

Company Registration No. 03199030 (England and Wales)

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
COMPANY INFORMATION

Directors	Simon Down Richard Holland Alun Jones (Chairman) Hayley Parsons OBE Martyn Ryan Chris Sutton Peter Thomas CBE Simon Webber Andrew Williams Keith Morgan	(Appointed 16 November 2021)
Secretary	Martyn Ryan	
Company number	03199030	
Registered office	Cardiff Arms Park Westgate Street Cardiff South Glamorgan United Kingdom CF10 1JA	
Auditor	Azets Audit Services Ty Derw Lime Tree Court Cardiff Gate Business Park Cardiff United Kingdom CF23 8AB	

**CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
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**CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
CHAIRMAN'S STATEMENT**

FOR THE YEAR ENDED 30 JUNE 2021

Looking back and reflecting on the last year, I feel an immense sense of pride in how everyone associated with Cardiff Rugby has pulled together for the greater good of the club and for our society in general.

The stark reality, however, is that we are not yet out of the woods, with the Covid-19 pandemic continuing to create significant challenges in our daily lives.

As we head into another period of uncertainty, it would be remiss of me not to offer condolences on behalf of the entire club and the board of directors to all of our staff, supporters, colleagues and sponsors who have suffered or continue to suffer personal loss or illness at this time.

Our board has worked tirelessly to support our executive team to help navigate the company through the challenging financial climate caused by the pandemic. There are many ongoing challenges but the relaxation of restrictions going into this current financial year at least gave us some encouragement that there was light at the end of the tunnel.

As set out more fully in the Strategic Report the year has been challenging financially and at the date of writing we continue to work with all parties to alleviate the financial pressures.

Our team performed well towards the end of the season under the guidance of David Young, who joined us a consultant before beginning his second stint as our Director of Rugby. We are delighted that Dai has committed himself to the club and we look forward with renewed optimism knowing we have one of the most experienced DORs in European rugby at the helm. Our performances in the second half of the season meant we qualified for the Champions Cup once again and we will enjoy the challenges that brings!

We have made steady progress on and off the pitch. We have plans to improve governance and representation yet further and we have worked hard to secure a new long-term training facility and a new lease at the Arms Park. There is still much to be done but there are grounds for optimism for the future as we learn to adapt to whatever the pandemic throws at us next.

Finally, our work to shape a vibrant future for the professional game continues with our colleagues at the WRU and the other regions. I remain confident that the work we are doing will lead to the success we all crave.

Thank you for your ongoing support.

Alun Jones
Chairman

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2021

The directors present their annual report and financial statements for the year ended 30 June 2021.

Principal activities

The principal activity of the Company continued to be that of professional rugby together with related activities.

Results and dividends

The results for the year are set out on page 12.

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

Directors

Chris Nott, Chris Sutton and Simon Down are appointed by Cardiff Athletic Club, who hold 750,000 Heritage shares of £1 and 500,000 Ordinary shares of £1.

Simon Down

Richard Holland

Alun Jones (Chairman)

Chris Nott OBE

(Retired 16 November 2021)

Hayley Parsons OBE

Martyn Ryan

Chris Sutton

Peter Thomas CBE

Simon Webber

Andrew Williams

Keith Morgan

(Appointed 16 November 2021)

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

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

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

Going Concern

During the year, the company's activities were disrupted due to Government restrictions imposed in response to the Covid-19 pandemic. Games were played behind closed doors. This resulted in a substantial decrease in core income for the 2020/21 season. At the date of approval of the financial statements, while restrictions have been reduced there remains both a reluctance to attend amongst spectators and uncertainty over future changes in regulations.

As at the year ended 30 June 2021, the company suffered a loss of £1,631k, with net current liabilities of £1.7m and total liabilities of £6.2m and remains reliant upon the support of the WRU, its various funders and the ongoing support and goodwill of its fans, commercial sponsors, directors and shareholders

The directors recognise that these conditions indicate a significant uncertainty in relation to going concern and have taken steps to preserve liquidity. The entity has utilised Government initiatives including the Job Retention Scheme, HMRC liability deferrals and has acquired a CBILS loan.

In 2021, the WRU secured grant funding of £13.5m from the Welsh Government, £2.7m of which was provided to Cardiff Rugby to support the 2020-21 season.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. The forecasts indicate the company will have sufficient funds to meet its liabilities as they fall due for a period of at least 12 months from the approval of the accounts. Accordingly, they continue to adopt the going concern basis of preparation.

