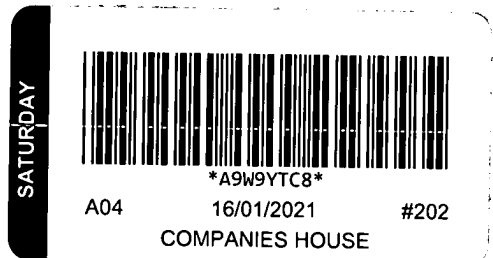


Bristol City Holdings Limited
Annual Report and Consolidated Financial Statements
Year Ended 31 May 2020
Registration number: 01501663



Bristol City Holdings Limited

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Bristol City Holdings Limited

Company Information

Chairman J S Lansdown

Directors D J Harman

Company secretary G T Marshall

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Bristol
BS2 0ZX

Bankers Barclays Bank plc
Bristol & North Somerset Group
PO Box 207
Bristol
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Auditors PKF Francis Clark
Ground Floor
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Blackbrook Business Park
Taunton
Somerset
TA1 2PX

Bristol City Holdings Limited

Strategic Report

Year Ended 31 May 2020

The directors present their strategic report for the year ended 31 May 2020.

Fair review of the business

The overall group loss this year was £8.6m (2019 - profit of £9.8m) and the total cash requirement by the Club to sustain its operations for the year was £8.65m (2019 - £10.1m), the funding for which was received by increased equity investments into Bristol City Holdings Limited, by the parent company Pula Sport Limited.

Player trading in the year resulted in a profit on disposal of £25.6m (2019 - £38.2m). 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. The group had net assets as at 31 May 2019 of £5.08m (2018 - £6.15m). 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 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 Company loss before tax this year was £7.38m (2019 profit £12.7m).

The 2019 summer transfer window proved to be one of the Club's most active and profitable player trading periods. Adam Webster was sold for a Club record amount to Premier League Brighton and Hove Albion with the sale of Marlon Pack to Cardiff City and Mo Eisa to Peterborough United also generating significant transfer fees.

Eight players were purchased; among them Tomas Kalas, Kasey Palmer and Jay Dasilva from Chelsea, Han-Noah Massengo from Monaco, Daniel Bentley from Brentford and Adam Nagy from Bologna.

Results on the pitch leading up to the New Year were encouraging. During the January 2020 transfer window Nahki Wells was signed from Burnley with Josh Brownhill being sold also to Burnley. At the beginning of February the Club were sitting 5th in the table with 50 points from 30 games. However, hampered by injuries to key players, a disappointing run of results followed with only 5 points secured from the next 6 games.

The lunch time game against Fulham on 7 March was significant in more ways than one - it was earmarked to celebrate the Club's 125th anniversary, a milestone watched at Ashton Gate by 23,796 fans. It was also to be the last fixture for more than three months as the football league programme was suspended and the country faced lockdown due to the outbreak of Covid-19.

Eventually, the football league programme resumed on 20 June after the end of the financial year, and with the Club's remaining 9 fixtures being played out behind closed doors without supporters. Results continued to disappoint and the Board decided to make changes to the coaching staff with Head Coach Lee Johnson being relieved of his duties and Dean Holden appointed to take temporary charge for the remaining games of the season. Dean Holden was subsequently appointed head coach.

Bristol City Holdings Limited

Strategic Report

Year Ended 31 May 2020

The 2019/20 season eventually concluded on 22 July with a drawn home game against Preston North End and with the Club finishing 12th in the table with 63 points.

Bristol City Women's Football Club ('BCWFC') (which operates within a subsidiary company) had their season ended prematurely when the decision was made by the FA to end the 2019-20 season, and finished 10th out of 12 teams in the Barclays FA Women's Super League.

With support from Pula Sport Limited, the development of the training ground facilities at Failand continued throughout the year and is on course for completion in spring 2021. There is no doubt this will transform the Club's training programmes as it brings together players and staff from the first team, under 23s, Academy and BCWFC in magnificent new facilities.

As we tentatively look forward to the coming season, the economic damage done by Covid-19 to date will extend out during the 2020/21 trading year and significant uncertainty surrounds the likely pick up in match day ticketing, broadcasting and commercial revenues during this period.

Ashton Gate Limited

The 19/20 financial year is likely to go down as one of the most volatile and challenging years that we will face as a business. In the early part of the year we were confronted by ongoing Brexit uncertainty which then merged into the upheaval of a General Election. That at least delivered some indication of our future relationship with the EU, but left the prospect of uncertainty and disruption to business while the finer detail of the terms under which we exit the EU are finalised. As we entered 2020, in common with all other businesses across the world, we were then hit by the severe trading shock arriving via the Covid-19 pandemic which still persists.

The impact of Covid-19 on the hospitality and sports industry is now well documented. Activity in virtually all areas was heavily impacted with a market shut down. The month of March saw a lock down in the UK and the timescale for any meaningful relaxation of these rules for the stadium and return to normality is unknown. The stadium was closed on March 20th, and this led to furloughing of staff and the postponement of a large number of events.

Turnover and operating profits were accordingly adversely affected in the final quarter of trading between March and May.

