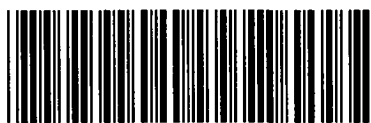


Ashton Gate Limited

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

Registration number: 05450440

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Ashton Gate Limited

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Ashton Gate Limited

Company Information

Chairman M W Griffiths

Directors M Kelly
J S Lansdown

Company secretary G T Marshall

Registered office Ashton Road
Bristol
BS3 2EJ

Solicitors Burges Salmon LLP
One Glass Wharf
Bristol
BS2 0ZX

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

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

Ashton Gate Limited

Strategic Report

Year Ended 31 May 2019

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

Review of the business

During the financial year the company went from strength to strength. We achieved turnover growth of c.38% which was largely driven by further expansion of our non-match day meetings and events business, increased attendance at Bristol Bears' games and the first of our summer series of concerts. As the variety and scale of the events that we staged at the stadium grew, so did our reputation as the leading events venue in the South West of England.

Although our success in non sports based activity has been pronounced (supported by a superb operations team) we are of course home to two of the South West's biggest professional sports clubs. It has been both exciting and rewarding to see Bristol City Football Club and Bristol Bears Rugby Club have successful seasons and that has been very much a part of driving up attendance on match days. The combination of on field success and stadium operational excellence gives fans a truly wonderful match day experience. A central element of the stadium's strategy is to continue to improve operational delivery. This is achieved by having leading edge systems and processes but also by doing the basics well – making sure attendees at matches can easily gain access to the variety of services on offer at Ashton Gate.

Underpinning the delivery of match day is an outstanding workforce. We are proud that the majority of our workforce is local to the stadium with many starting their first ever job here. Their enthusiasm and commitment comes across to the people who use the stadium on a daily basis and is frequently commented on. We believe we have a central responsibility to give opportunity to our local community and for the stadium to be a provider of positive change and progress.

In late September 2018 we announced plans for the redevelopment of the site next door to the stadium, bordering Winterstoke Road. Since that time we have been working diligently in the background to refine those plans, taking on board feedback from a variety of people and organisations by way of an extensive consultation process. As we move now into the final quarter of 2019 we will be publishing our revised plans based on that feedback. We are aware there has been some disruption in the background planning environment (with the Joint Spatial Plan proposed by the four local unitary authorities rejected by the Planning Inspectorate) but our intentions remain unchanged nonetheless.

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

	Unit	2019	2018
Turnover	£'000	15,793.00	12,376.00
EBITDA (earnings before interest, tax, depreciation and amortisation)	£'000	2,249.00	1,158.00
Net book value of tangible fixed assets	£'000	48,740.00	50,576.00
Net debt	£'000	(67,843.00)	(67,998.00)

Of particular note is the improvement in Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA) in the current financial year, rising 94% over 2018. Gross assets remain consistent at £52.5m (2018 - £53.2m), with cash increasing by c.£0.5 million in the period, reflecting the positive trading experienced. In the year ahead we will seek to further expand our operations. There is of course considerable uncertainty in the economy and a certain fragility to consumer spending, but we remain confident that continuing to deliver outstanding match and non-match day experiences will maintain our recent growth.

Ashton Gate Limited


Strategic Report

Year Ended 31 May 2019

Principal risks and uncertainties

The principal risk to the company is the availability of finance to fund the future developments of the business and future debt repayments. The continued financial support of Pula Sport Limited and the ultimate controlling parties, Mr & Mrs S P Lansdown, for this company and both Bristol Rugby Club Limited and Bristol City Football Club Limited whose teams use the stadium, is critical as explained in the going concern accounting policy.

Approved by the Board on 28/10/19 and signed on its behalf by:



M.W. Griffiths
Chairman

Ashton Gate Limited

Directors' Report

Year Ended 31 May 2019

The directors present their report and the financial statements for the year ended 31 May 2019.

