

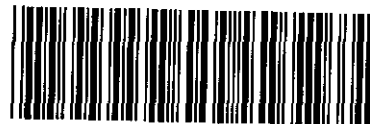
Ashton Gate Limited

(formerly Quayshelfco 1155 Limited)

Report and Financial Statements

Period from 12 May 2005 to 31 May 2006

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COMPANIES HOUSE

Ashton Gate Limited (formerly Quayshelfo 1155 Limited)

Registered No: 5450440

Directors

S P Lansdown (Chairman) (appointed 1 June 2005)
K W Dawe (Vice Chairman) (appointed 1 June 2005)
C L Sexstone (Appointed 1 June 2006)
R W Pearce (Appointed 1 June 2006)
D Harman (Appointed 1 June 2006)

Chief executive

C Sexstone

Secretary

R A Barr

Auditors

Deloitte & Touche LLP
Bristol

Bankers

Barclays Bank PLC
Bristol & North Somerset Group
PO Box 207
Bristol
BS99 7AJ

Solicitors

Burges Salmon LLP
Narrow Quay House
Narrow Quay
Bristol
BS1 4AH

Registered office

Ashton Gate
Bristol
BS3 2EJ

Directors' report

The directors present their report and the financial statements from incorporation to 31 May 2006.

Results and dividends

The loss for the period, after taxation, was £715,966. The directors do not recommend the payment of a dividend.

Principal activity

The principal activity during the period was the provision of stadium facilities and stadium management.

Review of the business and future developments

The company was incorporated on 12 May 2005 and changed its name and commenced trading on 1 June 2005.

Following the transfer of the stadium and stadium events trade from Bristol City Football Club Limited event and stadium revenue was £3.2m, a marked increase on the £2.8m achieved in 2005 within Bristol City Football Club Limited. This was the result of the two successful concerts (Neil Diamond and Rod Stewart) during the year. The need to make this company profitable has been well documented and the launch of the Premier Club and the resultant refurbishment in the Williams and Dolman Stands is the first major step in achieving this.

Principal risks and uncertainties

The key risk to the business is the success of events which may affect revenue from such events and also sponsorship. The company is aware of this risk and addresses the issues through detailed consideration of the events that are held and appropriate marketing.

Financial risk and management

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.

Appropriate trade terms are negotiated with suppliers and customers. Management reviews these terms and the relationships 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.

Directors and their interests

The present membership of the Board is stated on page 1. The directors who also served during the period are as follows:

NQH Limited (appointed 12 May 2005, resigned 1 June 2005)

J S Laycock (appointed 1 June 2005, resigned 20 September 2005)

None of the directors held any interest in the share capital of the company during the period or at the period end.

The directors who held any interest in the share capital of the parent undertaking, Bristol City Holdings Limited were also directors of that company and their interests in the share capital of that company are disclosed in the financial statements of Bristol City Holdings Limited, copies of which can be obtained from its registered office.

Directors' report

Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte & Touche LLP have expressed a willingness to remain in office as the company's auditor. A resolution to re-appoint Deloitte & Touche LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

By order of the Board



R A Barr

Secretary

Date

9 October 2006

Statement of directors' responsibilities in respect of the financial statements

United Kingdom company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of Ashton Gate Limited (formerly Quayshelfo 1155 Limited)

We have audited the financial statements of Ashton Gate Limited for the period from 12 May 2005 to 31 May 2006 which comprise the profit and loss account, the balance sheet and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and the other information contained in the annual report for the above year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report

to the members of Ashton Gate Limited (formerly Quayshelfo 1155 Limited) (continued)

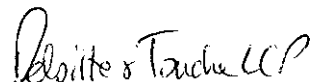
Opinion

In our opinion:

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the company's affairs as at 31 May 2006 and of its loss for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Emphasis of matter – Going concern

Without qualifying our opinion, we draw attention to the disclosures made in note 1 of the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of £715,966 during the period ended 31 May 2006 and, as of that date, the company's net current liabilities were £484,282. *These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern.* The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern as it is not practicable to determine or quantify them.



