)	-	(30,640,510)	(27,274,691)	-	(27,274,691)
Depreciation and amortisation expense		(10,758,723)	-	(10,758,723)	(10,582,475)	-	(10,582,475)
Other expenses		<u>(15,185,959)</u>	<u>-</u>	<u>(15,185,959)</u>	<u>(12,370,249)</u>	<u>(913,352)</u>	<u>(13,283,601)</u>
Operating loss	5	(25,809,929)	-	(25,809,929)	(25,165,335)	-	(25,165,335)
Profit on disposal of players' contracts		<u>38,159,454</u>	<u>-</u>	<u>38,159,454</u>	<u>296,625</u>	<u>-</u>	<u>296,625</u>
Profit/(loss) before interest and taxation		12,349,525	-	12,349,525	(24,868,710)	-	(24,868,710)
Loss excluding player trading		(18,056,814)	-	(18,056,814)	(17,408,179)	-	(17,408,179)
Player trading*		<u>30,406,339</u>	<u>-</u>	<u>30,406,339</u>	<u>(7,460,531)</u>	<u>-</u>	<u>(7,460,531)</u>
Net (loss)/gain on financial liabilities at fair value		(70,741)	-	(70,741)	811,996	-	811,996
Other interest receivable and similar income	9	25,178	-	25,178	51,064	-	51,064
Interest payable and similar expenses	10	<u>(1,350,363)</u>	<u>-</u>	<u>(1,350,363)</u>	<u>(1,341,339)</u>	<u>-</u>	<u>(1,341,339)</u>
Profit/(loss) before tax		10,953,599	-	10,953,599	(25,346,989)	-	(25,346,989)
Taxation	11	<u>(1,150,531)</u>	<u>-</u>	<u>(1,150,531)</u>	<u>182,708</u>	<u>-</u>	<u>182,708</u>
Profit/(loss) for the year		<u>9,803,068</u>	<u>-</u>	<u>9,803,068</u>	<u>(25,164,281)</u>	<u>-</u>	<u>(25,164,281)</u>

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

The notes on pages 17 to 40 form an integral part of these financial statements.

Bristol City Holdings Limited

Consolidated Balance Sheet

31 May 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	12	13,182,707	12,313,385
Tangible assets	13	<u>51,506,830</u>	<u>53,031,333</u>
		<u>64,689,537</u>	<u>65,344,718</u>
Current assets			
Stocks	15	172,283	78,546
Debtors	16	31,805,506	9,504,461
Cash at bank and in hand	17	<u>801,619</u>	<u>260,354</u>
		32,779,408	9,843,361
Creditors: Amounts falling due within one year	18	<u>(68,396,134)</u>	<u>(65,950,969)</u>
Net current liabilities		<u>(35,616,726)</u>	<u>(56,107,608)</u>
Total assets less current liabilities		29,072,811	9,237,110
Creditors: Amounts falling due after more than one year	18	(18,854,590)	(19,537,857)
Deferred income	21	(3,797,784)	(3,460,523)
Provisions for liabilities	23	<u>(273,000)</u>	<u>-</u>
Net assets/(liabilities)		<u>6,147,437</u>	<u>(13,761,270)</u>
Capital and reserves			
Called up share capital	25	116,656,261	106,550,622
Share premium reserve		9,969,543	9,969,543
Revaluation reserve		1,709,404	1,709,404
Capital contribution reserve		1,443,883	1,789,875
Profit and loss account		<u>(123,631,654)</u>	<u>(133,780,714)</u>
Shareholders' deficit		<u>6,147,437</u>	<u>(13,761,270)</u>

Approved and authorised by the Board on 23/10/19 and signed on its behalf by:



D J Harman
Director

Company Registration Number: 01501663

Bristol City Holdings Limited

Balance Sheet

31 May 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	14	-	-
Current assets			
Debtors	16	247,998	747,998
Net assets		<u>247,998</u>	<u>747,998</u>
Capital and reserves			
Called up share capital		116,656,261	106,550,622
Share premium reserve		9,969,543	9,969,543
Profit and loss account		<u>(126,377,806)</u>	<u>(115,772,167)</u>
Shareholders' funds		<u>247,998</u>	<u>747,998</u>

The company made a loss after tax for the financial year of £10,605,639 (2018 - loss of £18,178,573).

