

Company Registration Number 05450440

Ashton Gate Limited

Report and Financial Statements

31 May 2012

TUESDAY



A231LKPL

A23

26/02/2013

#60

COMPANIES HOUSE

Ashton Gate Limited

Registered No 05450440

Directors

K W Dawe (Chairman)
D J Harman (Managing Director)
J Lansdown (CEO)

Secretary

R A Barr

Auditor

Deloitte LLP
Bristol

Bankers

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

Solicitors

Burges Salmon LLP
One Glass Wharf
Bristol
BS2 0ZX

Registered office

Ashton Gate
Bristol
BS3 2EJ

Directors' responsibilities statement

The directors present their annual report and the financial statements for the year ended 31 May 2012

Principal activity

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

Results and dividends

The loss for the year after taxation was £2,269,076 (2011 £1,642,317) The directors can not recommend the payment of a dividend (2011 £nil)

Review of the business and future developments

The financial results for the year ended 31 May 2012 once again reflect a disappointing and difficult year for the company The loss of £2,269,076 illustrates how much work needs to be done to reduce costs and grow income

The on-going developments of the new stadium (which has now been in fruition for five years) continue to cause much frustration and cost however, with the management of the project now in the hands of the owners, this allows the company to focus on the core business and push to get results without distractions

Colin Sexstone has stepped down as chairman with Keith Dawe taking a more active role in the developments of the company Stephen Lansdown continues to provide on-going financial support to the company and stadium development, as well as a drive and determination to make the company successful Once again we see the investment in the Academy and Community Trust as fundamental to the future of the club and playing squad

A new young management team has joined, making it an exciting period for the company With a number of new senior managers, the Board firmly believes that the right team is in place to take the company forward The main challenge facing the Board will be to reduce losses, whilst remaining competitive, this will not be easy and there is no short-term solution

Principal risks and uncertainties

A key risk to the business is the success of Bristol City Football Club, which may affect revenue from events and also sponsorship The company is aware of this risk and addresses the issue through detailed consideration of the events that are held and appropriate marketing

Given the scale of investment, an emerging risk for the company is the management of the new stadium project From the start of the project, the directors have obtained support and advice from experienced professionals and advisers and this will continue throughout the project

Directors' responsibilities statement

Financial risk 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, from time to time, enters into hedging instruments, but does not believe there 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, 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.

Going concern

The financial statements have been prepared on a going concern basis. Please refer to the Accounting Policies section of the financial statements for further information.

Directors

The current membership of the Board is stated on page 1. All directors served throughout the year and subsequently except as noted below.

M Mulligan (Finance Director) – Resigned 16 May 2012
C L Sexstone (Chairman) – Resigned 31 May 2012
G Price (Company Director) – Resigned 01 September 2012

Auditor

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 auditor is 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

By order of the Board



J Lansdown
Director

Directors' responsibilities statement

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

Independent auditor's report

to the members of Ashton Gate Limited

We have audited the financial statements of Ashton Gate Limited for the year ended 31 May 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members 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, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 May 2012 and of its 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.

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the company's ability to continue as a going concern, which is largely dependent on the continued financial support of Stephen Lansdown. The company made a net loss of £2,269,076 during the year ended 31 May 2012 and, as of that date, the company had net liabilities of £9,431,497. These conditions, along with the other matters explained in note 1 to the financial statements, 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 were unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

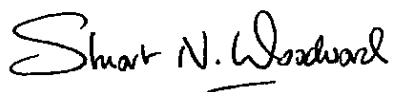
Independent auditor's report

to the members of Ashton Gate Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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



Stuart Woodward (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Bristol, United Kingdom
30 November 2012