During the financial year the bank loan of £50m and the £20.05m loan from the immediate parent company Pula Sport Limited were both refinanced by a new loan provided by Pula Sport Limited, with a nominal interest rate of 2% above the Barclays Bank base rate, and a final instalment due date of 1 May 2040. The carrying amount at the year end is £70,122,500.

Key performance indicators

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

	Unit	2020	2019
Turnover	£'000	27,236	30,251
Loss excluding player trading	£'000	(23,528)	(18,581)
Player trading	£'000	14,463	30,406
EBITDA (earnings before interest, tax, depreciation and amortisation)	£'000	(20,676)	(15,051)
Net book value of tangible fixed assets	£'000	52,162	51,507
Net debt	£'000	(71,788)	(69,093)
Year on year decrease in total gate revenue*	£'000	(1,244)	(673)
Average football league attendance*	No.	21,809	20,949

* 2019/20 18 home league matches (2018/19 23 home league matches).

Bristol City Holdings Limited

Strategic Report

Year Ended 31 May 2020

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.

The Board keeps all risks under constant review. The group is exposed to normal trading and compliance risk in common with others operating in the same sectors. The future of the UK economy post 'Brexit' remains an unknown quantity. The potential impact on ourselves depends on the extent to which disruption from exiting the current transitional arrangements affects consumer sentiment. Should this be severe then our recovery, in respect of stadium activity, from the impact of Covid-19 could take longer than currently assumed.

The extent of the operational and financial impact of the Covid-19 pandemic on the UK economy, professional football in England, Bristol City Football Club and stadium activity at Ashton Gate is, as yet, unknown given ongoing developments in infection rates and the Government response. The directors recognise that there remains significant operational and financial uncertainty.

Section 172(1) statement - Directors' duties

The directors of the group must act in accordance with a set of general duties which are encapsulated within Section 172 of the UK Companies Act 2006 and can be summarised as follows:

- (i) The likely consequences of any decisions in the long term
- (ii) The interests of the group's employees
- (iii) The need to foster the group's business relationships with suppliers, customers and others
- (iv) The impact of the group's operations on the community and environment
- (v) The need to act fairly as between shareholders of the group

The following paragraphs summarise how the directors fulfil these statutory duties:

Risk management

The Board meet regularly and include in all meetings regular updates as to all risks to the well-being of the company, its subsidiaries, employees, shareholders and all other stakeholders. Where risks are identified a director will take specific responsibility for qualifying the extent of the risk and then managing the process of mitigation, with regular feedback to the Board. Where appropriate, external expert advice is also taken.

Key decisions

The principal decisions taken by the board during the year were, unfortunately, the decisions to temporarily close the stadium and furlough the majority of the staff. These decisions were borne out of necessity in order to comply with Government regulation but also taken in order to protect the well-being of our customers, the local community and our staff during the pandemic, and to protect and secure the job roles within our team.

We engaged with our customers, the local community and staff on the immediate decision to close the stadium using relevant communication methods, including phone, email, face to face meetings, our website and social media where applicable.

We engaged with our staff on a group basis and a one to one basis in respect of the decision to furlough the majority of roles within the team in order to communicate the exact nature of the decision and what this would mean for them personally in order to address questions, and allay any fears or anxieties before they set in in respect of this decision.

Bristol City Holdings Limited

Strategic Report

Year Ended 31 May 2020

Engagement with suppliers, customers and other relationships

The group fosters long lasting business relationships with season ticket holders and other supporters, as well as customers and suppliers on the basis of mutual trust, openness and engagement. We create internal systems and processes which enable us to interact effectively with all stakeholders.

Engagement with employees

We are committed to a comprehensive corporate social responsibility program which includes an emphasis on the well-being of all our colleagues. As a responsible employer we operate with 4 principles of engagement with all employees:

Engagement - how we engage with our existing and potential employees; ensuring they are given a voice and an active role in the evolution of the group as an ambitious professional football club and a major hospitality venue in Bristol.

Development - creating opportunities, promoting development and investing in learning so our employees can fulfil their growth potential and enhance their employability.

Inclusivity - fostering a culture where hierarchies or job descriptions are not a barrier to effective, cross-functional team working; where bright ideas are encouraged and supported and where everyone understands what each other does and what else they could do within our organisation.

Flexibility - harnessing technology to work in a smarter way and positively challenging traditional workplace practices.

These pillars have been heavily tested since the onset of the upheaval to everyone's lives caused by Covid 19. We remain totally committed to supporting all our employees and working with them to navigate uncertain times, issues of loneliness during periods of isolation and safety in the process of return to work. The Board meet regularly and any key decisions are made with the best interests of all key stakeholders considered. For example, it is the opinion of the directors that the refinancing of the loans is most likely to promote the success of the group for the benefit of its members as a whole.

Future developments

This is a unique time to be projecting what may happen in the future. Few really know what the sporting and hospitality industries will look once the business world has learned to adapt to Covid-19. We are in a time of great volatility and change. We are therefore setting the business to operate on a basic assumption that stadiums do not fully reopen fully until summer 2021. That will need to be reviewed on a weekly basis as matters unfold.