DELOITTE & TOUCHE LLP

Chartered Accountants and Registered Auditors
Bristol, United Kingdom

Date 10 October 2006

Profit and loss account

for the period from incorporation to 31 May 2006

	Notes	2006 £
Turnover – continuing operations	2	4,455,656
Staff costs	3	1,075,763
Depreciation	7	214,838
Other operating charges		3,848,513
		<u>5,139,114</u>
Operating loss – continuing operations	4	(683,458)
Interest payable and similar charges	5	(32,508)
Loss on ordinary activities before taxation		<u>(715,966)</u>
Loss for the financial period	12	<u><u>(715,966)</u></u>

There are no recognised gains or losses for the current period other than as stated in the profit and loss account. Accordingly, no separate statement of total recognised gains and losses is presented.

Balance sheet

at 31 May 2006

	Notes	2006 £
Fixed assets		
Tangible assets	7	7,701,218
Current assets		
Stocks of goods for resale		50,508
Debtors	8	1
Cash at bank and in hand		488,937
		<u>539,446</u>
Creditors: amounts falling due within one year	9	(1,023,728)
Net current liabilities		<u>(484,282)</u>
Total assets less current liabilities		7,216,936
Creditors: amounts falling due after more than one year	10	(7,932,901)
		<u>(715,965)</u>
Capital and reserves		
Called up share capital	11	1
Profit and loss account	12	(715,966)
Shareholder's deficit		<u>(715,965)</u>



S P Lansdown - Chairman

Date

6 October 2006

Notes to the financial statements

For the period ended 31 May 2006

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period.

Going concern

In accordance with their responsibilities as directors, the directors have considered the appropriateness of the going concern basis for the preparation of the financial statements. In forming their view, they considered the period to 31 May 2007, a period of less than 12 months from the approval of the financial statements.

The company meets its day-to-day working capital requirements through inter-company finance, which is repayable on demand. The directors have prepared projected cash flow information for the period to 31 May 2007.

The company is currently loss making and has net current liabilities. In order to continue in operational existence as a going concern and to meet its liabilities as they fall due, the company is dependent on securing additional finance. Since the end of the period certain directors have agreed to subscribe for additional shares and/or loan stock in Bristol City Holdings Limited, the ultimate holding company in the coming year should the need arise.

The directors are confident that taking into account the commitment by certain directors to subscribe for further shares and/or loan stock in Bristol City Holdings Limited should the need arise, the group will have sufficient working capital until at least the end of the 2006/2007 season.

In considering the longer term the directors believe that the company will return to profitable trading or that additional funding will be made available. Profitability is dependent on a number of factors both within and out of the group's control but the principal factor is the success of the team and stadium events. It is for this reason that certain directors continue to commit substantial sums of money to the group. In addition, the directors continue to seek to increase the income of the company whilst controlling costs.

Accordingly, the directors consider it appropriate to prepare these financial statements on a going concern basis. Should the assumptions referred to above prove to be invalid, the going concern basis may be invalid and accordingly adjustments may have to be made to reduce the value of assets to their realisable amounts, to provide for any further liabilities which might arise and to reclassify all fixed assets and long term liabilities as current assets and liabilities respectively.

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Cash flow statement

The company has taken advantage of the exemption available under FRS 1 (Revised) in not preparing a cash flow statement, being a wholly owned subsidiary of Bristol City Holdings Limited that prepares publicly available consolidated financial statements which include a cash flow statement.

Notes to the financial statements

For the period ended 31 May 2006

1. Accounting policies (continued)

Revenue recognition

Revenue derived from the sale of concert tickets, advertising and sponsorship and subscriptions is credited to income in the year to which it relates.

Tangible fixed assets

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Stadium	over 50 years
Long leasehold property	over the lease term
Plant and machinery	over 4 to 10 years
Fixtures and fittings	over 5 years

Stocks

Stocks are stated at the lower of cost on a first-in, first-out basis and net realisable value. Net realisable value is based on estimated selling price.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or received) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the exception that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

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.

Leasing commitments

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term.

Post-retirement benefits

The company contributes to employee's personal pension plans. The amount charged against profits represents the contributions paid in respect of the accounting period.

2. Turnover

Turnover represents the amounts received and receivable, stated net of value added tax.

