

Company Registration No. 04501223 (England and Wales)

# **BRISTOL ROVERS (1883) LIMITED**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020



# **OLD M'LL**

# **BRISTOL ROVERS (1883) LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	Mr Martyn Starnes Mr W. Al-Qadi Mr T. Gorringe Mr K. Mardam-Bey	(Appointed 19 June 2020) (Appointed 19 June 2020)
<b>Secretary</b>	Taylor Wessing Secretaries Limited	
<b>Company number</b>	04501223	
<b>Registered office</b>	The Memorial Stadium Filton Avenue Horfield BRISTOL BS7 0BF	
<b>Auditor</b>	Old Mill Audit LLP Maltravers House Petters Way YEOVIL Somerset BA20 1SH	

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# **BRISTOL ROVERS (1883) LIMITED**

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# BRISTOL ROVERS (1883) LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

The directors present their annual report and financial statements for the year ended 30 June 2020.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr Martyn Starnes	
Mr W. Al-Qadi	
Mr S. Hamer	(Resigned 20 December 2019)
Mr K. Masters	(Resigned 1 April 2020)
Mr M. Turner	(Resigned 31 December 2019)
Mr T. Gorringer	(Appointed 19 June 2020)
Mr K. Mardam-Bey	(Appointed 19 June 2020)

### Results and dividends

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

### Auditor

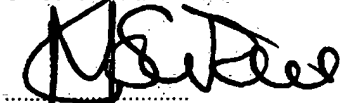
Old Mill Audit LLP were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



Mr Martyn Starnes  
Director

Date:

18/6/21

**BRISTOL ROVERS (1883) LIMITED**  
**DIRECTORS' RESPONSIBILITIES STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

# BRISTOL ROVERS (1883) LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF BRISTOL ROVERS (1883) LIMITED

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#### Opinion

We have audited the financial statements of Bristol Rovers (1883) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2020 which comprise the group profit and loss account, the group balance sheet, the company 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 FRS 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 30 June 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 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 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.

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.

#### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

# **BRISTOL ROVERS (1883) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BRISTOL ROVERS (1883) LIMITED**

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### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

### **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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# **BRISTOL ROVERS (1883) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BRISTOL ROVERS (1883) LIMITED**

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### **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.

**Stuart Grimster FCA (Senior Statutory Auditor)  
for and on behalf of Old Mill Audit LLP  
Statutory Auditor**

*Old Mill Audit LLP*  
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Maltravers House  
Petters Way  
YEOVIL  
Somerset  
BA20 1SH

25 June 2021



# BRISTOL ROVERS (1883) LIMITED

## GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 £	2019 £
<b>Turnover</b>		5,893,112	6,377,493
Cost of sales		(8,422,315)	(9,347,607)
Net compensation for loss of youth players		60,000	(20,000)
Profit or loss on disposal of intangible assets		72,500	573,029
<b>Gross loss</b>		(2,396,703)	(2,417,085)
Administrative expenses		(454,689)	(593,421)
Amortisation		(311,689)	(474,517)
Other operating income		589,763	204
Donations from support organisations		43,930	64,569
<b>Operating loss</b>		(2,529,388)	(3,420,250)
Interest receivable and similar income		173	131
Interest payable and similar expenses		(23,351)	(698,750)
Accrued loan interest waived		1,456,243	-
<b>Loss before taxation</b>		(1,096,323)	(4,118,869)
Tax on loss		-	-
<b>Loss for the financial year</b>		(1,096,323)	(4,118,869)

Loss for the financial year is all attributable to the owners of the parent company.

# BRISTOL ROVERS (1883) LIMITED

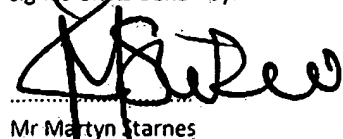
## GROUP BALANCE SHEET

AS AT 30 JUNE 2020

	Notes	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	4	82,095	323,220
Tangible assets	5	3,495,354	2,863,880
		<u>3,577,449</u>	<u>3,187,100</u>
<b>Current assets</b>			
Stocks		75,194	101,202
Debtors	9	747,296	742,564
Cash at bank and in hand		1,119,470	220,077
		<u>1,941,960</u>	<u>1,063,843</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(23,540,469)</u>	<u>(21,308,892)</u>
<b>Net current liabilities</b>		<u>(21,598,509)</u>	<u>(20,245,049)</u>
<b>Total assets less current liabilities</b>		<u>(18,021,060)</u>	<u>(17,057,949)</u>
<b>Creditors: amounts falling due after more than one year</b>	11	(15,658)	(142,632)
<b>Net liabilities</b>		<u>(18,036,718)</u>	<u>(17,200,581)</u>
<b>Capital and reserves</b>			
Called up share capital		827,837	820,665
Share premium account		5,107,309	4,854,294
Capital redemption reserve		1,193,574	1,193,574
Profit and loss reserves		(25,165,438)	(24,069,114)
<b>Total equity</b>		<u>(18,036,718)</u>	<u>(17,200,581)</u>