Bristol City Holdings Limited

Strategic Report

Year Ended 31 May 2020

Environmental matters

We are committed to identifying effective ways of working that reduce our impact on the environment. This includes:

- (i) Investing in and raising awareness of technology to mitigate our carbon footprint
- (ii) Communicating alternative methods of travelling to and from the stadium, other than by car
- (iii) Promoting the cycle to work scheme
- (iv) Building on our existing recycling practices
- (v) Reducing paper usage
- (vi) Selecting eco-friendly suppliers

Streamlined Energy & Carbon Reporting (SECR) is included in the directors' report. The group has reported in respect of its subsidiary, Ashton Gate Limited, which meets the criteria for SECR reporting purposes. All other subsidiaries are not required to report individually and Bristol City Holdings Limited has no emissions or energy use of its own.

Approved by the Board on 23 Dec 2020 and signed on its behalf by:



D J Harman
Director

Bristol City Holdings Limited

Directors' Report

Year Ended 31 May 2020

The directors present their report and the financial statements for the year ended 31 May 2020.

Directors of the group

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

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 2020

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.

Business relationships

Our approach to business relationships is set out in the strategic report within the description as to how the directors meet their obligations under s 172 Companies Act 2006.

Employee engagement

Our approach to employee engagement is set out in the strategic report within the description as to how the directors meet their obligations under s 172 Companies Act 2006.

Streamlined Energy & Carbon Reporting (SECR)

The group has reported in respect of its subsidiary, Ashton Gate Limited, which meets the criteria for SECR reporting purposes. All other subsidiaries are not required to report individually and Bristol City Holdings Limited has no emissions or energy use of its own.

Ashton Gate Limited's streamlined energy and carbon figures are reported for activities within its financial and operational control. Our adopted emissions reporting methodology aligns with the GHG Protocol Corporate Standard. The UK Government emission conversion factors for greenhouse gas company reporting (2020 version) have been used to calculate emissions. Our scope 1 emissions comprise of gas and fuel for transport purposes ie activities owned or controlled by the company; our scope 2 emissions are from purchased electricity - there is no carbon footprint from energy generated by the company's solar PV system and all energy generated by the system is consumed on site; our scope 3 emissions are a consequence of the company's actions that occur at sources that it does not own or control, namely business travel by means not owned or controlled by the company.

Summary of emissions and energy consumption	kWh	Scope	Emissions in tCO ₂ e
Gas - total used for the year	4,234,349	Scope 1	778
Electricity - total used for the year	3,716,413	Scope 2	941
Transport - total mileage for petrol/diesel	116,600	Scope 1	8
Transport - total mileage for petrol reimbursed to staff	Nil	Scope 3	n/a
Total	<u>8,067,362</u>		<u>1,727</u>

Intensity ratio - emissions (tCO₂e) compared to appropriate business metric (square metres)

0.08 tCO₂e per square metre

Energy efficiency action taken

In addition to electricity generation via our own solar PV system, the company operates a Building Energy Management System (BEMS) that optimises heating, cooling and ventilation systems at the stadium, demonstrating our goal to carry out all our business activities in a sustainable manner.

An energy assessment recently carried out has identified further energy conservation measures that, if implemented, will have a positive impact on the company's carbon emissions. However, given the Covid 19 lockdown measures, it is currently challenging to attempt to progress the identified measures but on return to business as usual, plans to implement identified savings will be fed into the operational and business plan.

Bristol City Holdings Limited

Directors' Report

Year Ended 31 May 2020

Disclosure of information to the auditor

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

Approved by the Board on **23 Dec 2020** 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 2020, 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 2020 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.

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 10), 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
Blackbrook Gate 1
Blackbrook Business Park
Taunton
Somerset
TA1 2PX

Date: 24th December 2020

Bristol City Holdings Limited

Consolidated Profit and Loss Account

Year Ended 31 May 2020

	Note	2020 £	2019 £
Turnover	3	27,235,826	30,250,718
Other operating income	4	619,720	524,545
Staff costs		(33,480,048)	(30,640,510)
Depreciation and amortisation expense		(13,977,502)	(10,758,723)
Other operating expenses		<u>(15,051,765)</u>	<u>(15,185,959)</u>
Operating loss	5	(34,653,769)	(25,809,929)
Profit on disposal of players' contracts		<u>25,587,872</u>	<u>38,159,454</u>
Loss before interest and taxation		(9,065,897)	12,349,525
Loss excluding player trading		(23,528,495)	(18,056,814)
Player trading*		14,462,598	30,406,339
Net loss on financial liabilities at fair value			(70,741)
Other interest receivable and similar income	9	576,651	25,178
Interest payable and similar charges	10	<u>(1,585,005)</u>	<u>(1,350,363)</u>
(Loss)/profit before tax		(10,074,251)	10,953,599
Taxation	11	<u>1,475,953</u>	<u>(1,150,531)</u>
(Loss)/profit for the year		<u><u>(8,598,298)</u></u>	<u><u>9,803,068</u></u>