Directors of the company

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

M W Griffiths - Chairman

M Kelly

J S Lansdown

Principal activity

The principal activity of the company is provision of stadium facilities and stadium management.

Financial instruments

Objectives and policies

The directors have reviewed the financial risk management objectives and policies of the company. They do not believe there to be significant risk in this area. The company, from time to time, enters into hedging instruments in order to protect against interest rate risk. While interest rates remain unchanged, these instruments result in insignificant charges to the profit and loss account in order to recognise the fair value of the instruments in accordance with FRS 102 where hedge accounting is not applied. The directors, having considered the most recent and most likely future interest rate movements, are satisfied that it is appropriate to hold the instruments as they will protect against any future significant and sustained increase in base rates. The company does not enter into any financial instruments for speculative purposes.

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

Appropriate trading terms are negotiated with customers and suppliers. 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.

Employment of disabled persons

Full and fair consideration is given to the employment of disabled persons having regard to their particular aptitudes and abilities. Appropriate provision is made for disabled persons to enable them to fulfil their role and this includes the re-training for alternative work for employees who become disabled.

Employee involvement

We recognise that organisations are most successful where management and staff share a common purpose, work in partnership and communicate openly. The company operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2004. We hold a monthly meeting which is held in working hours and attended by all employees, during which we provide employees with information about the company and the policies.

Ashton Gate Limited

Directors' Report

Year Ended 31 May 2019

Future developments

The company has taken advantage of Section 414C(11) of the Companies Act 2006 and included details of future developments in the Strategic Report.

Important non adjusting events after the financial period

On 16 September 2019 the company exchanged £765,170 of debt due from its 100% owned subsidiary, St James Parade (122) Limited, for 765,170 ordinary shares of £1 in that company. Immediately after the issue of shares, St James Parade (122) Limited undertook a capital reduction, leaving the company as the sole shareholder with 1 ordinary share of £1. The intention of the director of St James Parade (122) Limited is to distribute the reserves arising from the capital reduction to Ashton Gate Limited within the next twelve months.

Disclosure of information to the auditors

Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 28/10/19 and signed on its behalf by:



M W Griffiths
Chairman

Ashton Gate Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

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

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

Ashton Gate Limited

Independent Auditor's Report to the Members of Ashton Gate Limited

Opinion

We have audited the financial statements of Ashton Gate Limited (the 'company') for the year ended 31 May 2019, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2019 and of its 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 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.

Ashton Gate Limited

Independent Auditor's Report to the Members of Ashton Gate Limited

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 6), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Ashton Gate Limited

Independent Auditor's Report to the Members of Ashton Gate Limited

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Nicholas Farrant BA MSc FCA (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Ground Floor
Blackbrook Gate 1
Blackbrook Business Park
Taunton
Somerset
TA1 2PX