Approved and authorised by the Board on 23/10/19 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 2019

	Share capital £	Share premium £	Revaluation reserve £	Capital contribution reserve £	Profit and loss account £	Total equity £
At 1 June 2018	106,550,622	9,969,543	1,709,404	1,789,875	(133,780,714)	(13,761,270)
Profit for the year	-	-	-	-	9,803,068	9,803,068
Total comprehensive income	-	-	-	-	9,803,068	9,803,068
New share capital subscribed	10,105,639	-	-	-	-	10,105,639
Transfers	-	-	-	(345,992)	345,992	-
At 31 May 2019	<u>116,656,261</u>	<u>9,969,543</u>	<u>1,709,404</u>	<u>1,443,883</u>	<u>(123,631,654)</u>	<u>6,147,437</u>

	Share capital £	Share premium £	Revaluation reserve £	Capital contribution reserve £	Profit and loss account £	Total equity £
At 1 June 2017	87,872,049	19,969,543	1,709,404	2,129,416	(108,955,974)	(7,275,562)
Loss for the year	-	-	-	-	(25,164,281)	(25,164,281)
Total comprehensive income	-	-	-	-	(25,164,281)	(25,164,281)
New share capital subscribed	18,678,573	-	-	-	-	18,678,573
Transfers	-	-	-	(339,541)	339,541	-
At 31 May 2018	<u>106,550,622</u>	<u>9,969,543</u>	<u>1,709,404</u>	<u>1,789,875</u>	<u>(133,780,714)</u>	<u>(13,761,270)</u>

The notes on pages 17 to 40 form an integral part of these financial statements.

Bristol City Holdings Limited

Statement of Changes in Equity

Year Ended 31 May 2019

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 June 2018	106,550,622	9,969,543	(115,772,167)	747,998
Loss for the year	-	-	(10,605,639)	(10,605,639)
Total comprehensive income	-	-	(10,605,639)	(10,605,639)
New share capital subscribed	10,105,639	-	-	10,105,639
At 31 May 2019	<u>116,656,261</u>	<u>9,969,543</u>	<u>(126,377,806)</u>	<u>247,998</u>

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 June 2017	87,872,049	9,969,543	(97,593,594)	247,998
Loss for the year	-	-	(18,178,573)	(18,178,573)
Total comprehensive income	-	-	(18,178,573)	(18,178,573)
New share capital subscribed	18,678,573	-	-	18,678,573
At 31 May 2018	<u>106,550,622</u>	<u>9,969,543</u>	<u>(115,772,167)</u>	<u>747,998</u>

Bristol City Holdings Limited

Consolidated Statement of Cash Flows

Year Ended 31 May 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Profit/(loss) for the year		9,803,068	(25,164,281)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	10,758,723	10,582,475
Profit on disposal of player contracts		(38,159,454)	(296,625)
Financial instrument movements through profit and loss		70,741	(811,996)
(Profit)/loss on disposal of tangible assets		(2,804)	24,223
Finance income	9	(25,178)	(51,064)
Finance costs	10	1,350,363	1,341,339
		<u>(16,204,541)</u>	<u>(14,375,929)</u>
Working capital adjustments			
(Increase)/decrease in stocks	15	(93,737)	30,121
Decrease/(increase) in debtors	16	227,740	(1,989,299)
Increase in creditors	18	4,405,129	1,786,243
Increase in provisions	23	273,000	-
Increase in deferred income	21	337,261	790,540
Net cash flow from operating activities		<u>(11,055,148)</u>	<u>(13,758,324)</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(1,380,825)	(1,084,983)
Proceeds from sale of tangible assets		10,523	-
Acquisition of intangible assets	12	(10,914,969)	(10,628,804)
Proceeds from sale of intangible assets		<u>17,127,696</u>	<u>7,260,643</u>
Net cash flows from investing activities		<u>4,842,425</u>	<u>(4,453,144)</u>
Cash flows from financing activities			
Interest paid	10	(1,015,444)	(994,301)
Proceeds from issue of ordinary shares, net of issue costs		10,105,639	18,678,573
Proceeds from bank borrowing draw downs		<u>40,845</u>	<u>282,889</u>
Net cash flows from financing activities		<u>9,131,040</u>	<u>17,967,161</u>
Net increase/(decrease) in cash and cash equivalents		2,918,317	(244,307)
Cash and cash equivalents at 1 June		<u>(3,404,804)</u>	<u>(3,160,497)</u>
Cash and cash equivalents at 31 May		<u>(486,487)</u>	<u>(3,404,804)</u>

The notes on pages 17 to 40 form an integral part of these financial statements.