Profit and loss account

for the year ended 31 May 2012

	Notes	2012 £	2011 £
Turnover	2	4,885,286	4,619,517
Staff costs	3	(2,181,018)	(1,923,477)
Depreciation	8	(354,749)	(296,075)
Other operating charges		(3,711,703)	(2,872,906)
New stadium development expenditure		(148,696)	(691,315)
Total other operating charges		(3,860,399)	(3,564,221)
		(6,396,166)	(5,783,773)
Operating loss	5	(1,510,880)	(1,164,256)
Loss excluding stadium expenditure		(1,362,184)	(472,941)
New stadium development expenditure		(148,696)	(691,315)
Interest payable and similar charges	6	(758,196)	(478,061)
Loss on ordinary activities before taxation		(2,269,076)	(1,642,317)
Tax on loss on ordinary activities	7	-	-
Loss for the financial year	13	(2,269,076)	(1,642,317)

All results derive from continuing activities

There are no recognised gains and losses for the current or preceding financial year 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 2012

	<i>Notes</i>	<i>2012</i> £	<i>2011</i> £
Fixed assets			
Tangible assets	8	8,221,263	8,523,133
Current assets			
Stocks of goods for resale		123,178	140,972
Debtors	9	23,908,394	14,384,212
Cash at bank and in hand		3,888,733	4,404,840
		27,920,305	18,930,024
Creditors: amounts falling due within one year	10	(644,822)	(2,045,529)
Net current assets		27,275,483	16,884,495
Total assets less current liabilities		35,496,746	25,407,628
Creditors amounts falling due after more than one year	11	(44,928,243)	(32,570,049)
Net liabilities		(9,431,497)	(7,162,421)
Capital and reserves			
Called up share capital	12	1	1
Profit and loss account	13	(9,431,498)	(7,162,422)
Shareholder's deficit	13	(9,431,497)	(7,162,421)

The financial statements of Ashton Gate Limited, registered number 05450440, were approved by the Board of Directors and authorised for issue on

Signed on behalf of the Board of Directors



D Harman
Director

Notes to the financial statements

for the year ended 31 May 2012

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 current and preceding year.

Going concern

In accordance with their responsibilities, the directors have considered the appropriateness of the going concern basis for the preparation of the financial statements. In forming their view, they considered the period to 31 May 2013, 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 a secured loan from Stephen Lansdown. The directors have prepared projected cash flow information for the period to 31 May 2013.

The company has made a loss in the year and has accumulated losses and net 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, and its majority shareholder, Stephen Lansdown. Since the year-end, Stephen Lansdown has agreed to subscribe for additional shares and/or loan stock in Bristol City Holdings Limited, and/or loan money direct to the company, secured against the stadium, should the need arise.

The directors are confident that taking into account the commitment by Stephen Lansdown to further fund the group should the need arise, the group will have sufficient working capital until at least the end of the 2012/2013 season.

In considering the longer term the directors believe that the company will either return to profitable trading or that additional funding will be made available. Profitability is dependent on a number of factors both in and out of the group's control, but the principal factor is the success of Bristol City Football Club and future stadium events. 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 also 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.

Notes to the financial statements

for the year ended 31 May 2012

1. Accounting policies (continued)

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 which prepares publicly available consolidated financial statements which include a cash flow statement

Revenue recognition

Revenue derived from the sale of concert tickets, advertising, 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 (except the pitch which is over 10 years)
Long leasehold property	over the lease term
Plant and machinery	over 4 to 10 years
Fixtures and fittings	over 2 to 10 years

New stadium project

Directly attributable costs incurred in relation to the planning application, design and associated elements of the group's new stadium project have been charged to the profit and loss account. Costs relating to the raising of finance for the new stadium project cannot be capitalised until such time as the applicable finance facilities have been finalised, accordingly, these costs are also charged to the profit and loss account

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 recovered) using the tax rates and laws that have been enacted or substantively 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.