Date: 28 OCTOBER 2019

Ashton Gate Limited

Profit and Loss Account

Year Ended 31 May 2019

		Continuing operations 2019 £	Discontinued operations 2019 £	Total 2019 £	Continuing operations 2018 £	Discontinued operations 2018 £	Total 2018 £
	Note						
Turnover	3	15,793,462	-	15,793,462	11,462,979	913,352	12,376,331
Other operating income	4	500,000	-	500,000	-	-	-
Employee benefits expense		(5,977,790)	-	(5,977,790)	(4,420,646)	-	(4,420,646)
Depreciation and amortisation expense		(2,570,269)	-	(2,570,269)	(2,513,443)	-	(2,513,443)
Other expenses		<u>(8,066,430)</u>	<u>-</u>	<u>(8,066,430)</u>	<u>(5,884,469)</u>	<u>(913,352)</u>	<u>(6,797,821)</u>
Operating loss	5	<u>(321,027)</u>	<u>-</u>	<u>(321,027)</u>	<u>(1,355,579)</u>	<u>-</u>	<u>(1,355,579)</u>
Net (loss)/gain on financial liabilities at fair value through profit and loss account		(70,741)	-	(70,741)	811,996	-	811,996
Interest payable and similar expenses	8	<u>(1,335,870)</u>	<u>-</u>	<u>(1,335,870)</u>	<u>(1,307,558)</u>	<u>-</u>	<u>(1,307,558)</u>
		<u>(1,406,611)</u>	<u>-</u>	<u>(1,406,611)</u>	<u>(495,562)</u>	<u>-</u>	<u>(495,562)</u>
Loss before tax		<u>(1,727,638)</u>	<u>-</u>	<u>(1,727,638)</u>	<u>(1,851,141)</u>	<u>-</u>	<u>(1,851,141)</u>
Taxation	9	<u>272,028</u>	<u>-</u>	<u>272,028</u>	<u>165,925</u>	<u>-</u>	<u>165,925</u>
Loss for the year		<u><u>(1,455,610)</u></u>	<u><u>-</u></u>	<u><u>(1,455,610)</u></u>	<u><u>(1,685,216)</u></u>	<u><u>-</u></u>	<u><u>(1,685,216)</u></u>

The notes on pages 13 to 29 form an integral part of these financial statements.
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Ashton Gate Limited

Balance Sheet

31 May 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	10	33,552	83,675
Tangible assets	11	48,740,370	50,575,722
Investments	12	<u>2</u>	<u>2</u>
		<u>48,773,924</u>	<u>50,659,399</u>
Current assets			
Stocks	13	171,572	77,511
Debtors	14	2,862,901	2,217,467
Cash at bank and in hand		<u>762,743</u>	<u>221,470</u>
		3,797,216	2,516,448
Creditors: Amounts falling due within one year	16	<u>(53,303,029)</u>	<u>(53,037,264)</u>
Net current liabilities		<u>(49,505,813)</u>	<u>(50,520,816)</u>
Total assets less current liabilities		(731,889)	138,583
Creditors: Amounts falling due after more than one year	16	(18,854,590)	(18,437,857)
Deferred income	18	<u>(168,405)</u>	<u>-</u>
Net liabilities		<u>(19,754,884)</u>	<u>(18,299,274)</u>
Capital and reserves			
Called up share capital	21	989,752	989,752
Capital contribution reserve		1,443,883	1,789,875
Profit and loss account		<u>(22,188,519)</u>	<u>(21,078,901)</u>
Shareholders' deficit		<u>(19,754,884)</u>	<u>(18,299,274)</u>

Approved and authorised by the Board on 28/10/19 and signed on its behalf by:



M W Griffiths

Chairman

Company Registration Number: 05450440

Ashton Gate Limited

Statement of Changes in Equity

Year Ended 31 May 2019

	Share capital £	Capital contribution reserve £	Profit and loss account £	Total £
At 1 June 2018	989,752	1,789,875	(21,078,901)	(18,299,274)
Loss for the year	-	-	(1,455,610)	(1,455,610)
Total comprehensive income	-	-	(1,455,610)	(1,455,610)
Transfers	-	(345,992)	345,992	-
At 31 May 2019	989,752	1,443,883	(22,188,519)	(19,754,884)

	Share capital £	Capital contribution reserve £	Profit and loss account £	Total £
At 1 June 2017	989,752	2,129,416	(19,733,226)	(16,614,058)
Loss for the year	-	-	(1,685,216)	(1,685,216)
Total comprehensive income	-	-	(1,685,216)	(1,685,216)
Transfers	-	(339,541)	339,541	-
At 31 May 2018	989,752	1,789,875	(21,078,901)	(18,299,274)

Ashton Gate Limited

Notes to the Financial Statements

Year Ended 31 May 2019

1 General information

The company is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office is:

Ashton Road

Bristol

BS3 2EJ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and the Companies Act 2006. There are no material departures from FRS 102.