These financial statements have been prepared in accordance with the provisions applicable to groups and companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 18/6/21 and are signed on its behalf by:

  
Mr Martyn Starnes  
Director

# BRISTOL ROVERS (1883) LIMITED

## COMPANY BALANCE SHEET

AS AT 30 JUNE 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	5		35,772		51,653
Investment properties	6		11,100,000		11,100,000
Investments	7		725,364		725,462
			<u>11,861,136</u>		<u>11,877,115</u>
<b>Current assets</b>					
Debtors	9	1,004,183		14,306,227	
Cash at bank and in hand		12,341		1,574	
		<u>1,016,524</u>		<u>14,307,801</u>	
<b>Creditors: amounts falling due within one year</b>	10	(21,130,374)		(19,531,350)	
<b>Net current liabilities</b>			(20,113,850)		(5,223,549)
<b>Total assets less current liabilities</b>			(8,252,714)		6,653,566
<b>Creditors: amounts falling due after more than one year</b>	11		(3,932)		(19,662)
<b>Provisions for liabilities</b>			(207,512)		(207,512)
<b>Net (liabilities)/assets</b>			<u>(8,464,158)</u>		<u>6,426,392</u>
<b>Capital and reserves</b>					
Called up share capital			827,837		820,665
Share premium account			5,107,309		4,854,294
Capital redemption reserve			372,000		372,000
Profit and loss reserves			(14,771,304)		379,433
<b>Total equity</b>			<u>(8,464,158)</u>		<u>6,426,392</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £15,150,737 (2019 - £808,426 loss).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

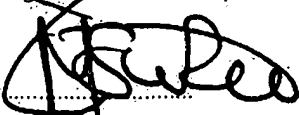
**BRISTOL ROVERS (1883) LIMITED**

**COMPANY BALANCE SHEET (CONTINUED)**

**AS AT 30 JUNE 2020**

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The financial statements were approved by the board of directors and authorised for issue on 18/6/21 and are signed on its behalf by:



Mr Martin Starnes  
Director

Company Registration No.

# **BRISTOL ROVERS (1883) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 30 JUNE 2020**

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#### **1 Accounting policies**

##### **Company information**

Bristol Rovers (1883) Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is The Memorial Stadium, Filton Avenue, Horfield, Bristol, BS7 0BF.

The group consists of Bristol Rovers (1883) Limited and all of its subsidiaries.

##### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

Despite the group qualifying as small under the Companies Act 2006, the directors have chosen to prepare consolidated accounts.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

##### **1.2 Basis of consolidation**

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of Bristol Rovers (1883) Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 June 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

# BRISTOL ROVERS (1883) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 1 Accounting policies

(Continued)

#### 1.3 Going concern

The Group Balance Sheet discloses net liabilities of £18,036,718 (2019: £17,200,581). During the year £237,307 of the loan balance owed to the group's parent, Dwane Sports Limited, was capitalised in exchange for new shares issued in Bristol Rovers (1883) Limited. Since the year end, a further £18,145,168 of the loan balance has been capitalised, significantly reducing the magnitude of the net liability position. Notwithstanding the net liabilities, the financial statements have been prepared on the going concern basis which assumes the company will continue in operational existence for the foreseeable future. The company relies on the continued support of the Al Qadi family for its day to day funding and funds its working capital through a facility provided by Dwane Sports Limited, a company owned by the Al Qadi family, that is not repayable within 12 months from these accounts.

Mr H Al Qadi has confirmed his intention to maintain support for a period of at least twelve months from the signing of these accounts.

On the basis above the directors consider it appropriate to prepare the financial statements on a going concern basis.

#### 1.4 Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts. Gate, season tickets and other match day revenue is recognised over the period of the football season as matches are played. Sponsorship and similar commercial income is recognised over the duration of the respective contracts. The fixed element of the broadcasting revenues is recognised over the duration of the football season, whilst facility fees for live coverage or highlights are taken when earned. Payments received from the Football League are recognised over the period of the football season to which payments relate.

#### 1.5 Intangible fixed assets other than goodwill

Intangible assets acquired represent the initial cost of player contract payments.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Player contracts	Life of initial contract
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#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Indefinite
Leasehold improvements	Between 5-33% on a straight line basis
Plant and equipment	Between 5-33% on a straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

# BRISTOL ROVERS (1883) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

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### 1 Accounting policies

(Continued)

#### 1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

# BRISTOL ROVERS (1883) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

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### 1 Accounting policies

(Continued)

#### 1.10 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### *Basic financial assets*

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### *Other financial assets*

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### *Impairment of financial assets*

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### *Derecognition of financial assets*

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.