Notes to the financial statements

for the year ended 31 May 2012

1. Accounting policies (continued)

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 some employees' personal pension plans. The amount charged in the profit and loss account 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

Turnover by segment	2012 £	2011 £
Inter-company charges	1,551,163	1,576,857
Stadium and event revenue	3,334,123	3,042,660
	<u>4,885,286</u>	<u>4,619,517</u>

3. Staff costs

	2012 £	2011 £
Wages and salaries	1,918,814	1,765,318
Social security costs	167,241	114,769
Pension contributions	94,963	43,390
	<u>2,181,018</u>	<u>1,923,477</u>

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

	No	No
Office, management and ground staff	<u>63</u>	<u>60</u>

Notes to the financial statements

for the year ended 31 May 2012

4. Directors

	2012	2011
	£	£
The emoluments of directors of the company were		
Fees and other emoluments (including benefits in kind)	<u>383,910</u>	<u>277,343</u>
	£	£
The highest paid director	<u>117,835</u>	<u>127,632</u>

Included within the above is £44,042 (2011 £9,920) paid to Seven Skies Financial in relation to services by Martin Mulligan as a director of the group. This amount was not recharged to other group companies.

5. Operating loss

	2012	2011
	£	£
This is stated after charging		
Operating lease rentals - plant and machinery	53,767	49,337
Auditor's remuneration - fees payable to the company's auditor for the audit of the group	15,000	15,000
Other non-audit fees		
- tax services	3,500	3,500
- interim financial statements review	5,000	5,000
- other services	1,750	7,450
Depreciation - owned assets	<u>354,749</u>	<u>296,075</u>

Ashton Gate Limited incurs the audit fee for the group and does not recharge any amounts. The proportion relating to this company only is £7,250 (2011 £7,250).

6 Interest payable and similar charges

	2012	2011
	£	£
Secured loan	<u>758,196</u>	<u>478,061</u>

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

Notes to the financial statements

for the year ended 31 May 2012

7. Tax on loss on ordinary activities

No charge to taxation arises in the current or preceding year due to losses being incurred and no provision for deferred taxation is required

The tax rate used in 2012 is 25.67%. This has been calculated by taking a 26% tax rate up to 5 April 2012, and then pro-rating for the change in tax rate from this date to 24%.

The tax assessed on the loss on ordinary activities for the period differs from the standard rate of corporation tax in the UK of 25.67% (2011: 27.67%). The differences are explained below:

	2012 £	2011 £
Loss on ordinary activities before tax	<u>(2,269,076)</u>	<u>(1,642,317)</u>
	£	£
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25.67% (2011: 27.67%)	(582,472)	(454,359)
Effect of:		
Expenses not deductible for tax purposes	107,064	262,659
Capital allowances for the period in excess of depreciation	29,494	17,834
Other short-term timing differences	(3,375)	7,373
Losses carried forward	<u>449,289</u>	<u>166,493</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

The company has an unrecognised deferred tax asset of £2,586k at 31 May 2012. The deferred tax asset has not been recognised as it does not satisfy the recognition criteria for deferred tax assets in FRS 19.

The company is not aware of any factors that will materially affect the future tax charge apart from the proposed, phased reduction in income tax rates to 23% by 2015.

Notes to the financial statements

for the year ended 31 May 2012

8. 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:					
At 1 June 2011	9,792,854	20,887	420,656	63,804	10,298,201
Additions	11,315	-	37,500	4,064	52,879
At 31 May 2012	9,804,169	20,887	458,156	67,868	10,351,080
Depreciation					
At 1 June 2011	1,544,702	1,510	191,012	37,844	1,775,068
Charge for the year	239,820	252	84,653	30,024	354,749
At 31 May 2012	1,784,522	1,762	275,665	67,868	2,129,817
Net book value:					
At 31 May 2012	<u>8,019,647</u>	<u>19,125</u>	<u>182,491</u>	<u>-</u>	<u>8,221,263</u>
At 31 May 2011	<u>8,248,152</u>	<u>19,377</u>	<u>229,644</u>	<u>25,960</u>	<u>8,523,133</u>

Included in the stadium value is land with a cost of £275,500 (2011 £275,500) which is not depreciated