Basis of preparation

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

Exemption from preparing group accounts

The financial statements contain information about Ashton Gate Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Bristol City Holdings Limited, a company incorporated in England & Wales. The registered office of Bristol City Holdings Limited is: Ashton Gate, Bristol, BS3 2EJ.

Ashton Gate Limited

Notes to the Financial Statements

Year Ended 31 May 2019

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.

Notwithstanding the fact the company is currently loss-making and has net current liabilities and net liabilities the directors have continued to adopt the going concern basis of preparation for the following reasons:

- The company is trading on a day to day basis within its own cash flow and has not required additional funding from the company's intermediate parent company, Pula Sport Limited, during or subsequent to the year end.

- On an operating basis the company is trading profitably and continues to do so subsequent to the year end: Excluding amortisation (£43,635), depreciation (£2,526,634), the net loss on derivative financial instruments (£70,741) (recognised in accordance with FRS 102 for statutory accounts purposes) and the unwinding of the discount on the long term intra-group loan (£345,992) (also recognised in accordance with FRS 102), the company has recognised profit before tax of £1,259,364 (2018 - £189,847) for the year ended 31 May 2019.

- The company has met the ongoing interest obligations in respect of its bank loan finance and is not anticipating the bank will withdraw support.

- The directors recognise that the company remains dependent on the support of Pula Sport Limited, a company owned and controlled by Mr & Mrs S P Lansdown, in ensuring the ongoing, and long-term, availability of intra-group and bank loan finance.

- Pula Sport Limited invests in the group of which the company is part via equity injections which confirms the long term commitment that they, and Mr & Mrs S P Lansdown, have to the company and the group.

- Pula Sport Limited has confirmed its ongoing support for the company and group.

The directors are confident that, taking into account the trading performance and the commitment by Pula Sport Limited, that the company (and the group of which it is part) will have sufficient working capital for the foreseeable future, being not less than 12 months from the date of approval of these financial statements.

Ashton Gate Limited

Notes to the Financial Statements

Year Ended 31 May 2019

Key accounting judgements and sources of estimation uncertainty

In the application of the company's accounting policies management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods in the revision affects both current and future periods.

The key judgement that has a significant effect on the financial statements is in respect of going concern, as described in the above accounting policy.

The key estimates that have a significant effect on the amounts recognised in the financial statements are described below:

Land and buildings

Properties are carried at cost, less accumulated depreciation and any subsequent accumulated impairment loss. This requires an estimation in the depreciation rates used as well as assessment of the ongoing economic contribution of the assets of the company as to whether an indicator of impairment has occurred. The carrying amount at the year end is £41,765,899 (2018 - £42,548,669).

Financial instruments

Long term intra group loan liabilities at a below market rate of interest are measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. In calculating the discount, the directors use an equivalent interest rate as charged by third parties on borrowings the company has sourced externally, and consider this to be a market rate of interest for the company. The carrying amount at the year end is £18,606,117 (2018 - £18,260,125).

Derivative financial instruments

Interest rate swap contracts are valued using market derived projections of future cash flows discounted back to estimated present values. The carrying amount at the year end is £(248,473) (2018 - £(177,732)).

Discontinued operations

Revenue generating activities in respect of merchandise sales to the public ceased in the company with effect from 1 June 2018. The decision was taken to undertake this activity in a fellow group undertaking for the 2018/19 financial year onwards. As a result, the revenue generated from this activity, and associated costs, was presented as a discontinued operation on the face of the Profit and Loss Account for the year ended 31 May 2018. During the year ended 31 May 2018 all revenue collected by the company in respect of merchandise sales was offset by equal cost of sales paid to the same group undertaking, consequently there was no overall impact on profitability arising from this discontinuation in 2018/19.

Ashton Gate Limited

Notes to the Financial Statements

Year Ended 31 May 2019

Turnover

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns, rebates and discounts .

Matchday revenues, including recharge of stadium running costs to fellow group companies, are recognised when the relevant game takes place. Event income is recognised when the relevant event takes place. Sponsorship and advertising income is recognised in the period to which it relates. Income arising from administrative and other services provided to fellow group companies is recognised as the service is rendered.