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2019

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', and the Companies Act 2006. There are no material departures from the requirements of FRS 102.

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.

Summary of disclosure exemptions

The company meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its individual financial statements. Exemptions have been taken in relation to financial instruments, presentation of a statement of cash flows and key management personnel compensation. Equivalent information is presented in relation to these group accounts.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 May 2019.

As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Subsidiary undertakings are included using the acquisition method of accounting. Under this method the group profit and loss account and statement of cash flows include the results and the cash flows 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.

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2019

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.

Despite generating a profit after tax, the group has net current liabilities and net liabilities. The vast majority of these liabilities are intra group. While the group continues to develop, it is dependent on ongoing group support to ensure it has adequate working capital to continue its operations and to complete the development of the training facility in the Football Club. Such finance comes 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 the group will have sufficient working capital until the end of the 2019/20 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.

Discontinued operations

Revenue generating activities in respect of merchandise sales to the public ceased in the group with effect from 1 June 2018. The decision was taken to undertake this activity in a fellow Pula Sport Limited group undertaking for the 2018/19 financial year onwards. As a result, the revenue generated from this activity, and associated costs, have been presented as a discontinued operation on the face of the Profit and Loss Account for the year ended 31 May 2018. During the year ended 31 May 2018 all revenue collected by the company in respect of merchandise sales was offset by equal cost of sales paid to the same Pula Sport Limited group undertaking, consequently there was no overall impact on profitability arising from this discontinuation in 2018/19.

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2019

Key accounting judgements and 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 judgement which has a significant effect on the financial statements is in respect of going concern, as described in the accounting policy above.

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

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 loss excluding player trading as to whether an indicator of impairment has occurred. There is estimation in respect of the assumptions regarding future cash generation in respect of the player performance, attracting gate receipts and broadcasting revenue. The carrying amount is £43,417,024 (2018 - £44,420,534).

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. The carrying amount is £(18,606,117) (2018 - £(18,260,125)).

Player contracts

The costs associated with acquiring players' registrations, or extending their contracts, is carried at cost, less accumulated amortisation and accumulated impairment losses. The carrying value of players contracts is reviewed for impairment in light of post year end performance, injuries and the sales value achieved for any players sold to other clubs. This review requires significant estimation by management in respect of player performance and value in the player market. The carrying amount is £13,094,229 (2018 - £12,148,485).

Derivative valuation

The interest rate swap contract is valued using market derived projections of future cash flows discounted back to estimated present values. The carrying amount is £(248,473) (2018 - £(177,732)).

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2019

Turnover

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the company.

Income is recognised as follows:

Income from matchday revenue, season tickets, broadcasting revenue and those elements of commercial income relating to matches, including recharge of stadium running costs to fellow Pula Sport Limited group companies, are recognised when the related matches are played. Income from advance ticket sales, including season tickets, is deferred accordingly;

Event income is recognised when the relevant event takes place;

Income from the Football League is recognised on a receivable basis;

Income in respect of other commercial and retail income, including advertising and sponsorship, is recognised in the period to which it relates; and

Income arising from administrative and other services provided to fellow Pula Sport Limited group companies is recognised when the service is rendered.

Cup ticket revenue is shown net of the gate share payable to the away team, as the group acts as agent. The gate share payable in the current year amounted to £272,777 (2018 - £588,922).

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 corporation 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.

The group receives/ passes some of its tax losses from/ to fellow Pula Sport Limited group companies via group relief. It makes/ receives payment for these losses at the average rate of tax for the financial period in which the losses are relieved.

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 in respect of tax losses carried forward are not recognised as they do not meet the recognition criteria set out in FRS 102 given there is no certainty as to when the losses will be utilised.

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2019

Intangible assets

Intangible assets are stated in the balance sheet at cost, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

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.

Profit on disposal of players' contracts

Profits or losses arising 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 this disposal.