Employment Policy

It is the Company's policy to treat all its employees fairly and ensure equal opportunity for all regardless of gender, ethnic origin, age, disability or religion.

On behalf of the board

Richard Holland
Director

Alun Jones (Chairman)
Director

24 December 2021

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

The directors are responsible for preparing the Directors' 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2021

The directors present the strategic report for the year ended 30 June 2021.

Fair review of the business

It is no surprise that this strategic report for the year July 2020 to June 2021, is once again dominated by the Covid-19 pandemic and the continued, wide-ranging impact it has had across the business. It continues to have a significant impact on the day to day running of the business, both on and off the pitch. Throughout the entirety of this period, the biggest challenge has undoubtedly been a financial one and it is covered in detail during the financial section of this report.

One real positive however, was the way the Cardiff Rugby family came together and supported us. It was truly humbling that so many supporters opted to donate the outstanding value of their Season Memberships or Match Tickets. Of those that responded to a substantial communications drive, £65,000 was donated to the club, £50,000 requested in credit and just £48,000 as refunds. The club is enormously grateful for this outstanding showing of generosity and it demonstrates the importance and role we play in people's lives.

Human Resources

The financial impact of the pandemic on the company was catastrophic and both salary reductions and a staff restructure were unfortunately necessary. Following lengthy negotiations between the Professional Rugby Board and Welsh Rugby Players Association, a framework for long-term salary reductions was agreed. To make this more acceptable a number of players accepted the new salary across a longer term to give security. At the same time, all employees across the business took a salary reduction on earnings over £25,000. Unfortunately, there were also fourteen positions made redundant across the business.

At this point the company would like to thank these individuals once again for their understanding and professionalism during this very emotive and difficult time. Without this sacrifice by the company's employees, the club simply would not have survived.

Rebrand

Following extended consultation, and on the back of consistent feedback over a number of years, the board took the decision to drop the 'Blues' suffix from the team's name and revert back to Cardiff Rugby with an amended logo. This was announced on March 1 and received overwhelmingly positive feedback. By making this change the club has reconnected with its rich and unrivalled heritage and listened to its supporters. We have gone backwards to move forwards and been true to ourselves. We have seen an uptake in commercial numbers, membership and ticket sales on the back of this and have been thrilled with the success so far.

Rugby

The club finished the season fourth in Conference B of the PRO14 (now United Rugby Championship) and qualified for the Heineken Champions Cup.

There was an upturn in results in the second half of the season, particularly notable a double over regional rivals the Scarlets and Dragons.

The club advanced to the knockout stages of the European Challenge Cup and were in a commanding position against London Irish to progress further. However, in a highly dramatic game we managed to snatch defeat from the jaws of victory.

It was a disappointing end to the competition but the club could look back on the progress made through the campaign and ahead to the future under Dai Young with excitement.

Our representation on the international stage continued to grow and we saw 12 players included in Wales' summer tour party with Josh Navidi called up to the British & Irish Lions tour, joining Josh Adams who was named in the initial announcement.

The academy and pathway continued to bear fruit with the likes of Jamie Hill, Gwilym Bradley, Alun Lawrence, Mason Grady, Teddy Williams, Iestyn Harris and Will Davies-King all progressing to first team honours.

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

Fair review of the business

Rugby

Focusing on off-field matters, the biggest change to note is of course the departure of John Mulvihill and the appointment of David Young as our Director of Rugby on a three year deal.

During contract negotiations with John Mulvihill in December 2020, it was accepted by both parties that he would step down due in large parts to the impact Covid-19 was having on the Mulvihill family, who were separated on opposite sides of the world. We are grateful to John for all of his efforts and wish him the best for the future.

We quickly moved to appoint Dai Young on an interim basis and to review the rugby department in its entirety. It was agreed by the entire board that the club required an experienced director of rugby. Dai, who has more than 20 years' experience working at the highest level in the UK, was viewed as an ideal fit and made an instant impact.

Following a full review and interview process, including myself and Nigel Walker, we appointed Dai on a long-term contract and continue to be pleased with the progress he is making.