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

The company passes some of its tax losses to fellow group companies via group relief. It receives payment for these losses at the average rate of tax for the financial period in which the losses are relieved.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets in respect of tax losses carried forward are not recognised as they do not meet the recognition criteria set out in FRS 102 given there is no certainty as to when the losses will be utilised.

Intangible assets

Intangible assets are stated in the balance sheet at cost, less any subsequent accumulated amortisation and any subsequent accumulated impairment losses. Intangible assets consist of software costs in respect of the company's systems.

Ashton Gate Limited

Notes to the Financial Statements

Year Ended 31 May 2019

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Operating software	4 - 7 years straight line

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and any subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

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

Asset class	Depreciation method and rate
Long leasehold property	Over the lease term
Freehold buildings	50 years straight line
Plant and machinery	7 years straight line
Fixtures and fittings	4 - 10 years straight line

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Ashton Gate Limited

Notes to the Financial Statements

Year Ended 31 May 2019

Financial instruments

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Short term intra-group debtors and creditors;
- Short term bank loans;
- Long term intra-group loans at below market rate;
- Derivative financial instruments (interest rate swaps); and
- Cash and bank balances.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Basic financial assets comprise short term trade and other debtors and cash and bank balances. Basic financial liabilities comprise short term trade and other creditors and short term loans. Such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Long term intra-group loan liabilities constitute a financial transaction because they are at a below market rate of interest. Such loans are measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. At inception the discount is recognised as a capital contribution within Equity. As the discount unwinds it is charged against profit. An equivalent transfer is made annually between the Capital Contribution reserve and the Profit and Loss reserve.

Interest rate swap contracts are valued using market derived projections of future cash flows discounted back to estimated present values.

Defined contribution pension obligation

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

Ashton Gate Limited

Notes to the Financial Statements

Year Ended 31 May 2019

3 Revenue

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

	2019 £	2018 £
Sale of goods	5,924,402	5,341,154
Rendering of services	9,869,060	7,035,177
	<u>15,793,462</u>	<u>12,376,331</u>

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

	2019 £	2018 £
Ground rent and service charge	2,677,022	2,317,585
Stadium and event revenue	13,116,440	10,058,746
	<u>15,793,462</u>	<u>12,376,331</u>

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2019 £	2018 £
Release of expired deposits	<u>500,000</u>	<u>-</u>

5 Operating loss

Arrived at after charging/(crediting)

	2019 £	2018 £
Depreciation expense	2,526,634	2,458,887
Amortisation expense	43,635	54,556
(Profit)/loss on disposal of property, plant and equipment	<u>(2,804)</u>	<u>22,899</u>

6 Staff costs

The aggregate payroll costs were as follows:

	2019 £	2018 £
Wages and salaries	5,541,180	4,116,434
Social security costs	383,688	274,338
Pension costs, defined contribution scheme	52,922	29,874
	<u>5,977,790</u>	<u>4,420,646</u>

Ashton Gate Limited

Notes to the Financial Statements

Year Ended 31 May 2019

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

	2019 No.	2018 No.
Stadium operations	308	257
Food and beverage	243	239
Administration and sales	28	25
	<u>579</u>	<u>521</u>

The above disclosure has been calculated in accordance with the requirements of the Companies Act 2006. During the current year and prior year, the company employed more than 1,000 members of staff.

7 Auditor's remuneration

	2019 £	2018 £
Audit of the financial statements	<u>10,200</u>	<u>10,000</u>

Exemption has been taken from making certain disclosures in respect of auditor's remuneration. This disclosure is made on a consolidated basis in the accounts of Bristol City Holdings Limited.

