

Bristol City Football Club Limited

**Annual Report and Financial Statements
Year Ended 31 May 2019**

Registration number: 03230871



Bristol City Football Club Limited

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Bristol City Football Club Limited

Company Information

Chairman J S Lansdown

Directors M A Ashton
D J Harman
J S Lansdown
G T Marshall

Company secretary G T Marshall

Registered office Ashton Gate
Bristol
BS3 2EJ

Solicitors Burges Salmon LLP
One Glass Wharf
Bristol
BS2 0ZX

Bankers Barclays Bank plc
Bristol & North Somerset Group
PO Box 207
Bristol
BS2 0ZX

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

Bristol City Football Club Limited

Strategic Report

Year Ended 31 May 2019

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

Review of the business

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.

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.

Bristol City Football Club Limited

Strategic Report

Year Ended 31 May 2019

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

- (i) Average league attendance - 20,949 (2018 - 20,953)
- (ii) Final league position - 8th (2018 - 11th) in the Championship, meaning that the 2019/20 season will be spent in the Championship
- (iii) Total gate revenue down £673,131 (10%) (2018 - up £1,625,818 (32%))
- (iv) Central distributions from broadcasting, the Football League and solidarity payments up £250,011 (3%) (2018 - up £908,900 (13%))
- (v) Loss excluding player trading - £17.7m (2018 - £16.0m)
- (vi) Net profit on player trading - £30.4m (2018 - net loss on player trading of £7.5m)
- (vii) Profit before tax of £12.7m (2018 - loss before tax of £23.5m)

Having recorded a significant profit for the year the company has recognised a taxation charge for the year of £1.44m. The company has utilised its own tax losses to the fullest possible extent and also received 'group relief' from fellow subsidiaries of the Pula Sport Limited group. The tax charge recorded in the profit and loss account represents the amounts payable to those companies who have surrendered tax losses to Bristol City Football Club Limited.

The company has generated a post-tax profit of £11.26m (2018 - £23.47m loss), which was within the expectations of the Board, reflecting the ongoing investment into the operations of the Club and includes the impact of a net profit on player trading of £30.4m (2018 - net loss on player trading of £7.5m). These profits have decreased the net liabilities as at 31 May 2019 to £49.1m (2018 - £60.5m).

As described in Note 2 to the financial statements the directors are satisfied with both the going concern status of the company and the valuation of the key assets and liabilities included within the balance sheet.

Principal risks and uncertainties

The principal risk to the company is the availability of finance to fund the continuing losses. The continuing financial support of Pula Sport Limited and the ultimate controlling parties, Mrs & 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 Football Club 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 company

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

M A Ashton

K W Dawe (resigned 31 May 2019)

D J Harman

J S Lansdown - Chairman

G T Marshall (appointed 1 September 2018)

Principal activity

The principal activity of the company is the running of a professional football club.

Financial instruments

Objectives and policies

The directors have reviewed the financial risk management objectives and policies of the company. They do not believe there to be significant risks in this area. The company does not enter into any hedging instruments as there are not believed to be any material exposures. It does not enter into any financial instruments for speculative purposes.

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

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

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, the company capitalised £71,352,347 of debt due to its immediate parent company, Bristol City Holdings Limited, in exchange for 71,352,347 shares of £1 each in the capital of the company.

Disclosure of information to the auditors

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 auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Bristol City Football Club Limited

Directors' Report

Year Ended 31 May 2019

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

A handwritten signature in black ink, appearing to read 'D J Harman', written over a dotted line.

D J Harman
Director

Bristol City Football Club 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 Football Club Limited

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

Opinion

We have audited the financial statements of Bristol City Football Club Limited (the 'company') for the year ended 31 May 2019, which comprise the Statement of Income and Retained Earnings, Balance Sheet, 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 company's affairs as at 31 May 2019 and of its 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 company 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 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.

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.

Bristol City Football Club Limited

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 6), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 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 company or to cease operations, or have no realistic alternative but to do so.

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.