Amortisation

Amortisation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Asset class	Amortisation method and rate
Players' contracts	Over the term of the contract
Operating software	Over 4 to 7 years straight line
Goodwill	Fully impaired

Tangible fixed assets

Tangible assets are stated in the balance sheet 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 the training ground. 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.

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2019

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	Depreciation method and rate
Freehold buildings	50 years straight line
Leasehold buildings	Over the lease term
Plant and machinery	7 years straight line
Fixtures and fittings	4 - 10 years straight line
Motor vehicles	4 years straight line

Goodwill

Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Investments

Investments in subsidiaries where fair value cannot be reliably measured are carried at cost less impairment.

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 selling costs.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Defined contribution pension obligation

The group operates a defined contribution pension scheme to which it contributes for members. The group also contributes to some employees' personal pension plans. 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.

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2019

Financial instruments

Classification

The group holds the following financial instruments:

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

Recognition and measurement

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.

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.

Long term debtors and creditors in relation to transfer fees constitute a financing transaction and are measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument at inception. As the discount unwinds it is charged/ credited to the Profit and Loss account.

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2019

3 Revenue

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

	2019 £	2018 £
Sale of goods	6,107,644	5,530,237
Rendering of services	10,678,595	6,903,001
Ticket sales	5,988,568	6,645,594
Football League income	7,475,911	6,896,600
	<u>30,250,718</u>	<u>25,975,432</u>

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

	2019 £	2018 £
Matchday revenue	2,365,104	3,428,880
Season ticket revenue	3,623,464	3,216,714
Broadcasting revenue	642,500	852,000
Football League pool	2,875,911	2,396,600
Solidarity payment	4,600,000	4,500,000
Other football related income	1,644,039	1,198,471
Other commercial and retail income	14,499,700	10,382,767
	<u>30,250,718</u>	<u>25,975,432</u>

4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2019 £	2018 £
Release of expired deposit and other liabilities	<u>524,545</u>	<u>-</u>

5 Operating profit

Arrived at after charging/(crediting):

	2019 £	2018 £
Depreciation expense	2,897,609	2,746,946
Amortisation and impairment expense	7,861,114	7,835,529
Foreign exchange losses/(gains)	10,461	(14,939)
(Profit)/loss on disposal of property, plant and equipment	<u>(2,804)</u>	<u>24,223</u>

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2019

6 Staff costs

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

	2019	2018
	£	£
Wages and salaries	27,543,691	24,479,452
Social security costs	2,700,231	2,643,432
Pension costs, defined contribution scheme	396,588	151,807
	<u>30,640,510</u>	<u>27,274,691</u>

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

	2019	2018
	No.	No.
Stadium operations	308	257
Football administration and support	119	110
Food and beverage	243	239
Stadium administration and sales	28	25
Players	75	72
	<u>773</u>	<u>703</u>

7 Directors' remuneration

The remuneration of the directors of the company for the year paid by the group was as follows:

	2019	2018
	£	£
Remuneration	107,155	73,650
Contributions paid to money purchase pension schemes	37,656	35,231
	<u>144,811</u>	<u>108,881</u>

During the year the number of directors who were receiving benefits was as follows:

	2019	2018
	No.	No.
Accruing benefits under money purchase pension schemes	<u>2</u>	<u>2</u>

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2019

8 Auditor's remuneration

	2019 £	2018 £
Audit of these financial statements	1,650	1,500
Audit of the financial statements of subsidiaries of the company pursuant to legislation	24,500	22,000
	<u>26,150</u>	<u>23,500</u>
Other fees to auditors		
Taxation compliance services	2,250	1,500
All other assurance services	4,500	4,000
	<u>6,750</u>	<u>5,500</u>

9 Other interest receivable and similar income

	2019 £	2018 £
Other finance income	<u>25,178</u>	<u>51,064</u>

Certain agreements for the sale of players' contracts include an element of deferred consideration. The deferred element of the consideration has, where a financial asset has been recognised, been discounted to its present value at the date of the contract, using a market rate of interest for a debt instrument of a similar amount and duration. Other finance income represents the unwinding of this discount to the period end.