8 Interest payable and similar expenses

	2019 £	2018 £
Interest on bank overdrafts and borrowings	989,878	968,017
Interest expense on other finance liabilities	<u>345,992</u>	<u>339,541</u>
	<u>1,335,870</u>	<u>1,307,558</u>

The interest expense on other finance liabilities represents the amount charged to the profit and loss account in respect of the unwinding of the discount on the long term intra-group loan from the company's immediate parent, Pula Sport Limited.

9 Taxation

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

	2019 £	2018 £
Current taxation		
Group relief payable/(receivable)	<u>(272,028)</u>	<u>(165,925)</u>

Ashton Gate Limited

Notes to the Financial Statements

Year Ended 31 May 2019

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2018 - higher than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £	2018 £
Loss before tax	<u>(1,727,638)</u>	<u>(1,851,141)</u>
Corporation tax at standard rate	(328,251)	(351,717)
Expense not deductible for tax purposes	341,965	425,504
Adjustments to deferred tax in respect of changes in tax rates	(30,078)	(25,502)
Deferred tax not recognised	<u>(255,664)</u>	<u>(214,210)</u>
Total tax credit	<u>(272,028)</u>	<u>(165,925)</u>

Deferred tax

There are £14,400,000 of unused tax losses (2018 - £14,400,000) for which no deferred tax asset is recognised in the Balance Sheet.

10 Intangible assets

	Software costs £	Total £
Cost or valuation		
At 1 June 2018	224,491	224,491
Additions	10,720	10,720
Disposals	<u>(66,633)</u>	<u>(66,633)</u>
At 31 May 2019	<u>168,578</u>	<u>168,578</u>
Amortisation		
At 1 June 2018	140,816	140,816
Amortisation charge	43,635	43,635
Amortisation eliminated on disposals	<u>(49,425)</u>	<u>(49,425)</u>
At 31 May 2019	<u>135,026</u>	<u>135,026</u>
Carrying amount		
At 31 May 2019	<u>33,552</u>	<u>33,552</u>
At 31 May 2018	<u>83,675</u>	<u>83,675</u>

Ashton Gate Limited

Notes to the Financial Statements

Year Ended 31 May 2019

11 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Plant and equipment £	Total £
Cost or valuation				
At 1 June 2018	50,161,980	5,292,828	6,215,385	61,670,193
Additions	215,390	462,982	20,629	699,001
Disposals	<u>(1,665)</u>	<u>(21,980)</u>	<u>-</u>	<u>(23,645)</u>
At 31 May 2019	<u>50,375,705</u>	<u>5,733,830</u>	<u>6,236,014</u>	<u>62,345,549</u>
Depreciation				
At 1 June 2018	7,613,311	1,767,422	1,713,738	11,094,471
Charge for the year	997,066	947,958	581,610	2,526,634
Eliminated on disposal	<u>(571)</u>	<u>(15,355)</u>	<u>-</u>	<u>(15,926)</u>
At 31 May 2019	<u>8,609,806</u>	<u>2,700,025</u>	<u>2,295,348</u>	<u>13,605,179</u>
Carrying amount				
At 31 May 2019	<u>41,765,899</u>	<u>3,033,805</u>	<u>3,940,666</u>	<u>48,740,370</u>
At 31 May 2018	<u>42,548,669</u>	<u>3,525,406</u>	<u>4,501,647</u>	<u>50,575,722</u>

Included within the net book value of land and buildings above is £41,765,899 (2018 - £42,548,669) in respect of freehold land and buildings and £Nil (2018 - £Nil) in respect of long leasehold land and buildings.

Included within land and buildings is freehold land with a cost of £275,500 (2018 - £275,500) which is not depreciated.

12 Investments in subsidiaries

Subsidiaries	£
Cost or valuation	
At 1 June 2018 and 31 May 2019	<u>2</u>
Carrying amount	
At 31 May 2019	<u>2</u>
At 31 May 2018	<u>2</u>

Ashton Gate Limited

Notes to the Financial Statements

Year Ended 31 May 2019

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2019	2018
Subsidiary undertakings				
St James Parade (122) Limited	66 Ashton Road, Bristol, BS3 2EJ	Ordinary shares	100%	100%

The principal activity of St James Parade (122) Limited is that of a dormant company holding freehold property.