2006
£

Turnover by segment

Inter company charges	1,250,627
Stadium & event revenue	3,205,029
	<hr/>
	4,455,656
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Notes to the financial statements

For the period ended 31 May 2006

3. Staff costs

	2006 £
Wages and salaries	990,339
Social security costs	65,565
Pension contributions	19,859
	<u>1,075,763</u>

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

	2006 No.
Office, management and ground staff	<u>27</u>

4. Operating loss

<i>This is stated after charging/(crediting):</i>	2006 £
Operating lease rentals: plant and machinery	33,646
Auditors' remuneration: audit services	13,500
non-audit services	3,000
Depreciation: owned assets	214,838
Profit on disposal of tangible fixed assets	(500)
Impairment of fixed assets	<u>230,002</u>

5. Interest payable and similar charges

	2006 £
Finance charges	<u>32,508</u>

Notes to the financial statements

For the period ended 31 May 2006

11. Called up share capital

	<i>Authorised</i>		<i>Allotted and called up</i>	
	<i>No.</i>	<i>2006</i>	<i>No.</i>	<i>2006</i>
		<i>£</i>		<i>£</i>
Ordinary shares of £1 each	500,000	500,000	1	1

One ordinary share of £1 was issued at par on formation of the company.

12. Reconciliation of shareholder's funds and movements on reserves

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Shares issued	1	-	1
Loss for the period	-	(715,966)	(715,966)
At 31 May 2006	1	(715,966)	(715,965)

13. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £1,086,630.

14. Other financial commitments

At 31 May 2006 the company had annual commitments under non-cancellable operating leases as follows:

	<i>Other</i>
	<i>2006</i>
	<i>£</i>
Operating leases which expire: In two to five years	107,669

15. Related party transactions

The company has taken advantage of the exemption available under FRS 8 not to disclose details of transactions or balances with related parties as the company is a wholly owned subsidiary undertaking and details concerning these transactions are disclosed in the financial statements of the parent undertaking, Bristol City Holdings Limited.

16. Parent undertaking and controlling party

The company's immediate and ultimate parent undertaking is Bristol City Holdings Limited, a company registered in England and Wales.

It has included the company in its group financial statements, copies of which can be obtained from its registered office.

Notes to the financial statements

For the period ended 31 May 2006

6. Tax on loss on ordinary activities

No charge to taxation arises in the current period due to losses being incurred and no provision for deferred taxation is required.

The tax assessed on the loss on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 30% (2003 - 30%). The differences are explained below:

	2006
	£
Loss on ordinary activities before tax	(715,966)
	£
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK	(214,790)
Effect of:	
Expenses not deductible for tax purposes	221,624
Decelerated capital allowances	(111,711)
Losses carried forward	104,877
Current tax charge for the year	-

No provision has been made for deferred tax on gains recognised on the freehold property which was revalued prior to being transferred from the parent undertaking during the year ended 31 July 1995. Such tax would become payable only if the property were sold without it being possible to claim rollover relief. The total amount unprovided for is £1,480,000. At present, it is not envisaged that any tax will become payable in the foreseeable future.

The company has tax losses at 31 May 2006 of approximately £7,266,000 that are available indefinitely for offset against future taxable profits. A deferred tax asset has not been recognised in respect of these losses as they do not satisfy the recognition criteria for deferred tax asset in FRS 19.

Notes to the financial statements

For the period ended 31 May 2006

7. Tangible fixed assets

	<i>Stadium</i>	<i>Long leasehold property</i>	<i>Plant and machinery</i>	<i>Fixtures and fittings</i>	<i>Total</i>
	£	£	£	£	£
Cost:					
On incorporation	-	-	-	-	-
Transfers from group undertaking	7,797,883	20,887	37,347	12,191	7,868,308
Additions	269,374	-	5,995	2,381	277,750
Disposals	-	-	(3,000)	-	(3,000)
At 31 May 2006	8,067,257	20,887	40,342	14,572	8,143,058
Depreciation:					
On incorporation	-	-	-	-	-
Charge for the period	190,028	252	13,338	11,220	214,838
Disposals	-	-	(3,000)	-	(3,000)
Impairment provision	230,002	-	-	-	230,002
At 31 May 2006	420,030	252	10,338	11,220	441,840
Net book value:					
At 31 May 2006	7,647,227	20,635	30,004	3,352	7,701,218

Included in freehold land and buildings is land with a cost of £275,550 which is not depreciated.

8. Debtors

	2006
	£
Called up share capital not paid	1

9. Creditors: amounts falling due within one year

	2006
	£
Amounts due to group undertaking	1,023,728

10. Creditors: amounts falling due after more than one year

	2006
	£
Amounts due to parent undertaking	7,932,901

The directors of the parent undertaking, Bristol City Holdings Limited, have resolved not to call for repayment of the amounts due to the parent undertaking within the next twelve months.

The amount is not secured. There is no fixed repayment date. There is no interest payable in respect of the balance.