Bristol City Football Club Limited

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

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: 24 October 2019

Bristol City Football Club Limited

Statement of Income and Retained Earnings

Year Ended 31 May 2019

	Note	2019 £	2018 £
Turnover	3	17,650,301	17,109,965
Employee benefits expense		(24,620,235)	(23,083,565)
Depreciation and amortisation expense		(8,149,893)	(8,069,032)
Other expenses		<u>(10,350,017)</u>	<u>(9,753,678)</u>
Operating loss	4	(25,469,844)	(23,796,310)
Profit on disposal of players' contracts		<u>38,159,454</u>	<u>296,625</u>
Profit/ loss before interest and taxation		12,689,610	(23,499,685)
Loss excluding player trading		(17,716,729)	(16,039,154)
Player trading*		<u>30,406,339</u>	<u>(7,460,531)</u>
Other interest receivable and similar income	8	25,178	51,064
Interest payable and similar charges	9	<u>(14,493)</u>	<u>(33,781)</u>
Profit/(loss) before tax		12,700,295	(23,482,402)
Taxation	10	<u>(1,444,337)</u>	<u>16,783</u>
Profit/(loss) for the year		11,255,958	(23,465,619)
Retained earnings brought forward		<u>(118,978,022)</u>	<u>(95,512,403)</u>
Retained earnings carried forward		<u>(107,722,064)</u>	<u>(118,978,022)</u>

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


Bristol City Football Club Limited

Balance Sheet

31 May 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	11	13,149,155	12,229,710
Tangible assets	12	2,000,302	1,690,442
Investments	13	100	-
		<u>15,149,557</u>	<u>13,920,152</u>
Current assets			
Stocks		711	1,035
Debtors	14	30,259,483	7,975,213
Cash at bank and in hand		<u>32,709</u>	<u>38,884</u>
		30,292,903	8,015,132
Creditors: Amounts falling due within one year	16	<u>(90,740,557)</u>	<u>(77,831,195)</u>
Net current liabilities		<u>(60,447,654)</u>	<u>(69,816,063)</u>
Total assets less current liabilities		(45,298,097)	(55,895,911)
Creditors: Amounts falling due in more than one year	16	-	(1,100,000)
Deferred income	18	(3,629,379)	(3,460,523)
Provisions for liabilities	20	<u>(273,000)</u>	<u>-</u>
Net liabilities		<u>(49,200,476)</u>	<u>(60,456,434)</u>
Capital and reserves			
Called up share capital	22	58,521,588	58,521,588
Profit and loss account		<u>(107,722,064)</u>	<u>(118,978,022)</u>
Shareholders' deficit		<u>(49,200,476)</u>	<u>(60,456,434)</u>

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


D J Harman
Director

Company Registration Number: 03230871

Bristol City Football Club 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 FRS 102.

Basis of preparation

These financial statements have been prepared using the historical cost convention.

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 company currently has net current liabilities and net liabilities. The vast majority of these liabilities are intra group. While the club continues to develop, the company 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. Such finance comes from the group's 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 group via equity injections which confirms the long term commitment that they and Mr & Mrs S P Lansdown have to the company and the group. Pula Sport Limited has confirmed its ongoing support for the company and group.

The directors are confident that taking into account the commitment by Pula Sport Limited that the company and 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.

Bristol City Football Club Limited

Notes to the Financial Statements

Year Ended 31 May 2019

Key accounting judgements and sources of estimation uncertainty

In the application of the company'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 at the year end is £885,956 (2018 - £1,106,696).

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 at the year end is £13,094,229 (2018 - £12,148,485).

Turnover

Turnover comprises the fair value of the consideration received or receivable for matchday revenue, including ticket sales, broadcasting revenue, internet receipts and grants, Football League funding, comprising central funding and solidarity payments, and other commercial and related income, in respect of sponsorship, hospitality and advertising. Turnover is shown net of value added tax, returns, rebates and discounts.

Income is recognised as follows:

Income from matchday revenue, season tickets, broadcasting revenue is recognised when the related matches are played. Income from advance ticket sales, including season tickets, is deferred accordingly;

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

Income in respect of other commercial and retail income is recognised in the period to which it relates.

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

Bristol City Football Club Limited

Notes to the Financial Statements

Year Ended 31 May 2019

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 company receives/passes some tax losses from/to fellow 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.

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.

Software

Software is in respect of website and IT software costs capitalised. This is amortised on a straight line basis over 4 years.

Bristol City Football Club Limited

Notes to the Financial Statements

Year Ended 31 May 2019

Tangible 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 provided on tangible fixed assets, other than freehold land and assets under construction, so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic lives as follows:

Asset class	Depreciation method and rate
Leasehold land & buildings	Over the lease term
Freehold buildings	10 years straight line
Plant and machinery	7 years straight line
Fixtures and fittings	5 years straight line
Motor vehicles	4 years straight line

Investments

Investments in subsidiaries where the shares are not publicly traded and where fair value cannot be reliably measured are stated at historical cost less provision for any diminution in value.