13 Stocks

	2019 £	2018 £
Stock of consumables	<u>171,572</u>	<u>77,511</u>

The cost of stocks recognised as an expense in the year amounted to £2,074,290 (2018 - £1,598,453).

14 Debtors

	2019 £	2018 £
Trade debtors	345,171	245,548
Amounts due from group undertakings	2,132,705	1,567,820
Prepayments	<u>385,025</u>	<u>404,099</u>
	<u>2,862,901</u>	<u>2,217,467</u>

An impairment loss of £21,516 (2018 - £10,827) has been recognised against trade debtors during the year.

Ashton Gate Limited

Notes to the Financial Statements

Year Ended 31 May 2019

15 Cash and cash equivalents

	2019 £	2018 £
Cash on hand	54,800	18,000
Cash at bank	707,943	203,470
	<u>762,743</u>	<u>221,470</u>

16 Creditors

	Note	2019 £	2018 £
Due within one year			
Loans and borrowings	17	50,000,000	49,959,155
Trade creditors		1,253,743	571,015
Amounts due to group undertakings		648,166	628,209
Social security and other taxes		279,771	303,359
Other creditors		295,420	1,136,457
Accrued expenses		825,929	439,069
		<u>53,303,029</u>	<u>53,037,264</u>
Due after one year			
Loans and borrowings	17	18,606,117	18,260,125
Derivative financial instruments	24	248,473	177,732
		<u>18,854,590</u>	<u>18,437,857</u>

17 Loans and borrowings

	2019 £	2018 £
Current loans and borrowings		
Bank borrowings	<u>50,000,000</u>	<u>49,959,155</u>
Non-current loans and borrowings		
Other borrowings	<u>18,606,117</u>	<u>18,260,125</u>

Ashton Gate Limited

Notes to the Financial Statements

Year Ended 31 May 2019

Bank borrowings

The bank loan is denominated in sterling with a nominal interest rate of 0.9% above LIBOR, and is repayable on demand. The carrying amount at year end is £50,000,000 (2018 - £49,959,155).

The bank loan has been drawn down for the stadium redevelopment. The facility is secured by Pula Sport Limited's guarantee.

Other borrowings

Other borrowings are denominated in sterling with a nominal interest rate of 0%, and the final instalment is due on 30 May 2025. The carrying amount at year end is £18,606,117 (2018 - £18,260,125).

The loan of £20,050,000 from Pula Sport Limited is interest free and 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 loan is repayable in five equal instalments at annual intervals beginning on 30 May 2021. The loan is interest free save for any interest accruing where repayments fall due and are not made, in which case interest shall accrue from the date due until repaid at a rate of 4.5% per annum above the 3-month London Inter-Bank Offered Rate.

The loan has been presented in accordance with the requirements of FRS 102. It is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. The movement on the loan each year is the unwinding of this discount, which is charged to the profit and loss account as an interest expense.

Included in the loans and borrowings are the following amounts due after more than five years:

	2019 £	2018 £
After more than five years by instalments	<u>3,572,851</u>	<u>7,079,083</u>

18 Deferred income

	2019 £
At 1 June 2018	-
Received during the year	<u>168,405</u>
At 31 May 2019	<u>168,405</u>

Ashton Gate Limited

Notes to the Financial Statements

Year Ended 31 May 2019

19 Obligations under leases

Operating leases

The total of future minimum lease payments is as follows:

	2019 £	2018 £
Not later than one year	16,085	17,588
Later than one year and not later than five years	10,791	26,876
	<u>26,876</u>	<u>44,464</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £17,947 (2018 - £17,718).

20 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme and also contributes to certain employees' pension plans. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £52,922 (2018 - £29,874).