10 Interest payable and similar expenses

	2019 £	2018 £
Interest on bank overdrafts and borrowings	1,011,042	995,127
Interest expense on other finance liabilities	<u>339,321</u>	<u>346,212</u>
	<u>1,350,363</u>	<u>1,341,339</u>

Included within the interest expense on other finance liabilities is £345,992 (2018 - £339,541) which 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 2019

11 Taxation

Tax charged/(credited) in the income statement

	2019 £	2018 £
Current taxation		
Group relief payable/(receivable)	877,531	(182,708)
Deferred taxation		
Arising from origination and reversal of timing differences	273,000	-
Tax expense/(receipt) in the income statement	<u>1,150,531</u>	<u>(182,708)</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2018 - higher than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £	2018 £
Profit/(loss) before tax	<u>10,953,599</u>	<u>(25,346,989)</u>
Corporation tax at standard rate	2,088,416	(4,815,928)
Expense not deductible for tax purposes	391,468	475,108
Adjustments to deferred tax in respect of changes in tax rates	(132,109)	437,426
Effect of group relief	(35,650)	-
Effect of rollover relief on profit on disposal of fixed assets	(304,617)	-
Deferred tax not recognised	<u>(856,977)</u>	<u>3,720,686</u>
Total tax charge/(credit)	<u>1,150,531</u>	<u>(182,708)</u>

Deferred tax

Group

There are £118,000,000 of unused tax losses (2018 - £123,200,000) 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 2019

12 Intangible assets

Group

	Goodwill £	Players' contracts £	Software £	Total £
Cost or valuation				
At 1 June 2018	-	23,844,112	329,686	24,173,798
Additions	38,065	10,153,500	10,720	10,202,285
Disposals	-	(7,176,618)	(66,633)	(7,243,251)
At 31 May 2019	38,065	26,820,994	273,773	27,132,832
Amortisation				
At 1 June 2018	-	11,695,627	164,786	11,860,413
Amortisation charge	-	7,753,115	69,934	7,823,049
Amortisation eliminated on disposals	-	(5,721,977)	(49,425)	(5,771,402)
Impairment	38,065	-	-	38,065
At 31 May 2019	38,065	13,726,765	185,295	13,950,125
Carrying amount				
At 31 May 2019	-	13,094,229	88,478	13,182,707
At 31 May 2018	-	12,148,485	164,900	12,313,385

Impairment

Goodwill

From the 1 June 2018, Bristol City Holdings group obtained operational control of Bristol Academy Women's Football Club Limited (a company limited by guarantee). Goodwill arose at the date of acquisition in respect of brought forward reserves. Bristol Academy Women's Football Club Limited transferred its trade and assets to a fellow subsidiary during the year. The transferred trade in respect of the women's football team is loss making and therefore the goodwill has been fully impaired. The amount of impairment loss included in profit or loss is £38,065 (2018 - £Nil). The impairment loss is included in other expenses.

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2019

13 Tangible assets

Group

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Assets under construction £	Plant and equipment £	Total £
Cost or valuation						
At 1 June 2018	53,139,613	5,667,756	174,047	208,916	6,458,512	65,648,844
Additions	253,097	526,013	-	517,433	84,282	1,380,825
Disposals	(1,665)	(21,980)	-	-	-	(23,645)
At 31 May 2019	<u>53,391,045</u>	<u>6,171,789</u>	<u>174,047</u>	<u>726,349</u>	<u>6,542,794</u>	<u>67,006,024</u>
Depreciation						
At 1 June 2018	8,719,079	1,927,417	158,176	-	1,812,839	12,617,511
Charge for the year	1,255,513	1,010,757	10,580	-	620,759	2,897,609
Eliminated on disposal	(571)	(15,355)	-	-	-	(15,926)
At 31 May 2019	<u>9,974,021</u>	<u>2,922,819</u>	<u>168,756</u>	<u>-</u>	<u>2,433,598</u>	<u>15,499,194</u>
Carrying amount						
At 31 May 2019	<u>43,417,024</u>	<u>3,248,970</u>	<u>5,291</u>	<u>726,349</u>	<u>4,109,196</u>	<u>51,506,830</u>
At 31 May 2018	<u>44,420,534</u>	<u>3,740,339</u>	<u>15,871</u>	<u>208,916</u>	<u>4,645,673</u>	<u>53,031,333</u>

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2019

Included within the net book value of land and buildings above is £43,417,023 (2018 - £44,265,699) in respect of freehold land and buildings and £1 (2018 - £154,835) in respect of long leasehold land and buildings.