Prior to Dai's appointment, Dwayne Peel had been announced as our new Senior Assistant Coach for the 2021-22. Following Dai's appointment, Dwayne was approached by the Scarlets to become their new Director of Rugby. We were very disappointed by the way this was handled; however, a settlement was reached between the relevant parties and we were delighted to appoint Matt Sherratt as our Backs and Attack coach. Matt enjoyed a lot of success here previously and is very popular with the players. We now feel we have ideal balance across our coaching staff and this has been complimented by the return of Trystan Bevan as our head of performance.

Due to the financial impact of the pandemic, recruitment was limited ahead of the 2021-22 season, however prior to John Mulvihill's departure, the club secured the signings of Rhys Priestland and Matthew Screech.

Cardiff Arms Park

During the first half of this period, the Arms Park continued to play a supporting role to the Dragon's Heart hospital. As a consequence, we played the remainder of the 2019-20 season and Rainbow Cup games at either Rodney Parade or the Cardiff City Stadium with CAVUHB covering all costs. CAVUHB also covered costs for the site during the time they were in situ, which in effect took a large burden off the company at a difficult time. The fact that the 4G pitch was covered for such a length of time also led to significant damage and the surface was replaced at their cost.

The club returned to the Arms Park in February 2021, with the clock continuing to tick on the remainder of our lease, which expires in February 2022. With progress slow the company served a notice on Cardiff Athletic Club requesting a 15-year extension of our current lease, with market rent adjustments and five year break clauses. Cardiff Athletic Club opposed this extension and a new three-year lease proposal was tabled. Negotiations continue but we are close to reaching a final agreement.

Pentwyn Leisure Centre

With rugby returning and the Arms Park part of the Dragon's Heart Hospital, a temporary training solution was required and we were grateful to Cardiff Council and GLL for facilitating us at Pentwyn Leisure Centre, which was closed to the public due to the pandemic. This was a brilliant solution and it quickly became apparent that there was scope to remain in Pentwyn long-term. We look forward to making announcements on this matter in the early stages of 2022.

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

Fair review of the business

Governance

The exploration of appointing a Supporter Advisor to the board has also continued and I'm pleased to report at the time of writing, a candidate has been found and announcements due to be made.

During the year, Nigel Walker was appointed to the board as an advisor to bring rugby expertise and his vast experience in both business and elite sport. Nigel, who was of course the National Director of the English Institute of Sport for more than a decade, was a fantastic coup for us and made an immediate impact both in the board room and in assisting the rugby department. However unfortunately, but perhaps unsurprisingly given his experience and stature, Nigel was appointed as Performance Director at the WRU in July 2021 and therefore had to resign from the role. We continue to have a great relationship with Nigel and while a loss to Cardiff, appreciate the bigger picture and have no doubt he will be a success at the WRU.

Key performance indicators

KPIs for Year ended June	20/21	19/20	18/19
	(Actual)	(Actual)	(Actual)
	£000	£000	£000
WRU Income	1,304	5,017	4,790
Competition Income	2,822	2,977	3,223
Commercial Income	<u>1,264</u>	<u>3,575</u>	<u>4,505</u>
Total Turnover	5,390	11,569	13,020
Rugby Salaries	(7,070)	(8,250)	(8,232)
Rugby Costs	<u>(1,857)</u>	<u>(1,607)</u>	<u>(2,252)</u>
	<u>(8,927)</u>	<u>(9,857)</u>	<u>(10,575)</u>
Gross (Loss)/Profit	(3,537)	1,712	2,445
Government Support	3,994	836	
Overheads	<u>(1,962)</u>	<u>(2,865)</u>	<u>(2,850)</u>
Operating Loss for year	<u>(1,505)</u>	<u>(317)</u>	<u>(405)</u>
Net Current Liabilities	(1,728)	(3,319)	(2,630)
Liquid Assets	3,182	43	192
Net Liabilities	(6,175)	(4,543)	(4,164)
Cash Inflow/(Outflow)	3,197	41	(55)

In common with all other businesses in the live sports and hospitality sectors the Company suffered a catastrophic decline in revenues during the year. This decline was both direct, through the loss of crowds, hospitality and sponsorships resulting in a sharp reduction in Commercial Income of £2,311,000, and indirect, with the lack of revenue generated by international matches leading to a corresponding fall in WRU Income of £3,713,000.

The salary cuts and restructuring discussed earlier in this report contributed to a fall in Rugby Salaries and Overheads and £3,994,000 was received in Grants from the Welsh Assembly Government and under the JCRS scheme.