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

Bristol City Holdings Limited

Consolidated Balance Sheet

31 May 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	12	25,154,955	13,182,707
Tangible assets	13	<u>52,162,010</u>	<u>51,506,830</u>
		<u>77,316,965</u>	<u>64,689,537</u>
Current assets			
Stocks	15	89,995	172,283
Debtors	16	28,934,365	31,805,506
Cash at bank and in hand	17	<u>886,865</u>	<u>801,619</u>
		29,911,225	32,779,408
Creditors: Amounts falling due within one year	18	<u>(19,890,756)</u>	<u>(68,396,134)</u>
Net current assets/(liabilities)		<u>10,020,469</u>	<u>(35,616,726)</u>
Total assets less current liabilities		87,337,434	29,072,811
Creditors: Amounts falling due after more than one year	18	(78,061,502)	(18,854,590)
Deferred income	21	(4,197,490)	(3,797,784)
Provisions for liabilities	23	<u>-</u>	<u>(273,000)</u>
Net assets		<u>5,078,442</u>	<u>6,147,437</u>
Capital and reserves			
Called up share capital	25	125,306,261	116,656,261
Share premium reserve		9,969,543	9,969,543
Revaluation reserve		1,709,404	1,709,404
Capital contribution reserve		-	1,443,883
Profit and loss account		<u>(131,906,766)</u>	<u>(123,631,654)</u>
Shareholders' funds		<u>5,078,442</u>	<u>6,147,437</u>

Approved and authorised by the Board on 23 Dec 2020 and signed on its behalf by:



D J Harman
Director

Company Registration Number: 01501663

Bristol City Holdings Limited

Balance Sheet

31 May 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	14	-	-
Current assets			
Debtors	16	247,998	247,998
Net assets		<u>247,998</u>	<u>247,998</u>
Capital and reserves			
Called up share capital		125,306,261	116,656,261
Share premium reserve		9,969,543	9,969,543
Profit and loss account		<u>(135,027,806)</u>	<u>(126,377,806)</u>
Shareholders' funds		<u>247,998</u>	<u>247,998</u>

The company made a loss after tax for the financial year of £8,650,000 (2019 - loss of £10,605,639).

Approved and authorised by the Board on 23 Dec 2020 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 2020

	Share capital £	Share premium £	Revaluation reserve £	Capital contribution reserve £	Profit and loss account £	Total equity £
At 1 June 2019	116,656,261	9,969,543	1,709,404	1,443,883	(123,631,654)	6,147,437
Loss for the year	-	-	-	-	(8,598,298)	(8,598,298)
Total comprehensive income	-	-	-	-	(8,598,298)	(8,598,298)
New share capital subscribed	8,650,000	-	-	-	-	8,650,000
Transfers	-	-	-	(323,186)	323,186	-
Release of reserve	-	-	-	(1,120,697)	-	(1,120,697)
At 31 May 2020	125,306,261	9,969,543	1,709,404	-	(131,906,766)	5,078,442

	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	116,656,261	9,969,543	1,709,404	1,443,883	(123,631,654)	6,147,437

The notes on pages 20 to 44 form an integral part of these financial statements.
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Bristol City Holdings Limited

Statement of Changes in Equity

Year Ended 31 May 2020

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 June 2019	116,656,261	9,969,543	(126,377,806)	247,998
Loss for the year	-	-	(8,650,000)	(8,650,000)
Total comprehensive income	-	-	(8,650,000)	(8,650,000)
New share capital subscribed	8,650,000	-	-	8,650,000
At 31 May 2020	<u>125,306,261</u>	<u>9,969,543</u>	<u>(135,027,806)</u>	<u>247,998</u>

	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>

Bristol City Holdings Limited

Consolidated Statement of Cash Flows

Year Ended 31 May 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
(Loss)/profit for the year		(8,598,298)	9,803,068
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	13,977,502	10,758,723
Profit on disposal of player contracts		(25,587,872)	(38,159,454)
Financial instrument movements through profit and loss		-	70,741
Profit on disposal of tangible assets		(3,200)	(2,804)
Finance income	9	(576,651)	(25,178)
Finance costs	10	1,585,005	1,350,363
		(19,203,514)	(16,204,541)
Working capital adjustments			
Decrease/(increase) in stocks	15	82,288	(93,737)
(Increase)/decrease in debtors	16	(452,896)	227,740
(Decrease)/increase in creditors	18	(3,462,432)	4,405,129
(Decrease)/increase in provisions	23	(273,000)	273,000
Increase in deferred income	21	399,706	337,261
Net cash flow from operating activities		(22,909,848)	(11,055,148)
Cash flows from investing activities			
Acquisitions of tangible assets		(3,454,860)	(1,380,825)
Proceeds from sale of tangible assets		3,200	10,523
Acquisition of intangible assets	12	(14,732,009)	(10,914,969)
Proceeds from sale of intangible assets		32,402,395	17,127,696
Net cash flows from investing activities		14,218,726	4,842,425
Cash flows from financing activities			
Interest paid	10	(1,138,070)	(1,015,444)
Proceeds from issue of ordinary shares, net of issue costs		8,650,000	10,105,639
Proceeds from bank borrowing draw downs		-	40,845
Repayment of bank borrowing		(50,000,000)	-
Proceeds from other borrowing draw downs		70,584,000	-
Repayment of other borrowing		(20,000,000)	-
Net cash flows from financing activities		8,095,930	9,131,040
Net (decrease)/increase in cash and cash equivalents		(595,192)	2,918,317
Cash and cash equivalents at 1 June		(486,487)	(3,404,804)
Cash and cash equivalents at 31 May		(1,081,679)	(486,487)

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2020

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 2020.