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 company operates a defined contribution pension scheme to which it contributes for members. The company also contributes to some employee's personal pension plans. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Bristol City Football Club Limited

Notes to the Financial Statements

Year Ended 31 May 2019

Financial instruments

Classification

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Short term intra-group debtors and creditors;
- Debtors and creditors in relation to transfer fees; and
- Cash and bank balances.

All financial instruments are classified as basic.

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.

Short term trade, intra-group, transfer fee and other debtors and creditors and cash and bank balances 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 transfer fees payable and receivable are initially measured at transaction price, including transactions costs and are subsequently measured at amortised cost.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2019 £	2018 £
Sale of goods	182,624	189,083
Rendering of services	4,185,304	3,378,688
Ticket sales	5,972,462	6,645,594
Football League income	7,309,911	6,896,600
	<u>17,650,301</u>	<u>17,109,965</u>

Bristol City Football Club Limited

Notes to the Financial Statements

Year Ended 31 May 2019

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

	2019 £	2018 £
Matchday revenue	2,350,048	3,428,880
Season tickets	3,622,414	3,216,714
Broadcasting revenue	642,500	852,000
Football League pool	2,709,911	2,396,600
Solidarity payment	4,600,000	4,500,000
Other football related income	1,609,179	1,198,471
Other commercial and retail income	2,116,249	1,517,300
	<u>17,650,301</u>	<u>17,109,965</u>

4 Operating profit

Arrived at after charging:

	2019 £	2018 £
Depreciation expense	370,479	288,059
Amortisation expense	7,779,414	7,780,973
Foreign exchange (gains)/losses	10,461	(14,939)
Loss on disposal of property, plant and equipment	-	1,324
	<u>-</u>	<u>1,324</u>

5 Staff costs

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

	2019 £	2018 £
Wages and salaries	21,976,201	20,592,538
Social security costs	2,302,361	2,369,094
Pension costs, defined contribution scheme	341,673	121,933
	<u>24,620,235</u>	<u>23,083,565</u>

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

	2019 No.	2018 No.
Office, coaching and management staff	119	110
Players	75	72
	<u>194</u>	<u>182</u>

Bristol City Football Club Limited

Notes to the Financial Statements

Year Ended 31 May 2019

6 Directors' remuneration

The directors' remuneration for the year was as follows:

	2019 £	2018 £
Remuneration	591,690	510,526
Contributions paid to money purchase pension schemes	55,059	36,807
	<u>646,749</u>	<u>547,333</u>

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

	2019 No.	2018 No.
Accruing benefits under money purchase pension scheme	<u>3</u>	<u>3</u>

In respect of the highest paid director:

	2019 £	2018 £
Remuneration	484,535	436,876
Contributions paid to money purchase pension schemes	<u>17,403</u>	<u>1,576</u>

7 Auditors' remuneration

	2019 £	2018 £
Audit of the financial statements	<u>12,200</u>	<u>12,000</u>

8 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.

Bristol City Football Club Limited

Notes to the Financial Statements

Year Ended 31 May 2019

9 Interest payable and similar expenses

	2019 £	2018 £
Interest on bank overdrafts and borrowings	21,164	27,110
Interest expense on other finance liabilities	(6,671)	6,671
	<u>14,493</u>	<u>33,781</u>

10 Taxation

Tax charged/(credited) in the profit and loss account

	2019 £	2018 £
Current taxation		
Group relief payable/(receivable)	1,171,337	(16,783)
Deferred taxation		
Arising from origination and reversal of timing differences	273,000	-
Tax expense/(receipt) in the income statement	<u>1,444,337</u>	<u>(16,783)</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>12,700,295</u>	<u>(23,482,402)</u>
Corporation tax at standard rate	2,413,056	(4,461,656)
Expenses not deductible for tax purposes	68,480	47,049
Adjustments to deferred tax in respect of changes in tax rates	(102,051)	462,928
Effect of prior period group relief surrendered	(35,650)	-
Effect of rollover relief on profit on disposal of fixed assets	(304,616)	-
Deferred tax not recognised	<u>(594,882)</u>	<u>3,934,896</u>
Total tax charge/(credit)	<u>1,444,337</u>	<u>(16,783)</u>

Deferred tax

There are £103,560,000 of unused tax losses (2018 - £108,600,000) for which no deferred tax asset is recognised in the Balance Sheet.

