

5450440

Ashton Gate Limited

Report and Financial Statements

31 May 2007

WEDNESDAY



ABU0EVMA

A21

19/12/2007

336

COMPANIES HOUSE

Ashton Gate Limited

Registered No 5450440

Directors

S P Lansdown (Chairman)
K W Dawe (Vice Chairman)
C L Sexstone
R W Pearce
D J Harman

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 for the year ended 31 May 2007

Results and dividends

The loss for the year, after taxation, was £413,879 (2006 £715,966) The directors do not recommend the payment of a dividend

Principal activity

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

Review of the business and future developments

The company's loss after taxation was £413,879 (2006 - £715,966) an improvement of 42% over the previous year

At the beginning of the financial year the company carried out refurbishment work in the Dolman exhibition hall and also installed Premier seating in the Williams Stand together with refurbishment of the facilities for Premier lounges These facilities only came into use part way through the year and therefore the real benefits will become apparent in future periods

Stadium income has remained steady during the year at £3.3 million (2006 £3.2 million) These figures include the summer 2006 concerts featuring The Who and Ronan Keating The Who concert was a great success but unfortunately the attendance at the Ronan Keating concert was disappointing Ashton Gate also saw Bristol Rugby play feature games against Bath, Leicester and Gloucester although the latter was the Gloucester home fixture On a smaller scale we have hosted events such as the Lord Mayor's Masked Ball in the Dolman Hall highlighting the fact that the stadium is being recognised as a first class venue for such events

The turnover in retail, programme sales and Stadium sponsorship has shown an improvement on last year, the latter due to the success of the revolving boards

Principal risks and uncertainties

A 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' report

Directors and their interests

The present membership of the Board is stated on page 1. There were no changes during the year.

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

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 ought to have taken as a director in order to make himself 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 reappoint 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 11/10/07

Statement of directors' responsibilities in respect of the financial statements

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). The financial statements are required by law to 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 then apply them consistently,
- make judgments and estimates that are reasonable and prudent, 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 that 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 1985. 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.

Independent auditors' report

to the members of Ashton Gate Limited

We have audited the financial statements of Ashton Gate Limited for the year ended 31 May 2007 which comprise the profit and loss account, the balance sheet and the related notes 1 to 17. 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 and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we 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 consider the implications for our report if we become aware of any apparent misstatements within it.

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 judgments 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 (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 2007 and of its loss for the year 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 £413,879 during the period ended 31 May 2007 and, as of that date, the company's net current liabilities were £402,266. 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 11 October 2007

Profit and loss account

for the year ended 31 May 2007

	Notes	2007 £	2006 £
Turnover – continuing operations	2	4,718,116	4,455,656
Staff costs	3	1,463,463	1,075,763
Depreciation	8	236,419	214,838
Other operating charges		3,326,940	3,848,513
		<u>5,026,822</u>	<u>5,139,114</u>
Operating loss – continuing operations	5	(308,706)	(683,458)
Interest receivable		852	-
Interest payable and similar charges	6	(106,025)	(32,508)
		<u>(413,879)</u>	<u>(715,966)</u>
Loss on ordinary activities before taxation		(413,879)	(715,966)
Tax on loss on ordinary activities	7	-	-
Loss for the financial year	13	<u>(413,879)</u>	<u>(715,966)</u>

There are no recognised gains and losses for the current and preceding financial years 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 2007

	Notes	2007 £	2006 £
Fixed assets			
Tangible assets	8	9,205,323	7,701,218
Current assets			
Stocks of goods for resale		55,603	50,508
Debtors	9	1,056,708	1
Cash at bank and in hand		102	488,937
		1,112,413	539,446
Creditors: amounts falling due within one year	10	(1,514,679)	(1,023,728)
Net current liabilities		(402,266)	(484,282)
Total assets less current liabilities		8,803,057	7,216,936
Creditors amounts falling due after more than one year	11	(9,932,901)	(7,932,901)
Net liabilities		(1,129,844)	(715,965)
Capital and reserves			
Called up share capital	12	1	1
Profit and loss account	13	(1,129,845)	(715,966)
Shareholder's deficit		(1,129,844)	(715,965)



9/10/07

S P Lansdown - Chairman

Date

Notes to the financial statements

for the year ended 31 May 2007

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. 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 2008, 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 and an overdraft facility, both of which are repayable on demand. The directors have prepared projected cash flow information for the period to 31 May 2008.

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 from its parent company, Bristol City Holdings Limited. Since the end of the period Stephen Lansdown and Keith Dawe 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 Stephen Lansdown and Keith Dawe 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 2007/2008 season.

In considering the longer term the directors believe that the company will achieve 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 Stephen Lansdown and Keith Dawe 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 year ended 31 May 2007

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

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

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 employees' personal pension plans. The amount charged against profits represents the contributions paid in respect of the accounting period.

Grants

Grants received as contributions towards expenditure on fixed assets are deducted from the purchase price of the related asset, with a consequent reduction in the annual charge for depreciation. The period over which the grants are credited to the profit and loss account are therefore in line with the expected useful lifetimes outlined above.