21 Share capital

Allotted, called up and fully paid shares

	No.	2019 £	No.	2018 £
Ordinary shares of £1 each of £1 each	989,752	989,752	989,752	989,752

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

The right to one vote per share held at general meetings.

22 Contingent liabilities

The company has provided an unlimited guarantee to secure the bank overdraft of Bristol City Football Club Limited, a fellow subsidiary. The amount of overdraft at the year end was £1,288,106 (2018 - £3,665,158).

Ashton Gate Limited

Notes to the Financial Statements

Year Ended 31 May 2019

23 Non adjusting events after the financial period

On 16 September 2019 the company exchanged £765,170 of debt due from its 100% owned subsidiary, St James Parade (122) Limited, for 765,170 ordinary shares of £1 in that company. Immediately after the issue of shares, St James Parade (122) Limited undertook a capital reduction, leaving the company as the sole shareholder with 1 ordinary share of £1. The intention of the director of St James Parade (122) Limited is to distribute the reserves arising from the capital reduction to Ashton Gate Limited within the next twelve months.

24 Financial instruments

Categorisation of financial instruments

	2019 £	2018 £
Financial liabilities measured at fair value through profit or loss	<u>(248,473)</u>	<u>(177,732)</u>

Financial liabilities measured at fair value

Interest rate swap

The interest rate swap is valued using market derived projections of future cash flows discounted back to estimated present values.

The fair value is £248,473 (2018 - £177,732) and the change in value included in profit or loss is £70,741 charge (2018 - £811,996 charge).

25 Related party transactions

Summary of transactions with parent

Intermediate parent company

The company has a long term loan of £20,050,000 (2018 - £20,050,000) from an intermediate parent company. Note 17 details the terms of this arrangement. The company also has a short term loan of £300,000 (2018 - £300,000) from the same intermediate parent company. The short term loan was advanced interest free and is repayable on demand. At the balance sheet date the amount due to the intermediate parent company was £20,350,000 (2018 - £20,350,000).

During the year, the company recharged staff costs of £168,002 (2018 - £124,279) to the intermediate parent company. At the balance sheet date the amount due by the intermediate parent company was £Nil (2018 - £Nil).

Summary of transactions with other related parties

Fellow (non wholly owned) subsidiaries of the wider group

During the year, the company recharged expenditure to its fellow subsidiaries in respect of staffing and other costs incurred. The company raised sales invoices in respect of rent charges to its fellow subsidiaries. The company's fellow subsidiaries collected and paid over income in respect of hospitality, advertising and other income. The company collected and paid over retail income on behalf of its fellow subsidiaries. The company made purchases from its fellow subsidiaries in respect of various costs.

Ashton Gate Limited

Notes to the Financial Statements

Year Ended 31 May 2019

Income and receivables from related parties

	Other related parties £
2019	
Expenditure recharged to related parties	2,955,342
Income collected and paid over by related parties	933,972
Rent charged to related parties	378,724
Group relief receivable from related parties	14,189
	<u>4,282,227</u>
Amounts receivable from related parties	<u>816,354</u>

	Other related parties £
2018	
Expenditure recharged to related parties	1,229,696
Income collected and paid over by related parties	625,225
Rent charged to related parties	687,664
Group relief receivable from related parties	165,925
	<u>2,708,510</u>
Amounts receivable from related parties	<u>415,341</u>

Expenditure with and payables to related parties

	Other related parties £
2019	
Income collected for and paid over to related parties	6,328
Purchases from related parties	608,288
	<u>614,616</u>
Amounts payable to related parties	<u>10,318</u>

	Other related parties £
2018	
Income collected on behalf of related parties	905,866
Purchases from related parties	477,827
	<u>1,383,693</u>
Amounts payable to related parties	<u>34,815</u>

Ashton Gate Limited

Notes to the Financial Statements

Year Ended 31 May 2019

26 Parent and ultimate parent undertaking

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

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

The ultimate parent is Pula Limited, incorporated in Guernsey.

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

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