Included within land and buildings is freehold land with a cost of £1,276,878 (2018 - £1,276,878) which is not depreciated.

14 Investments

Company

Subsidiaries	£
Cost or valuation	
At 1 June 2018 and 31 May 2019	30,550,003
Provision	
At 1 June 2018 and 31 May 2019	<u>30,550,003</u>
Carrying amount	
At 31 May 2019	<u>-</u>
At 31 May 2018	<u>-</u>

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2019

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	Registered office	Holding	Proportion of voting rights and shares held	
			2019	2018
Subsidiary undertakings				
Bristol City Football Club Limited*	Ashton Road, Bristol, BS3 2EJ	Ordinary	100%	100%
Ashton Gate Limited*	Ashton Road, Bristol, BS3 2EJ	Ordinary	100%	100%
BCFC Limited*	Ashton Road, Bristol, BS3 2EJ	Ordinary	100%	100%
St James Parade (122) Limited	Ashton Road, Bristol, BS3 2EJ	Ordinary	100%	100%
Bristol City Women Football Club Limited	Ashton Road, Bristol, BS3 2EJ	Ordinary	100%	0%
Bristol Academy Women's Football Club Limited	South Gloucestershire and Stroud College, Filton Avenue, Filton, Bristol, BS34 7AT	Company limited by guarantee	60%	33%

* Indicates direct investment of the company

Subsidiary undertakings

The principal activity of Bristol City Football Club Limited is that of running 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 principal activity of St James Parade (122) Limited is that of a dormant company holding freehold property.

The principal activity of Bristol City Women Football Club Limited is the running of a professional football club. Bristol City Women Football Club Limited was incorporated on 12 July 2018.

The principal activity of Bristol Academy Women's Football Club Limited is the running of a professional football club. The company sold its trade and assets during the year and was dormant at the year end. The company is limited by guarantee. From 1 June 2018, the company was operationally controlled by representatives of Bristol City Football Club Limited and therefore, it is concluded that the company be accounted for as a subsidiary on this basis.

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2019

15 Stocks

	2019 £	Group 2018 £	2019 £	Company 2018 £
Stock of consumables	<u>172,283</u>	<u>78,546</u>	<u>-</u>	<u>-</u>

Group

The cost of stocks recognised as an expense in the year amounted to £2,074,290 (2018 - £1,598,453).

16 Debtors

	2019 £	Group 2018 £	2019 £	Company 2018 £
Trade debtors	417,116	293,993	-	-
Amounts due from group undertakings	2,016,829	2,309,534	247,998	747,998
Other debtors	159,381	589,158	-	-
Transfer fees receivable	27,217,952	4,689,167	-	-
Prepayments	<u>1,994,228</u>	<u>1,622,609</u>	<u>-</u>	<u>-</u>
	<u>31,805,506</u>	<u>9,504,461</u>	<u>247,998</u>	<u>747,998</u>

Company

An impairment loss of £10,650,639 (2018 - £18,178,573) has been recognised against debtors owed to the company during the year.

Details of non-current trade and other debtors

Group

£10,013,182 (2018 - £375,000) of amounts receivable in respect of transfer fees is classified as non current.

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2019

17 Cash and cash equivalents

	2019 £	Group 2018 £	2019 £	Company 2018 £
Cash on hand	87,699	35,546	-	-
Cash at bank	<u>713,920</u>	<u>224,808</u>	-	-
	801,619	260,354	-	-
Bank overdrafts	<u>(1,288,106)</u>	<u>(3,665,158)</u>	-	-
Cash and cash equivalents in statement of cash flows	<u>(486,487)</u>	<u>(3,404,804)</u>	-	-

18 Creditors

	Note	2019 £	Group 2018 £	2019 £	Company 2018 £
Due within one year					
Loans and borrowings	19	51,288,106	53,624,313	-	-
Trade creditors		2,029,458	1,516,643	-	-
Amounts due to group undertakings		2,318,858	953,990	-	-
Social security and other taxes		4,173,462	1,339,818	-	-
Other creditors		297,443	1,163,580	-	-
Transfer fees payable		5,515,345	5,128,029	-	-
Accrued expenses		<u>2,773,462</u>	<u>2,224,596</u>	-	-
		<u>68,396,134</u>	<u>65,950,969</u>	-	-
Due after one year					
Loans and borrowings	19	18,606,117	18,260,125	-	-
Derivative financial instruments	29	248,473	177,732	-	-
Transfer fees payable		-	1,100,000	-	-
		<u>18,854,590</u>	<u>19,537,857</u>	-	-