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 2020

Going concern

In accordance with their responsibilities, the directors have considered the appropriateness of the going concern basis for the preparation of the financial statements.

The group as a whole has continued, as expected by the directors, to generate significant net accounting losses in the year and has required the financial support of its parent Pula Sport Limited. 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 through a further equity injection in the year of £8,650,000 and its refinancing on 26 May 2020 of the bank debt of £50,000,000 in Ashotn Gate Limited into a long term intra-group loan facility as described in note 19. Pula Sport Limited has also confirmed to the directors its ongoing support for the company and the group.

In forming their opinion as to the going concern status the directors have also considered the known, likely and potential impacts of the Coronavirus pandemic and the economic uncertainty it continues to create on Bristol City Football Club, the other sports users, entertainment, hospitality and business customers of the stadium. The directors are satisfied that, whilst there can be no certainty as to the specific implications for the company, there are no material uncertainties in respect of the going concern status of the company.

The directors, whilst acknowledging there can be no certainty as to the specific implications of the pandemic for the company or its subsidiaries, are confident that, taking into account the trading performance, support measures received from the UK Government, business restructuring and the commitment by Pula Sport Limited, that the group will have sufficient working capital 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.

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2020

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 the loss excluding player trading as to whether an indicator of permanent 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 £42,278,690 (2019 - £43,417,024).

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. During the year, the group refinanced and this long term intra group loan was fully repaid and replaced by another loan at a market rate of interest. The carrying amount is £Nil (2019 - £(18,606,117)).

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 £25,119,663 (2019 - £13,094,229).

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2020

Deferred income

Deferred income has been recognised in respect of a number of income streams. Deferred income in respect of stadium event revenue will be released as and when the relevant event takes place. *Deferred income recognised in respect of season ticket income for the completion of the 19/20 season, and whole 20/21 season, will be released as and when the relevant games are played.* The directors expect this will be released to the profit and loss account as revenue in the 12 months following the balance sheet date. The directors, whilst confident that the entire balance will be recognised as revenue, acknowledge that there is uncertainty as to the precise timing of the future release of deferred income, which is dependent upon the pandemic impacted schedule of hospitality and events, and the presence of crowds at those events, and the impacted schedule of football fixtures and matches and refund decisions made subsequent to the year end. The carrying amount is £4,197,490 (2019 - £3,797,784).

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 £35,506 (2019 - £272,777).

Tax

Tax is recognised in profit or loss, except that a charge 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.

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2020

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.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date.

Government grants

Government revenue grants are accounted for under the accruals method. These are credited to the profit and loss account when the company is entitled to the income.

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.

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2020

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.

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.

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

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.

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2020

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.

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. This long term intra group loan liability was fully repaid during the year and the Capital Contribution Reserve fully released.

Interest rate swap contracts are valued using market derived projections of future cash flows discounted back to estimated present values. This interest rate swap contract was bought out in the year.

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 2020

3 Revenue

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

	2020 £	2019 £
Sale of goods	4,583,824	6,107,644
Rendering of services	10,017,946	10,678,595
Ticket sales	4,750,611	5,988,568
Football League income	7,883,445	7,475,911
	<u>27,235,826</u>	<u>30,250,718</u>

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

	2020 £	2019 £
Matchday revenue	1,766,697	2,365,104
Season ticket revenue	2,983,914	3,623,464
Broadcasting revenue	728,700	642,500
Football League pool	3,383,445	2,875,911
Solidarity payment	4,500,000	4,600,000
Other football related income	1,273,165	1,644,039
Other commercial and retail income	12,599,905	14,499,700
	<u>27,235,826</u>	<u>30,250,718</u>

4 Other operating income

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

	2020 £	2019 £
Government grants	619,720	-
Release of expired deposit and other liabilities	-	524,545
	<u>619,720</u>	<u>524,545</u>

5 Operating (loss)/profit

Arrived at after charging/(crediting):

	2020 £	2019 £
Depreciation expense	2,799,680	2,897,609
Amortisation and impairment expense	11,177,822	7,861,114
Foreign exchange losses/(gains)	(114,314)	10,461
Profit on disposal of property, plant and equipment	<u>(3,200)</u>	<u>(2,804)</u>

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2020

6 Staff costs

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

	2020 £	2019 £
Wages and salaries	29,670,741	27,543,691
Social security costs	3,496,405	2,700,231
Pension costs, defined contribution scheme	312,902	396,588
	<u>33,480,048</u>	<u>30,640,510</u>

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

	2020 No.	2019 No.
Stadium operations	318	308
Football administration and support	124	119
Food and beverage	241	243
Stadium administration and sales	31	28
Players	83	75
	<u>797</u>	<u>773</u>

7 Directors' remuneration

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

	2020 £	2019 £
Remuneration	105,830	107,155
Contributions paid to money purchase pension schemes	37,331	37,656
	<u>143,161</u>	<u>144,811</u>

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

	2020 No.	2019 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 2020

8 Auditor's remuneration

	2020 £	2019 £
Audit of these financial statements	1,650	1,650
Audit of the financial statements of subsidiaries of the company pursuant to legislation	24,500	24,500
	<u>26,150</u>	<u>26,150</u>
Other fees to auditors		
Taxation compliance services	2,500	2,250
All other assurance services	4,500	4,500
	<u>7,000</u>	<u>6,750</u>