Despite these receipts, the lost revenue could not be fully recovered and this, together with modest increases in costs due to compliance with covid regulations, led to Operating Losses for the year increasing by £1,188,000 to £1,505,000.

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

Key performance indicators

The Company ended the year with a strong liquidity position, holding £3,182,000 (2020: £43,000) as a result of the receipt of a CLBILS loan of £5,000,000 from NatWest together with a deferral of tax payments to HMRC. These receipts and deferrals enabled current liabilities to be paid down, leading to a decline in net current liabilities from £3,319,000 to £1,728,000. However, longer term liabilities increased significantly, principally as a result of the CLBILS loan being payable over a number of years. The losses for the year led to a sharp worsening of the overall net liability position of the company, with this key measure of financial strength weakening from negative £4,543,000 to £6,175,000.

At the time of writing, we have just returned our last players from South Africa and have heard that games in Wales will be played behind closed doors. Even before these issues our forecasts indicated losses of £1,000,000 for the financial year resulting from the impact of covid on revenues versus a normal, pre pandemic year. We hope that support will be forthcoming to enable the club to play its part in maintaining the fabric of rugby in Wales.

Principal risks and uncertainties

Financial risk management objectives and policies

The company operates a number of risk management policies designed to minimise its exposure to financial risk.

Liquidity and cash flow risk

The company produces detailed management accounts and forecasts, which enable the directors to monitor the cash position and to ensure that there is sufficient liquidity and cash flow to minimise the risk of the company being unable to pay its debts as they fall due.

The company utilises a number of financial instruments including loans to finance its operations. The continued availability of these debt facilities is crucial to the future prospects of the company.

Borrowings at variable rates expose the company to interest rate risk, however the directors actively manage this risk by monitoring cash-flow to ensure such borrowings are minimised.

Credit risk

Given the nature of the business the company does not consider that it faces any significant credit risk.

Price risk

The company actively manages price risk by agreeing terms with suppliers prior to entering into any transactions with customers.

Richard Holland
Chief Executive Officer
24 December 2021

**CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CARDIFF BLUES LIMITED**

Opinion

We have audited the financial statements of Cardiff Blues Limited (the 'company') for the year ended 30 June 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2021 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

**CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF CARDIFF BLUES LIMITED**

Matters on which we are required to report by exception

In the light of the 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 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 directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF CARDIFF BLUES LIMITED**

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.

Ian Thomas BSc FCA DChA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

24 December 2021

Chartered Accountants
Statutory Auditor

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
United Kingdom
CF23 8AB

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 £	2020 £
Turnover	3	5,389,650	11,569,410
Cost of sales		(8,927,225)	(9,857,585)
Gross (loss)/profit		<u>(3,537,575)</u>	<u>1,711,825</u>
Administrative expenses		(2,689,072)	(3,125,642)
Other operating income	3	4,721,282	1,096,578
Operating loss	4	<u>(1,505,365)</u>	<u>(317,239)</u>
Interest payable and similar expenses	8	(126,111)	(149,230)
Loss before taxation		<u>(1,631,476)</u>	<u>(466,469)</u>
Tax on loss	9	-	86,578
Loss for the financial year		<u><u>(1,631,476)</u></u>	<u><u>(379,891)</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
BALANCE SHEET
AS AT 30 JUNE 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	10		232,935		391,479
Current assets					
Stocks	11	12,865		50,000	
Debtors	12	690,957		758,178	
Cash at bank and in hand		3,182,694		42,518	
		<u>3,886,516</u>		<u>850,696</u>	
Creditors: amounts falling due within one year	13	<u>(5,614,521)</u>		<u>(4,169,822)</u>	
Net current liabilities			<u>(1,728,005)</u>		<u>(3,319,126)</u>
Total assets less current liabilities			<u>(1,495,070)</u>		<u>(2,927,647)</u>
Creditors: amounts falling due after more than one year	14		<u>(4,679,747)</u>		<u>(1,615,694)</u>
Net liabilities			<u><u>(6,174,817)</u></u>		<u><u>(4,543,341)</u></u>
Capital and reserves					
Called up share capital	18	14,323,303		14,323,303	
Profit and loss reserves		<u>(20,498,120)</u>		<u>(18,866,644)</u>	
Total equity			<u><u>(6,174,817)</u></u>		<u><u>(4,543,341)</u></u>