Notes to the financial statements

for the year ended 31 May 2007

2. Turnover

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

	2007	2006
	£	£
<i>Turnover by segment</i>		
Inter company charges	1,442,130	1,250,627
Stadium and event revenue	3,275,986	3,205,029
	<u>4,718,116</u>	<u>4,455,656</u>

3. Staff costs

	2007	2006
	£	£
Wages and salaries	1,356,030	990,339
Social security costs	84,572	65,565
Pension contributions	22,861	19,859
	<u>1,463,463</u>	<u>1,075,763</u>

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

	2007	2006
	No	No
Office, management and ground staff	<u>27</u>	<u>27</u>

4. Directors

The emoluments of directors of the company were

	2007	2006
	£	£
Fees and other emoluments (including benefits in kind)	<u>225,406</u>	<u>-</u>

	£	£
The highest paid director	<u>96,044</u>	<u>-</u>

5. Operating loss

This is stated after charging/(crediting)

	2007	2006
	£	£
Operating lease rentals		
plant and machinery	31,064	33,646
Auditors' remuneration		
audit services	14,000	13,500
tax services	3,000	3,000
Depreciation		
owned assets	236,419	214,838
Profit on disposal of tangible fixed assets	-	(500)
Impairment of fixed assets	-	230,002
	<u>-</u>	<u>-</u>

Notes to the financial statements

for the year ended 31 May 2007

6. Interest payable and similar charges

	2007	2006
	£	£
Interest on overdraft	4,775	32,508
Interest on loan	101,250	-
	<u>106,025</u>	<u>32,508</u>

The interest on the Stadium Loan is accrued for even though it is not payable, under the terms of the loan, until the loan is repaid in full

7. Tax on loss on ordinary activities

No charge to taxation arises in the current or preceding years 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% (2006 - 30%) The differences are explained below

	2007	2006
	£	£
Loss on ordinary activities before tax	<u>(413,879)</u>	<u>(715,966)</u>
	£	£
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK	(124,164)	(214,790)
Effect of		
Expenses not deductible for tax purposes	61,535	221,624
Capital Allowances for period in excess of depreciation	11,906	-
Decelerated capital allowances	-	(111,711)
Losses carried forward	50,724	104,877
Current tax charge for the year	<u>-</u>	<u>-</u>

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 (2006 £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 2007 of approximately £6,784,303 (2006 £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 year ended 31 May 2007

8. Tangible fixed assets

	<i>Stadium</i> £	<i>Long leasehold property</i> £	<i>Plant and machinery</i> £	<i>Fixture and fittings</i> £	<i>Assets under construction</i> £	<i>Total</i> £
Cost						
At 1 June 2006	8,067,257	20,887	40,342	14,572	-	8,143,058
Additions	1,496,226	-	48,000	6,621	189,677	1,740,524
Disposals	(20,000)	-	-	-	-	(20,000)
At 31 May 2007	9,543,483	20,887	88,342	21,193	189,677	9,863,582
Depreciation						
At 1 June 2006	420,030	252	10,338	11,220	-	441,840
Charge for the period	212,038	252	20,268	3,861	-	236,419
Disposals	(20,000)	-	-	-	-	(20,000)
At 31 May 2007	612,068	504	30,606	15,081	-	658,259
Net book value						
At 31 May 2007	8,931,415	20,383	57,736	6,112	189,677	9,205,323
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 £275,500 (2006 £275,550) which is not depreciated

Grants of £39,396 (2006 £nil) were received in the year towards expenditure on fixed assets. This has reduced the additions balance for the stadium by an equivalent amount to £1,685,903. There was no effect on the profit and loss account.

9. Debtors

	2007 £	2006 £
Trade debtors	178,875	-
Amounts due from group undertakings	775,346	-
Other debtors	102,486	-
Called up share capital not paid (note 12)	1	1
	<u>1,056,708</u>	<u>1</u>

Notes to the financial statements

for the year ended 31 May 2007

10. Creditors: amounts falling due within one year

	2007	2006
	£	£
Bank overdraft	208,866	-
Trade creditors	450,022	-
Other taxes and social security costs	33,167	-
Accruals and deferred income	822,624	-
Amounts due to group undertaking	-	1,023,728
	<u>1,514,679</u>	<u>1,023,728</u>

The overdraft is repayable on demand and is secured by a fixed and floating charge over the assets of the company

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

	2007	2006
		£
Loan	2,000,000	-
Amounts due to parent undertaking	7,932,901	7,932,901
	<u>9,932,901</u>	<u>7,932,901</u>

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.

The Stadium loan accrues interest at a rate which is equivalent to 2% over the base rate published by Barclays Bank plc. The loan is secured by a fixed charge over the freehold property of the company together with fixed charges over the plant and machinery, securities, debts, goodwill and insurances held by the company and a floating charge over the undertaking and assets of the company. The lender has no right to receive interest, all of which accrues and is only payable after the entire capital sum of the Stadium Loan has been repaid in full.

12. Called up share capital

	Authorised		Allotted and called up	
	No	2007 £	No	2007 £
Ordinary shares of £1 each	500,000	500,000	1	1

Notes to the financial statements

for the year ended 31 May 2007

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

	<i>Share capital £</i>	<i>Profit and loss account £</i>	<i>Total £</i>
At 12 May 2005	1	-	1
Loss for the period	-	(715,966)	(715,966)
At 31 May 2006	1	(715,966)	(715,965)
Shares issued	-	(413,879)	(413,879)
Loss for the year	-	(413,879)	(413,879)
At 31 May 2007	1	(1,129,845)	(1,129,844)

14. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £188,284 (2006 £1,086,630)

15. Other financial commitments

At 31 May 2007 the company had annual commitments under non-cancellable operating leases as follows

	<i>Other 2007 £</i>	<i>Other 2006 £</i>
Operating leases which expire		
Within one year	624	-
In two to five years	22,018	24,590
	<u>22,642</u>	<u>24,590</u>

16. 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

17. 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 at Ashton Gate, Bristol, BS3 2EJ