19 Loans and borrowings

	2019 £	Group 2018 £	2019 £	Company 2018 £
Due within one year				
Bank borrowings	50,000,000	49,959,155	-	-
Bank overdrafts	<u>1,288,106</u>	<u>3,665,158</u>	-	-
	<u>51,288,106</u>	<u>53,624,313</u>	-	-

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2019

	2019 £	Group 2018 £	2019 £	Company 2018 £
Due after one year				
Other borrowings	<u>18,606,117</u>	<u>18,260,125</u>	<u>-</u>	<u>-</u>

Group

Bank borrowings

The bank loan is denominated in sterling with a nominal interest rate of 0.9% above LIBOR, and is repayable on demand. The carrying amount at year end is £50,000,000 (2018 - £49,959,155).

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 (0.75% at the year end), and is repayable on demand. The carrying amount at year end is £1,288,106 (2018 - £3,665,158).

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 £18,606,117 (2018 - £18,260,125) are denominated in sterling with a nominal interest rate of 0%. The final instalment is due on 30 May 2025.

The initial 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 LIBOR.

The loan has been presented in accordance with the requirements of FRS 102. 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:

	2019 £	2018 £
After more than five years by instalments	<u>3,572,851</u>	<u>7,079,083</u>

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2019

20 Analysis of net debt

	At 1 June 2018 £	Cash flow £	Non cash movements £	At 31 May 2019 £
Cash at bank and on hand	260,354	541,265	-	801,619
Bank overdrafts	(3,665,158)	2,377,052	-	(1,288,106)
Cash and cash equivalents	(3,404,804)	2,918,317	-	(486,487)
Bank loans due within one year	(49,959,155)	(40,845)	-	(50,000,000)
Other loans due after one year	(18,260,125)	-	(345,992)	(18,606,117)
Net debt	<u>(71,624,084)</u>	<u>2,877,472</u>	<u>(345,992)</u>	<u>(69,092,604)</u>

21 Deferred income

	2019 £
At 1 June 2018	3,460,253
Released to profit during the year	(3,460,253)
Received during the year	<u>3,797,784</u>
At 31 May 2019	<u>3,797,784</u>

The deferred income balance consists of football season ticket income in respect of the 2019/20 season and deferred concert income.

22 Obligations under leases

Group

Operating leases

The total of future minimum lease payments is as follows:

	2019 £	2018 £
Not later than one year	293,015	304,159
Later than one year and not later than five years	<u>77,041</u>	<u>365,620</u>
	<u>370,056</u>	<u>669,779</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £304,518 (2018 - £311,977).

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2019

23 Deferred tax and other provisions

Group

	Deferred tax £
Timing differences arising upon application of rollover relief	273,000
At 31 May 2019	<u>273,000</u>

24 Pension schemes

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 £396,588 (2018 - £151,807).

25 Share capital

Allotted and called up shares

	No.	2019 £	No.	2018 £
Ordinary shares of £1 each	<u>116,656,261</u>	<u>116,656,261</u>	<u>106,550,622</u>	<u>106,550,622</u>

At 31 May 2019, £nil (2018 - £500,000) of share capital is unpaid.

New shares allotted

During the year 10,105,639 Ordinary shares having an aggregate nominal value of £10,105,639 were allotted for an aggregate consideration of £10,105,639.

Rights, preferences and restrictions

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

26 Contingent assets

Group

Contractual assets under contracts for the sale of players are expected to become receivable of £100,000 (2018 - £Nil) at various stages in the future contingent on the relevant players meeting certain performance conditions.

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2019

27 Contingent liabilities

Group

Contractual liabilities under players' contracts may be payable of £162,500 (2018 - £287,500) at various stages in the future contingent on the relevant players meeting certain performance conditions.

28 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 cash income from the transfers, taking into account the applicable levies and excluding value added tax was £3,241,623 (2018 - £13,013,093). These transfers will be accounted for in the year ended 31 May 2020.