# BRISTOL ROVERS (1883) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

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### 1 Accounting policies

(Continued)

#### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

#### ***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

#### **1.12 Equity instruments**

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### **1.13 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.14 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# BRISTOL ROVERS (1883) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 1 Accounting policies

(Continued)

#### 1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### 1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

### 2 Exceptional item

As part of the capitalisation of the loan facility provided by the entity's parent company which took place in the year, £1,456,243 of accrued loan interest was waived, and released to the statement of profit and loss.

### 3 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Total employees	228	186	-	-

# BRISTOL ROVERS (1883) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 4 Intangible fixed assets

Group	Player contracts £
<b>Cost</b>	
At 1 July 2019	890,511
Additions	70,564
Disposals	(769,538)
At 30 June 2020	191,537
<b>Amortisation and impairment</b>	
At 1 July 2019	567,291
Amortisation charged for the year	311,689
Disposals	(769,538)
At 30 June 2020	109,442
<b>Carrying amount</b>	
At 30 June 2020	82,095
At 30 June 2019	323,220

The company had no intangible fixed assets at 30 June 2020 or 30 June 2019.

# BRISTOL ROVERS (1883) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

### 5 Tangible fixed assets

Group	Land and buildings £	Plant and machinery etc £	Total £
<b>Cost</b>			
At 1 July 2019	6,659,023	881,976	7,540,999
Additions	799,415	-	799,415
At 30 June 2020	7,458,438	881,976	8,340,414
<b>Depreciation and impairment</b>			
At 1 July 2019	3,930,077	747,042	4,677,119
Depreciation charged in the year	129,541	38,400	167,941
At 30 June 2020	4,059,618	785,442	4,845,060
<b>Carrying amount</b>			
At 30 June 2020	3,398,820	96,534	3,495,354
At 30 June 2019	2,728,946	134,934	2,863,880
<b>Company</b>			
	Land and buildings £	Plant and machinery etc £	Total £
<b>Cost</b>			
At 1 July 2019 and 30 June 2020	3,224,562	555,406	3,779,968
<b>Depreciation and impairment</b>			
At 1 July 2019	3,224,562	503,753	3,728,315
Depreciation charged in the year	-	15,881	15,881
At 30 June 2020	3,224,562	519,634	3,744,196
<b>Carrying amount</b>			
At 30 June 2020	-	35,772	35,772
At 30 June 2019	-	51,653	51,653

The Memorial Stadium, contained with land and buildings, is pledged as security on a loan facility between Bristol Rovers (1883) Limited and the ultimate parent Dwane Sports Limited.

# BRISTOL ROVERS (1883) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 6 Investment property

	Group 2020 £	Company 2020 £
<b>Fair value</b>		
At 1 July 2019 and 30 June 2020	-	11,100,000

### 7 Fixed asset investments

	Group 2020 £	2019 £	Company 2020 £	2019 £
	-	-	725,364	725,462

### 8 Subsidiaries

Details of the company's subsidiaries at 30 June 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Bristol Rovers Football Club Limited	United Kingdom	Ordinary	100.00	-
The Memorial Stadium Company Limited	United Kingdom	Ordinary	97.24	2.76

### 9 Debtors

	Group 2020 £	2019 £	Company 2020 £	2019 £
<b>Amounts falling due within one year:</b>				
Trade debtors	103,508	110,498	-	-
Amounts owed by group	-	-	1,003,850	14,196,826
Other debtors	643,788	632,066	333	109,401
	747,296	742,564	1,004,183	14,306,227

# BRISTOL ROVERS (1883) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 10 Creditors: amounts falling due within one year

	Group 2020 £	2019 £	Company 2020 £	2019 £
Trade creditors	802,779	521,254	47,795	140,647
Amounts owed to group undertakings	19,501,725	16,193,134	20,168,439	16,859,946
Corporation tax payable	700	700	700	700
Other taxation and social security	818,049	229,758	-	-
Other creditors	2,417,216	4,364,046	913,440	2,530,057
	<u>23,540,469</u>	<u>21,308,892</u>	<u>21,130,374</u>	<u>19,531,350</u>

The amounts owed to group undertakings represents a loan between Bristol Rovers (1883) Limited and the ultimate parent Dwane Sports Limited. The facility is secured over the Memorial Stadium.

### 11 Creditors: amounts falling due after more than one year

	Group 2020 £	2019 £	Company 2020 £	2019 £
Other creditors	<u>15,658</u>	<u>142,632</u>	<u>3,932</u>	<u>19,662</u>

### 12 Operating lease commitments

#### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	Group 2020 £	2019 £	Company 2020 £	2019 £
	<u>240,397</u>	<u>425,311</u>	<u>-</u>	<u>6,474</u>

### 13 Events after the reporting date

On 28 September 2020, £18,145,168 of the company's loan balance owed to its parent company Dwane Sports Limited was capitalised, resulting in 4,847,746 ordinary 1p shares being issued.

### 14 Controlling party

The ultimate parent undertaking of this company is Dwane Sports Limited, incorporated in Jersey, by virtue of holding 92.56% of the ordinary shares of Bristol Rovers (1883) Limited.