9 Other interest receivable and similar income

	2020 £	2019 £
Other finance income	<u>576,651</u>	<u>25,178</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

	2020 £	2019 £
Interest on bank overdrafts and borrowings	884,900	1,011,042
Interest expense on other finance liabilities	566,578	339,321
Other finance costs	133,527	-
	<u>1,585,005</u>	<u>1,350,363</u>

Included within the interest expense on other finance liabilities is £323,186 (2019 - £345,992) 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 2020

11 Taxation

Tax charged/(credited) in the income statement

	2020 £	2019 £
Current taxation		
UK corporation tax adjustment to prior periods	(1,075,416)	-
Group relief payable/(receivable)	<u>(127,537)</u>	<u>877,531</u>
	(1,202,953)	877,531
Deferred taxation		
Arising from origination and reversal of timing differences	<u>(273,000)</u>	<u>273,000</u>
Tax (receipt)/expense in the income statement	<u>(1,475,953)</u>	<u>1,150,531</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2019 - lower than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
(Loss)/profit before tax	<u>(10,074,251)</u>	<u>10,953,599</u>
Corporation tax at standard rate	(1,914,108)	2,081,184
Expense not deductible for tax purposes	428,332	398,700
Effect of tax losses carried back	189,497	-
Adjustments to deferred tax in respect of changes in tax rates	(2,393,006)	(132,109)
Effect of adjustment to group relief payable in respect of prior periods	(1,075,416)	-
Effect of prior period group relief surrendered	-	(35,650)
Effect of rollover relief on profit on disposal of fixed assets	-	(304,617)
Deferred tax not recognised	<u>3,288,748</u>	<u>(856,977)</u>
Total tax (credit)/charge	<u>(1,475,953)</u>	<u>1,150,531</u>

Deferred tax

Group

There are £118,600,000 of unused tax losses (2019 - £118,000,000) 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 2020

12 Intangible assets

Group

	Goodwill £	Players' contracts £	Software £	Total £
Cost or valuation				
At 1 June 2019	38,065	26,820,994	273,773	27,132,832
Additions	6,072	26,301,144	2,000	26,309,216
Disposals	-	(4,804,000)	(10,720)	(4,814,720)
At 31 May 2020	44,137	48,318,138	265,053	48,627,328
Amortisation				
At 1 June 2019	38,065	13,726,765	185,295	13,950,125
Amortisation charge	-	11,125,274	46,476	11,171,750
Amortisation eliminated on disposals	-	(1,653,564)	(2,010)	(1,655,574)
Impairment	6,072	-	-	6,072
At 31 May 2020	44,137	23,198,475	229,761	23,472,373
Carrying amount				
At 31 May 2020	-	25,119,663	35,292	25,154,955
At 31 May 2019	-	13,094,229	88,478	13,182,707

Bristol City Holdings Limited

Notes to the Financial Statements Year Ended 31 May 2020

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 2019	53,391,045	6,171,789	174,047	726,349	6,542,794	67,006,024
Additions	3,459	304,959	-	3,112,822	33,620	3,454,860
At 31 May 2020	53,394,504	6,476,748	174,047	3,839,171	6,576,414	70,460,884
Depreciation						
At 1 June 2019	9,974,021	2,922,819	168,756	-	2,433,598	15,499,194
Charge for the year	1,141,793	1,034,538	5,291	-	618,058	2,799,680
At 31 May 2020	11,115,814	3,957,357	174,047	-	3,051,656	18,298,874
Carrying amount						
At 31 May 2020	42,278,690	2,519,391	-	3,839,171	3,524,758	52,162,010
At 31 May 2019	43,417,024	3,248,970	5,291	726,349	4,109,196	51,506,830

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2020

Included within the net book value of land and buildings above is £42,278,690 (2019 - £43,417,023) in respect of freehold land and buildings and £Nil (2019 - £1) 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 2019 and 31 May 2020

30,550,003

Additions

71,352,347

At 31 May 2020

101,902,350

Provision

At 1 June 2019 and 31 May 2020

30,550,003

Provision

71,352,347

At 31 May 2020

101,902,350

Carrying amount

At 31 May 2020

-

At 31 May 2019

-

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2020

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	
			2020	2019
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%	100%
Bristol Academy Women's Football Club Limited	South Gloucestershire and Stroud College, Filton Avenue, Filton, Bristol, BS34 7AT	Company limited by guarantee	60%	60%

* Indicates direct investment of the company

Subsidiary undertakings

Bristol City Football Club Limited

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

Ashton Gate Limited

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

BCFC Limited

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

St James Parade (122) Limited

The principal activity of St James Parade (122) Limited is that of holding freehold property. During the year its freehold property was distributed to Ashton Gate Limited by way of a dividend in specie and the company became dormant thereafter.

Bristol City Women Football Club Limited

The principal activity of Bristol City Women Football Club Limited is the running of a professional football club.

Bristol Academy Women's Football Club Limited

The principal activity of Bristol Academy Women's Football Club Limited is that of a dormant company.