The group is also due to pay £1,501,375 (2018 - receive £605,000) (excluding the contingent asset and liability described in Note 26 and 27) in respect of sell on clauses for players disposed of in previous years.

On 27 September 2019, Bristol City Football Club Limited capitalised £71,352,347 of debt due to its immediate parent company Bristol City Holdings Limited, in exchange for 71,352,347 ordinary shares of £1 each in the capital of the company.

On 16 September 2019, Ashton Gate Limited exchanged £765,170 of debt due from its 100% owned subsidiary, St James Parade (122) Limited, for 765,170 ordinary shares of £1 in that company. Immediately after the issue of shares, St James Parade (122) Limited undertook a capital reduction, leaving the company as the sole shareholder with 1 ordinary share of £1. The intention of the director of St James Parade (122) Limited is to distribute the reserves arising from the capital reduction to Ashton Gate Limited within the next twelve months.

29 Financial instruments

Group

Categorisation of financial instruments

	2019 £	2018 £
Financial assets that are debt instruments measured at amortised cost	29,811,278	7,292,694
Financial liabilities measured at fair value through profit or loss	(248,473)	(177,732)
Financial liabilities measured at amortised cost	<u>80,055,327</u>	<u>(81,719,557)</u>

Financial liabilities measured at fair value

Interest rate swap

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

The fair value is a liability of £248,473 (2018 - £177,732) and the change in value included in the profit and loss account is a gain of £70,741 (2018 - a loss of £811,996).

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2019

30 Related party transactions

Group

Key management compensation

	2019 £	2018 £
Key management compensation	<u>1,558,061</u>	<u>1,374,327</u>

Summary of transactions with parent

Immediate parent company

During the year, the immediate parent company provided funding to the group of £13,905,640 (2018 - £18,678,573), of which £10,105,639 (2018 - £18,678,573) was converted to equity and £2,500,000 (2018 - £Nil) was repaid. During the year, the group recharged staff costs of £168,002 (2018 - £124,279) to the immediate parent company. At the balance sheet date, the amount due to the immediate parent company was £1,100,001 (2018 - £200,000 due from the immediate parent company). This funding was advanced interest free and is repayable on demand.

The group also has a long-term loan of £20,050,000 (2018 - £20,050,000) from the immediate parent company. At the balance sheet date the amount due to the immediate parent company was £20,050,000 (2018 - £20,050,000). Note 19 details the terms of the long-term loan arrangement and its carrying value in these financial statements.

The immediate parent company has guaranteed a bank loan taken out by the group. The amount outstanding on the loan balance at the year end was £50,000,000 (2018 - £49,959,155).

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. The group recognised receivables in respect of payment for group relief from its fellow subsidiaries.

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2019

Income and receivables from related parties

	Other related parties £
2019	
Income collected by related parties	7,939,189
Expenditure recharged to related parties	3,565,376
Sales to related parties	378,724
Group relief payments receivable from related parties	197,885
	<u>12,081,174</u>

Amounts receivable from related parties 1,883,249

	Other related parties £
2018	
Income collected by related parties	8,642,720
Expenditure recharged to related parties	1,263,003
Sales to related parties	687,664
Group relief payments receivable from related parties	182,708
	<u>10,776,095</u>

Amounts receivable from related parties 1,831,828

Expenditure with and payables to related parties

	Other related parties £
2019	
Purchases from related parties	5,674,312
Income collected on behalf of related parties	6,328
Group relief payable to related parties	1,206,986
	<u>6,887,626</u>

Amounts payable to related parties 1,085,734

	Other related parties £
2018	
Purchases from related parties	2,308,372
Income collected on behalf of related parties	905,866
	<u>3,214,238</u>

Amounts payable to related parties 657,889

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2019

31 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.

Bristol City Holdings Limited

Detailed Company Profit and Loss Account

Year Ended 31 May 2019

	2019 £	2018 £
Turnover	-	-
Other expenses		
Bad debts written off	<u>(10,605,639)</u>	<u>(18,178,573)</u>
Operating loss	<u>(10,605,639)</u>	<u>(18,178,573)</u>
Loss before tax	<u><u>(10,605,639)</u></u>	<u><u>(18,178,573)</u></u>