The financial statements were approved by the board of directors and authorised for issue on 24 December 2021 and are signed on its behalf by:

Mr Alun Jones
Director

Mr Richard Holland
Director

Company Registration No. 03199030

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	Share capital £	Capital contribution reserve £	Profit and loss reserves £	Total £
Balance at 1 July 2019		5,035,202	9,288,101	(18,486,753)	(4,163,450)
Year ended 30 June 2020:					
Loss and total comprehensive income for the year		-	-	(379,891)	(379,891)
Conversion of loan to shares	18	9,288,101	-	-	9,288,101
Other movements		-	(9,288,101)	-	(9,288,101)
Balance at 30 June 2020		14,323,303	-	(18,866,644)	(4,543,341)
Year ended 30 June 2021:					
Loss and total comprehensive income for the year		-	-	(1,631,476)	(1,631,476)
Balance at 30 June 2021		14,323,303	-	(20,498,120)	(6,174,817)

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	21		(1,351,534)		838,499
Interest paid			(126,111)		(149,230)
Income taxes refunded			76,535		10,043
Net cash (outflow)/inflow from operating activities			(1,401,110)		699,312
Investing activities					
Purchase of tangible fixed assets		-		(100,021)	
Net cash used in investing activities			-		(100,021)
Financing activities					
Proceeds from borrowings		5,000,000		-	
Repayment of borrowings		(379,589)		(540,979)	
Payment of finance leases obligations		(22,534)		(17,519)	
Net cash generated from/(used in) financing activities			4,597,877		(558,498)
Net increase in cash and cash equivalents			3,196,767		40,793
Cash and cash equivalents at beginning of year			(14,073)		(54,866)
Cash and cash equivalents at end of year			3,182,694		(14,073)
Relating to:					
Cash at bank and in hand			3,182,694		42,518
Bank overdrafts included in creditors payable within one year			-		(56,591)

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

Company information

Cardiff Blues Limited is a private company limited by shares incorporated in England and Wales. The registered office is Cardiff Arms Park, Westgate Street, Cardiff, South Glamorgan, UK, CF10 1JA.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

During the year, the company's activities were disrupted due to Government restrictions imposed in response to the Covid-19 pandemic. Games were played behind closed doors. This resulted in a substantial decrease in core income for the 2020/21 season. At the date of approval of the financial statements, while restrictions have been reduced there remains both a reluctance to attend amongst spectators and uncertainty over future changes in regulations.

As at the year ended 30 May 2021, the company suffered a loss of £1,631k, with net current liabilities of £1.7m and total liabilities of £6.2m and remains reliant upon the support of the WRU, its various funders and the ongoing support and goodwill of its fans, commercial sponsors, directors and shareholders

The directors recognise that these conditions indicate a significant uncertainty in relation to going concern and have taken steps to preserve liquidity. The entity has utilised Government initiatives including the Job Retention Scheme, HMRC liability deferrals and has acquired a CBILS loan.

In 2021, the WRU secured grant funding of £13.5m from the Welsh Government, £2.7m of which was provided to Cardiff Rugby to support the 2020-21 season.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. The forecasts indicate the company will have sufficient funds to meet its liabilities as they fall due for a period of at least 12 months from the approval of the accounts. Accordingly, they continue to adopt the going concern basis of preparation.

1.3 Turnover

Turnover represents amounts invoiced, excluding value added tax, in respect of the sale of goods and services. Ticket income, hospitality income and income from competitions are recognised as revenue when the respective event takes place. Revenue from commercial contracts - including broadcasting revenue, sponsorship and the lease of hospitality boxes is recognised based on the terms of the contract.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Tangible fixed assets

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

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

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

Land and buildings Leasehold	6 - 10 years
Plant and machinery	4 - 6 years
Fixtures, fittings & equipment	4 years

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

1.5 Impairment of fixed assets

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

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

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

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

1.6 Stocks

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

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

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

1.7 Cash and cash equivalents

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

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

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

Other financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

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

Other financial liabilities

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

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

Derecognition of financial liabilities

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

1.9 Equity instruments

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

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred taxation is provided in full in respect of taxation deferred by timing differences that have originated but not reversed at the balance sheet date.