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2020

15 Stocks

	2020	Group 2019	2020	Company 2019
	£	£	£	£
Stock of consumables	<u>89,995</u>	<u>172,283</u>	<u>-</u>	<u>-</u>

16 Debtors

	2020	Group 2019	2020	Company 2019
	£	£	£	£
Trade debtors	519,621	417,116	-	-
Amounts due from group undertakings	1,482,864	2,016,829	247,998	247,998
Other debtors	1,694,833	159,381	-	-
Transfer fees receivable	23,893,915	27,217,952	-	-
Prepayments	1,301,132	1,994,228	-	-
Accrued income	<u>42,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>28,934,365</u>	<u>31,805,506</u>	<u>247,998</u>	<u>247,998</u>

Company

An impairment loss of £8,650,000 (2019 - £10,650,639) has been recognised against debtors owed to the company during the year.

Details of non-current trade and other debtors

Group

£11,843,642 (2019 - £10,013,182) 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 2020

17 Cash and cash equivalents

	2020 £	Group 2019 £	2020 £	Company 2019 £
Cash on hand	19,057	87,699	-	-
Cash at bank	867,808	713,920	-	-
	886,865	801,619	-	-
Bank overdrafts	(1,968,544)	(1,288,106)	-	-
Cash and cash equivalents in statement of cash flows	(1,081,679)	(486,487)	-	-

18 Creditors

	Note	2020 £	Group 2019 £	2020 £	Company 2019 £
Due within one year					
Loans and borrowings	19	2,163,144	51,288,106	-	-
Trade creditors		1,744,176	2,029,458	-	-
Amounts due to group undertakings		1,077,959	2,318,858	-	-
Social security and other taxes		2,796,747	4,173,462	-	-
Other creditors		1,404,041	297,443	-	-
Transfer fees payable		9,418,531	5,515,345	-	-
Accrued expenses		1,286,158	2,773,462	-	-
		19,890,756	68,396,134	-	-
Due after one year					
Loans and borrowings	19	70,511,900	18,606,117	-	-
Derivative financial instruments	31	-	248,473	-	-
Transfer fees payable		7,549,602	-	-	-
		78,061,502	18,854,590	-	-

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2020

19 Loans and borrowings

	2020 £	Group 2019 £	2020 £	Company 2019 £
Due within one year				
Bank borrowings	-	50,000,000	-	-
Bank overdrafts	1,968,544	1,288,106	-	-
Other borrowings	194,600	-	-	-
	<u>2,163,144</u>	<u>51,288,106</u>	<u>-</u>	<u>-</u>

	2020 £	Group 2019 £	2020 £	Company 2019 £
Due after one year				
Other borrowings	<u>70,511,900</u>	<u>18,606,117</u>	<u>-</u>	<u>-</u>

Group

Bank borrowings

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 £1,968,544 (2019 - £1,288,106).

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.

The bank loan, which had been drawn down for the stadium redevelopment, was fully repaid during the year. The bank loan was denominated in sterling with a nominal interest rate of 0.9% above LIBOR and was repayable on demand. The carrying amount at the year end is £Nil (2019 - £50,000,000).

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2020

Other borrowings

As at the 31 May 2019, other borrowings comprised a £20,050,000 interest free loan from Pula Sport Limited, repayable over five equal instalments at annual intervals beginning on 30 May 2021. This loan, presented in accordance with FRS 102, was measured at the present value of the future payments discounted at a market rate of interest, had a carrying value of £18,606,117 as at 31 May 2019 (2020 - £Nil), with the unwinding of the discount being charged to the profit and loss account as an interest expense.

Both the bank loan and the prior year Pula Sport Limited loans were refinanced in the year by way of a second 'other borrowing' loan as detailed below.

The second 'other borrowing' loan has also been provided by Pula Sport Limited and is denominated in sterling with a nominal interest rate of 2% above the Barclays Bank base rate, and a final instalment due date of 1 May 2040. The carrying amount at the year end is £70,122,500 (2019 - £Nil).

The loan is 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 group and a floating charge over the undertaking and assets of the company.

The loan is repayable in six instalments of £500,000 and £5,000,000 thereafter at annual intervals beginning on 1 December 2021, with the remaining balance being due in 2040. During the initial period, interest shall accrue daily and shall be capitalised on each interest payment date and added to the principle amount of the loan. Interest accrues where repayments fall due and are not made. Interest shall accrue from the date due until repaid at a rate of 3% per annum above the base rate of Barclays Bank plc.

The third 'other borrowing' loan is denominated in sterling with a nominal interest rate of 0%, and the final instalment is due on 1 April 2023. The carrying amount at year end is £584,000 (2019 - £Nil).

20 Analysis of net debt

	At 1 June 2019 £	Cash flow £	Non cash movements £	At 31 May 2020 £
Cash at bank and on hand	801,619	85,246	-	886,865
Bank overdrafts	(1,288,106)	(680,438)	-	(1,968,544)
Cash and cash equivalents	(486,487)	(595,192)	-	(1,081,679)
Bank loans due within one year	(50,000,000)	50,000,000	-	-
Other loans due after one year	(18,606,117)	(51,777,197)	(323,186)	(70,706,500)
Net debt	<u>(69,092,604)</u>	<u>(2,372,389)</u>	<u>(323,186)</u>	<u>(71,788,179)</u>

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2020

21 Deferred income

Group

	2020 £
At 1 June 2019	3,797,784
Released to profit during the year	(3,797,784)
Received during the year	<u>4,197,490</u>
At 31 May 2020	<u>4,197,490</u>

Deferred income has been recognised in respect of a number of income streams, being stadium event revenue and season ticket income for the completion of the 19/20 season, and whole 20/21 season.