9. Debtors

	<i>2012</i> £	<i>2011</i> £
Trade debtors	307,470	609,142
Amounts due from group undertakings	23,252,717	12,996,497
Other debtors	282,869	778,572
Other taxes and social security costs	65,337	-
Called up share capital not paid (note 12)	1	1
	<u>23,908,394</u>	<u>14,384,212</u>

10. Creditors: amounts falling due within one year

	<i>2012</i> £	<i>2011</i> £
Trade creditors	217,415	515,524
Other taxes and social security costs	-	81,792
Accruals and deferred income	427,407	1,448,213
	<u>644,822</u>	<u>2,045,529</u>

Notes to the financial statements

for the year ended 31 May 2012

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

	2012 £	2011 £
Secured loan - wholly repayable between two and five years	35,200,000	23,600,000
Secured loan interest accrued - wholly repayable between two and five years	1,795,342	1,037,148
Amounts due to parent undertaking	7,932,901	7,932,901
	<u>44,928,243</u>	<u>32,570,049</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 12 months. The amount is not secured. There is no fixed repayment date. There is no interest payable in respect of the balance.

The secured 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 stadium 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 as it accrues, rather it is only payable after the entire capital sum of the secured loan has been repaid in full.

12. Called up share capital

	Authorised 2011 and 2012		Allotted, called up and unpaid 2011 and 2012	
	No	£	No	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1</u>	<u>1</u>

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

	Share capital £	Profit and loss account £	Total £
At 1 June 2010	1	(5,520,105)	(5,520,104)
Loss for the year	-	(1,642,317)	(1,642,317)
At 31 May 2011	<u>1</u>	<u>(7,162,422)</u>	<u>(7,162,421)</u>
Loss for the year	-	(2,269,076)	(2,269,076)
At 31 May 2012	<u>1</u>	<u>(9,431,498)</u>	<u>(9,431,497)</u>

Notes to the financial statements

for the year ended 31 May 2012

14. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £nil (2011 £nil)

15. Other financial commitments

At 31 May 2012 and 2011 the company had annual commitments under non-cancellable operating leases as follows

	<i>Other 2012 £</i>	<i>Other 2011 £</i>
Operating leases which expire		
Within one year	11,040	8,372
In two to five years	7,946	37,245
	<u>18,986</u>	<u>45,617</u>

16. Related party transactions

The company is a wholly-owned subsidiary of Bristol City Holdings Limited and has accordingly taken advantage of the exemption under Financial Reporting Standard 8 'Related Party Disclosures' from disclosing transactions with group entities which are also wholly-owned by the group

As disclosed in note 11 to these financial statements, an amount of £35,200,000 (2011 £23,600,000) is owed to S Lansdown, the majority shareholder, in respect of a secured loan. Interest of £1,795,342 (2011 £1,037,148) is payable to the same related party in relation to this loan.

Ashton Gate Limited has a year-end debtor of £nil (2011 £265,983) with Ashton Gateway Project Limited for the recharge of costs to the same value which Ashton Gate Limited will settle on its behalf. Ashton Gateway Project Limited is a joint venture between Vence LLP and another party. S Lansdown and J Lansdown (director) are partners in Vence LLP.

Pure Sports Limited, a company in which C Sexstone (director) has a 10% interest, made purchases from the group in the year totalling £5,899 (2011 £14,104). There was no outstanding debtor at the current or previous year end.

Resource Solutions Group PLC in which K W Dawe is principal shareholder and director provided sponsorship for the company in the year for a fee of £100,000 (2011 £nil). There was no outstanding debtor at the current or previous year end.

Notes to the financial statements

for the year ended 31 May 2012

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

Bristol City Holdings Limited is the parent company of the smallest and largest group of which the company is a member and for which group financial statements are prepared, copies of which can be obtained from its registered office at Ashton Gate, Bristol BS3 2EJ

The directors consider Stephen Lansdown to be the ultimate controlling party by virtue of his majority shareholding in the ultimate parent undertaking, Bristol City Holdings Limited