Bristol City Football Club Limited

Notes to the Financial Statements

Year Ended 31 May 2019

11 Intangible assets

	Players' contracts £	Computer software £	Total £
Cost or valuation			
At 1 June 2018	23,844,112	105,195	23,949,307
Additions acquired separately	10,153,500	-	10,153,500
Disposals	(7,176,618)	-	(7,176,618)
At 31 May 2019	<u>26,820,994</u>	<u>105,195</u>	<u>26,926,189</u>
Amortisation			
At 1 June 2018	11,695,627	23,970	11,719,597
Amortisation charge	7,753,115	26,299	7,779,414
Amortisation eliminated on disposals	(5,721,977)	-	(5,721,977)
At 31 May 2019	<u>13,726,765</u>	<u>50,269</u>	<u>13,777,034</u>
Carrying amount			
At 31 May 2019	<u>13,094,229</u>	<u>54,926</u>	<u>13,149,155</u>
At 31 May 2018	<u>12,148,485</u>	<u>81,225</u>	<u>12,229,710</u>

Bristol City Football Club Limited

Notes to the Financial Statements

Year Ended 31 May 2019

12 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Assets under construction £	Plant and equipment £	Total £
Cost or valuation						
At 1 June 2018	2,212,464	374,928	174,047	208,916	243,127	3,213,482
Additions	37,707	63,031	-	517,433	62,168	680,339
At 31 May 2019	2,250,171	437,959	174,047	726,349	305,295	3,893,821
Depreciation						
At 1 June 2018	1,105,768	159,994	158,176	-	99,102	1,523,040
Charge for the year	258,447	62,799	10,580	-	38,653	370,479
At 31 May 2019	1,364,215	222,793	168,756	-	137,755	1,893,519
Carrying amount						
At 31 May 2019	885,956	215,166	5,291	726,349	167,540	2,000,302
At 31 May 2018	1,106,696	214,934	15,871	208,916	144,025	1,690,442

Included within the net book value of land and buildings above is £885,955 (2018 - £951,861) 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 £263,209 (2017 - £263,209) which is not depreciated.

Bristol City Football Club Limited

Notes to the Financial Statements

Year Ended 31 May 2019

13 Investments in subsidiaries

Subsidiaries	£
Cost or valuation	
Additions	100
Provision	
Carrying amount	
At 31 May 2019	100

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 Women Football Club Limited	Ashton Gate 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%	33.3%

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

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.

The loss for the financial period of Bristol City Women Football Club Limited was £93,948 and the aggregate amount of capital and reserves at the end of the period was £(93,948).

The profit for the financial period of Bristol Academy Women's Football Club Limited was £34,743 and the aggregate amount of capital and reserves at the end of the period was £(3,222).

Bristol City Football Club Limited

Notes to the Financial Statements

Year Ended 31 May 2019

14 Debtors

	2019 £	2018 £
Trade debtors	71,405	48,445
Amounts owed by group undertakings	1,215,073	1,416,487
Other debtors	159,506	589,158
Amounts receivable in respect of transfer fees	27,217,952	4,689,167
Prepayments	<u>1,595,547</u>	<u>1,231,956</u>
Total current trade and other debtors	<u>30,259,483</u>	<u>7,975,213</u>

An impairment loss of £83,222 (2018 - £nil) has been recognised against amounts owed by group undertakings during the year.

Details of trade and other debtors

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

15 Cash and cash equivalents

	2019 £	2018 £
Cash on hand	31,463	17,546
Cash at bank	<u>1,246</u>	<u>21,338</u>
	32,709	38,884
Bank overdrafts	<u>(1,288,106)</u>	<u>(3,665,158)</u>
Cash and cash equivalents	<u>(1,255,397)</u>	<u>(3,626,274)</u>

Bristol City Football Club Limited

Notes to the Financial Statements

Year Ended 31 May 2019

16 Creditors

	Note	2019 £	2018 £
Due within one year			
Loans and borrowings	17	1,288,106	3,665,158
Trade creditors		764,740	945,628
Amounts due to group undertakings		77,348,068	65,270,394
Social security and other taxes		3,888,407	1,036,459
Amounts payable in respect of transfer fees		5,515,345	5,128,029
Accrued expenses		1,935,891	1,785,527
		<u>90,740,557</u>	<u>77,831,195</u>
Due after one year			
Amounts payable in respect of transfer fees		-	1,100,000

17 Loans and borrowings

	2019 £	2018 £
Current loans and borrowings		
Bank overdrafts	<u>1,288,106</u>	<u>3,665,158</u>

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 £1,288,106 (2018 - £3,665,158).