22 Obligations under leases

Group

Operating leases

The total of future minimum lease payments is as follows:

	2020 £	2019 £
Not later than one year	96,970	293,015
Later than one year and not later than five years	<u>14,051</u>	<u>77,041</u>
	<u>111,021</u>	<u>370,056</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £309,436 (2019 - £304,518).

23 Deferred tax and other provisions

Group

	Deferred tax £
At 1 June 2019	273,000
Reversal of unused provision	<u>(273,000)</u>
At 31 May 2020	<u>-</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 £312,902 (2019 - £396,588).

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2020

25 Share capital

Allotted and called up shares

	No.	2020 £	No.	2019 £
Ordinary shares of £1 each	<u>125,306,261</u>	<u>125,306,261</u>	<u>116,656,261</u>	<u>116,656,261</u>

New shares allotted

During the year 8,650,000 Ordinary shares having an aggregate nominal value of £8,650,000 were allotted for an aggregate consideration of £8,650,000. The allotment was undertaken by way of debt to equity swap.

Rights, preferences and restrictions

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

26 Commitments

Group

Capital commitments

The group commenced the construction of a new football training facility in January 2020. The total amount contracted for but not provided in the financial statements in respect of the facility construction was £12,394,215 (2019 - £Nil).

27 Contingent assets

Group

Contractual assets under contracts for the sale of players are expected to become receivable of £1,620,000 (2019 - £ 100,000) 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 2020

28 Contingent liabilities

Group

Contractual liabilities under players' contracts may be payable of £242,000 (2019 - £162,500) at various stages in the future contingent on the relevant players meeting certain performance conditions.

29 Non adjusting events after the financial period

After the year end, the group has received £3,774,000 additional funding from Pula Sport Limited. This will be repaid upon receipt of the final instalment due to the group in respect of a player sale made during the year.

Since the end of the financial year the group has contracted for the purchase and sale of various players. The net cash income from these transfers, taking into account the applicable levies and excluding value added tax, was £1,707,500 (2019 - £3,241,623). These transfers will be accounted for in the year ended 31 May 2021.

The group is also due to pay £63,500 (2019 - £1,501,375) (excluding the contingent asset and liability described in Note 27 and 28) in respect of sell on clauses for players disposed of in previous years.

30 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 party is Mr & Mrs S P Lansdown, by virtue of their majority shareholding in the ultimate parent company.

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2020

31 Financial instruments

Group

Categorisation of financial instruments

	2020 £	2019 £
Financial assets that are debt instruments measured at amortised cost	27,591,233	29,811,278
Financial liabilities measured at fair value through profit or loss	-	(248,473)
Financial liabilities measured at amortised cost	<u>(93,477,932)</u>	<u>(80,055,327)</u>

Financial liabilities measured at fair value

Interest rate swap

The interest rate swap contract, which was settled in full during the year, was valued using market derived projections of future cash flows discounted back to estimated present values.

The fair value is a liability of £Nil (2019 - £248,473) and the change in value included in the profit and loss account is £Nil (2019 - a loss of £70,741).

Bristol City Holdings Limited

Notes to the Financial Statements

Year Ended 31 May 2020

32 Related party transactions

Group

Key management compensation

	2020 £	2019 £
Key management compensation	<u>1,766,829</u>	<u>1,558,061</u>

Summary of transactions with parent

Immediate parent company

During the year, the immediate parent company provided funding to the group of £10,809,633 (2019 - £13,905,640), of which £8,650,000 (2019 - £10,105,639) was converted to equity and £2,300,000 (2019 - £2,500,000) was repaid. During the year, the group recharged staff costs of £155,791 (2019 - £168,002) to the immediate parent company. At the balance sheet date, the amount due to the immediate parent company was £1,009,633 (2019 - £1,100,001). This funding was advanced interest free and is repayable on demand.

The group also has also received a long-term loan of £70,000,000 (2019 - £20,050,000) from the immediate parent company. £20,000,000 (2019 - £Nil) was repaid in respect of the previous long term loan. At the balance sheet date the amount due to the immediate parent company was £70,112,500 (2019 - £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. This bank loan was fully repaid in the year. The amount outstanding on the loan balance at the year end was £Nil (2019 - £50,000,000).

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 2020

Income and receivables from related parties

	Other related parties £
2020	
Income collected by related parties	7,148,729
Expenditure recharged to related parties	3,730,684
Sales to related parties	390,366
Group relief payments receivable from related parties	127,537
	<u>11,397,316</u>

Amounts receivable from related parties 1,450,452

	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

Expenditure with and payables to related parties

	Other related parties £
2020	
Purchases from related parties	5,734,974
Income collected on behalf of related parties	1,311
Group relief payable to related parties	(1,206,986)
	<u>4,529,299</u>

Amounts payable to related parties 12,440,868

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

Amounts payable to related parties 1,085,734