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.11 Employee benefits

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

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

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

1.12 Retirement benefits

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

1.13 Leases

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

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

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

1.14 Government grants

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

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

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.16 Transfer fees

Fees payable to and receivable from other rugby football clubs on the transfer of a player's registration, together with associated costs, are dealt with through the profit and loss account in the accounting year in which the transfer of the player's registration takes place.

1.17 Player's contracts

No value has been attributed to player's contracts in the balance sheet.

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2021 £	2020 £
Turnover analysed by class of business		
Match day income	-	846,039
Competitions income	2,802,220	2,977,288
WRU receipts	1,304,900	5,017,014
Sponsorship income	728,380	1,067,409
Hospitality and catering income	55,065	1,069,855
Other	499,085	591,805
	<u>5,389,650</u>	<u>11,569,410</u>

	2021 £	2020 £
Other significant revenue		
Government grants	3,994,254	836,261
NHS income	727,028	260,317
	<u>4,721,282</u>	<u>1,096,578</u>

	2021 £	2020 £
Turnover analysed by geographical market		
United Kingdom	<u>5,389,650</u>	<u>11,569,410</u>

4 Operating loss

	2021 £	2020 £
Operating loss for the year is stated after charging:		
Depreciation of owned tangible fixed assets	138,555	134,355
Depreciation of tangible fixed assets held under finance leases	20,000	20,000
Operating lease charges	131,305	128,468

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

5 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	9,500	9,500
	<u> </u>	<u> </u>

6 Employees

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

	2021	2020
	Number	Number
Executive directors	1	1
Coaching and playing staff	114	121
Operations and administration staff	40	68
	<u> </u>	<u> </u>
Total	155	190
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	7,151,557	8,490,977
Social security costs	779,411	813,216
Pension costs	99,282	95,636
	<u> </u>	<u> </u>
	8,030,250	9,399,829
	<u> </u>	<u> </u>

7 Directors' remuneration

	2021	2020
	£	£
Remuneration for qualifying services	142,400	167,450
	<u> </u>	<u> </u>

8 Interest payable and similar expenses

	2021	2020
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	1,667	10,459
Other finance costs:		
Other interest	124,444	138,771
	<u> </u>	<u> </u>
	126,111	149,230
	<u> </u>	<u> </u>

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

9 Taxation

	2021	2020
	£	£
Current tax		
Other taxes	-	(86,578)
	<u> </u>	<u> </u>

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2021	2020
	£	£
Loss before taxation	(1,631,476)	(466,469)
	<u> </u>	<u> </u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(309,980)	(88,629)
Tax effect of expenses that are not deductible in determining taxable profit	6,063	8,088
Unutilised tax losses carried forward	302,479	60,154
Depreciation on assets not qualifying for tax allowances	1,438	20,387
Research and development tax credit	-	(86,578)
	<u> </u>	<u> </u>
Taxation charge/(credit) for the year	-	(86,578)
	<u> </u>	<u> </u>

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

10 Tangible fixed assets

	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 July 2020	2,062,941	871,218	698,229	3,632,388
Disposals	(7,468)	(419,741)	(29,625)	(456,834)
At 30 June 2021	2,055,473	451,477	668,604	3,175,554
Depreciation and impairment				
At 1 July 2020	1,866,430	709,797	664,682	3,240,909
Depreciation charged in the year	54,687	79,850	24,018	158,555
Eliminated in respect of disposals	-	(398,951)	(57,894)	(456,845)
Transfers	44,301	(44,301)	-	-
At 30 June 2021	1,965,418	346,395	630,806	2,942,619
Carrying amount				
At 30 June 2021	90,055	105,082	37,798	232,935
At 30 June 2020	196,511	161,421	33,547	391,479

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2021 £	2020 £
Plant and machinery	25,873	45,928

11 Stocks

	2021 £	2020 £
Finished goods and goods for resale	12,865	50,000

12 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	544,752	257,923
Corporation tax recoverable	-	76,535
Other debtors	72,908	304,615
Prepayments and accrued income	73,297	119,105
	690,957	758,178

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

13 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans and overdrafts	15	-	56,591
Obligations under finance leases	16	24,352	25,978
Other borrowings	15	1,802,539	267,089
Trade creditors		810,705	868,096
Taxation and social security		2,046,565	2,018,876
Other creditors		717,816	833,319
Accruals and deferred income		212,544	99,873
		<u>5,614,521</u>	<u>4,169,822</u>