The bank overdraft is secured by a limited guarantee given by S P Lansdown of £4,500,000 and an unlimited guarantee given by Ashton Gate Limited (fellow subsidiary).

Bristol City Football Club Limited

Notes to the Financial Statements

Year Ended 31 May 2019

18 Deferred income

	2019 £
At 1 June 2018	3,460,253
Released to profit during the year	(3,460,253)
Received during the year	<u>3,629,379</u>
At 31 May 2019	<u>3,629,379</u>

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

19 Obligations under leases

Operating leases

The total of future minimum lease payments is as follows:

	2019 £	2018 £
Not later than one year	276,930	286,571
Later than one year and not later than five years	<u>66,250</u>	<u>338,744</u>
	<u>343,180</u>	<u>625,315</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £286,571 (2018 - £294,259).

20 Deferred tax provision

	Deferred tax £	Total £
Increase through disposals	<u>273,000</u>	<u>273,000</u>
At 31 May 2019	<u>273,000</u>	<u>273,000</u>

21 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme and also contributes to certain employees' personal pension plans. The pension cost charge for the year represents total contributions payable and amounted to £341,673 (2018 - £121,933).

Bristol City Football Club Limited

Notes to the Financial Statements

Year Ended 31 May 2019

22 Share capital

Allotted, called up and fully paid shares

	No.	2019 £	No.	2018 £
Ordinary shares of £1 each	58,521,588	58,521,588	58,521,588	58,521,588

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:
The right to one vote per share held at general meetings.

23 Contingent assets

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.

24 Contingent liabilities

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.

25 Non adjusting events after the financial period

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

Since the end of the financial year the company 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 £3,241,623 (2018 - £13,013,093). These transfers will be accounted for in the year ended 31 May 2020.

The company is also due to pay £1,501,375 (2018 - receive £605,000) (excluding the contingent asset and liability described in Note 22 and 23) in respect of sell on clauses for players disposed of in previous years.

Bristol City Football Club Limited

Notes to the Financial Statements

Year Ended 31 May 2019

26 Related party transactions

Summary of transactions with other related parties

Fellow (non wholly owned) subsidiaries

During the year, the company recharged match day and other expenditure to its fellow subsidiaries. It received income in respect of ticket sales and sponsorship collected by its fellow subsidiaries. The company recognised receivables/(payables) in respect of tax losses group relieved to/(by) fellow subsidiaries. The company made merchandise, management charges and other purchases from its fellow subsidiaries.

Income and receivables from related parties

	Other related parties £
2019	
Expenditure recharged to related parties	610,034
Income collected by related parties	6,980,332
Group relief receivable	35,649
	<u>7,626,015</u>
Amounts receivable from related parties	<u>1,066,895</u>
	Other related parties £
2018	
Expenditure recharged to related parties	33,307
Income collected by related parties	8,017,495
Group relief receivable	16,783
	<u>8,067,585</u>
Amounts receivable from related parties	<u>1,416,487</u>

Expenditure with and payables to related parties

	Other related parties £
2019	
Purchases from related parties	5,038,589
Group relief payable to related parties	1,206,986
	<u>6,245,575</u>
Amounts payable to related parties	<u>1,875,417</u>

Bristol City Football Club Limited

Notes to the Financial Statements

Year Ended 31 May 2019

	Other related parties £
2018	
Purchases from related parties	<u>1,830,545</u>
	<u>1,830,545</u>
Amounts payable to related parties	<u>623,074</u>

27 Parent and ultimate parent undertaking

The company's immediate parent is Bristol City Holdings Limited, incorporated in England & Wales.

The intermediate parent is Pula Sport Limited, incorporated in Guernsey.

The ultimate parent is Pula Limited, incorporated in Guernsey.

The most senior parent entity producing publicly available financial statements is Bristol City Holdings Limited. These financial statements are available upon request from its registered office at Ashton Gate, Bristol, BS3 2EJ.

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