14 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Obligations under finance leases	16	-	20,908
Other borrowings	15	4,679,747	1,594,786
		<u>4,679,747</u>	<u>1,615,694</u>

15 Loans and overdrafts

	2021 £	2020 £
Bank overdrafts	-	56,591
Other loans	6,482,286	1,861,875
	<u>6,482,286</u>	<u>1,918,466</u>
Payable within one year	1,802,539	323,680
Payable after one year	4,679,747	1,594,786
	<u>6,482,286</u>	<u>1,918,466</u>

16 Finance lease obligations

	2021 £	2020 £
Future minimum lease payments due under finance leases:		
Within one year	24,352	25,978
In two to five years	-	20,908
	<u>24,352</u>	<u>46,886</u>

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

16 Finance lease obligations

(Continued)

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

17 Retirement benefit schemes

	2021	2020
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	99,282	95,636

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

18 Share capital

	2021	2020	2021	2020
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	4,285,202	4,285,202	4,285,200	4,285,202
Heritage shares of £1 each	750,000	750,000	750,002	750,000
A shares of £1 each	9,288,101	9,288,101	9,288,101	9,288,101
	<u>14,323,303</u>	<u>14,323,303</u>	<u>14,323,303</u>	<u>14,323,303</u>

The Heritage shares rank equally with Ordinary shares except for the right to appoint two directors to the Board and to remove any person so appointed from time to time. Also the approval of the holders of the Heritage shares must be obtained before the company can, inter alia, alter its articles of association, dispose of its rugby activities, substantially alter the nature of the business, change the club's colours or move the home ground outside of Cardiff.

The A shares hold non voting and non participating rights but hold the right to conversion to ordinary shares under certain circumstances.

19 Operating lease commitments

Lessee

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

	2021	2020
	£	£
Cardiff Arms Park	67,177	182,996
Other	34,145	10,421
	<u>101,322</u>	<u>193,417</u>

20 Related party transactions

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

20 Related party transactions

(Continued)

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Purchases		Sales	
	2021	2020	2021	2020
	£	£	£	£
Other related parties	249,831	241,710	49,764	153,667
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Amounts owed to related parties			2021	2020
			£	£
Key management personnel- Other Loans (see below)			1,258,600	1,771,606
Other related parties			38,555	94,067
			<u> </u>	<u> </u>

Key Management Personnel - Other loans

1) A Director's loan account of £266,314 (2020 - £191,314) was due to Peter Thomas.

2) A loan totalling £584,285 (2020 - £796,292) was due to Atlantic Properties Developments PLC, a company under the control of Peter Thomas. The balance has been included in both short term and long term creditors in line with the terms of the agreements.

3) A loan of £448,000 (2020: £484,000) is due to Paul Bailey. The balance has been included in both short term and long term creditors in line with the terms of the agreements. Paul Bailey holds a fixed charge over the liability due.

4) The non-executive directors did not receive any remuneration.

	2021	2020
	Balance	Balance
	£	£
Amounts owed by related parties		
Other related parties	82,485	99,937

Advances and guarantees

Personal guarantees have been provided by Martyn Ryan of £300,000 in respect of the bank overdraft held by the Company. A guarantee of £450,000 has also been provided by Martyn Ryan in respect of a loan received by the Company

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

21 Cash (absorbed by)/generated from operations

	2021	2020
	£	£
Loss for the year after tax	(1,631,476)	(379,891)
Adjustments for:		
Taxation charged/(credited)	-	(86,578)
Finance costs	126,111	149,230
Depreciation and impairment of tangible fixed assets	158,555	154,355
Movements in working capital:		
Decrease in stocks	37,135	4,635
(Increase)/decrease in debtors	(9,314)	634,103
(Decrease)/increase in creditors	(32,545)	362,645
Cash (absorbed by)/generated from operations	(1,351,534)	838,499

22 Analysis of changes in net debt

	1 July 2020	Cash flows	30 June 2021
	£	£	£
Cash at bank and in hand	42,518	3,140,176	3,182,694
Bank overdrafts	(56,591)	56,591	-
	(14,073)	3,196,767	3,182,694
Borrowings excluding overdrafts	(1,861,875)	(4,620,411)	(6,482,286)
Obligations under finance leases	(46,886)	22,534	(24,352)
	(1,922,834)	(1,401,110)	(3,323,944)

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.