

Company Registration Number 3230871

# **Bristol City Football Club Limited**

## **Report and Financial Statements**

31 May 2009

TUESDAY



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COMPANIES HOUSE

# Bristol City Football Club Limited

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Registered No: 3230871

## **Directors**

S P Lansdown (Chairman)  
K W Dawe (Vice Chairman)  
C L Sexstone (Group Chief Executive)  
D J Harman (Group Managing Director)

## **Secretary**

R A Barr

## **Auditors**

Deloitte LLP  
Bristol

## **Bankers**

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

## **Solicitors**

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

## **Registered office**

Ashton Gate  
Bristol  
BS3 2EJ

## Directors' report

The directors present their report and the financial statements for the year ended 31 May 2009.

### Principal activity

The principal activity during the year continued to be the running of a professional football club.

### Results and dividends

The loss for the year, after taxation, was £4,388,930 (2008: £2,026,351). The directors do not recommend the payment of a dividend (2008: £nil).

### Review of the business and future developments

The 2008/09 season was one of consolidation for us in the Championship. It was always going to be difficult following the euphoria of the previous season, when the team reached the play-off final at Wembley only to miss out at the last hurdle on a possible promotion to the Premier League. The fact the club challenged for a play-off position again last season, finishing tenth, was a creditable performance and one to build on in the future.

The financial outcome of the club's second year in the Championship was not so rewarding. Turnover for the regular season managed to hold firm, mainly due to the advanced sale of season tickets which enabled the average gate for the year to be 16,816 (2008: 16,275). Season ticket sales for last season were 13,663 (2008: 10,254) many of which were purchased in anticipation of Premier League football. The fact that this was not achieved, followed by the worst recession since the 1930s, has meant that the season ticket sales for the forthcoming season are 11,256. The club will have to work very hard to increase the 'pay on the day' support to compensate for this. Turnover as a whole for the year fell by 11.5% to £8.72 million (2008: £9.86 million) due to the club not reaching the playoffs, which, coupled with an increase in wages to £8.66m (2008: £6.88m), has resulted in the loss for the year increasing to £4.39 million (2008: £2.03 million).

The fall in turnover is primarily due to the club not reaching the play-offs during the 2008/09 season, which brought in over £1m of turnover in the previous season. The increase in wages has been, and is to a certain extent inevitable, if the club is to compete in the Championship and have aspirations of getting into the Premier League. The club must focus on continuing to build our squad gradually, adding quality whenever it can and ensuring that the club builds a unit which can compete at this level and take the club further.

An expense that has been incurred during the financial year under review is the development of the training facility at Failand, which has already proved to be a great benefit to the first team squad and Academy. The club has received many good reviews from all those who have used it.

The Academy continues to flourish and the club is extremely pleased with the development of the Junior Academy, which is increasing the club's profile within the community, whilst attracting good young players and supporters to the club at an early age. The development of the youth teams is fundamental in building the club's future. In the days of exorbitant transfer fees and wage demands, home grown players are essential and the club welcomes the Football League's initiatives in this respect.

### Principal risks and uncertainties

The key risk to the business is the performance of the team which may affect revenue from games and also sponsorship. The company is aware of this risk and addresses the issues by seeking to strengthen the squad through the development and acquisition of players.

## Directors' report

### Going concern

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

### Financial risk management

The directors have reviewed the financial risk management objectives and policies of the company. They do not believe there to be significant risks in this area. The company does not enter into any hedging instruments, as there are not believed to be any material exposures. It does not enter into any financial instruments for speculative purposes.

Appropriate trade terms are negotiated with suppliers and customers. Management reviews these terms, relationships with suppliers and customers and manages any exposure on normal trade terms. The company prepares regular forecasts of cash flow and liquidity and any requirement for additional funding is managed by the directors on a needs basis.

### Directors

The Membership of the Board is stated on page 1.

### Auditors

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

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

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

On 1 December 2008 Deloitte & Touche LLP changed its name to Deloitte LLP.

Deloitte LLP have expressed a willingness to remain in office as the company's auditor. A resolution to reappoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

By order of the Board



R A Barr  
Secretary

## **Directors' responsibilities statement**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

## **Independent auditors' report**

### **to the members of Bristol City Football Club Limited**

We have audited the financial statements of Bristol City Football Club Limited for the year ended 31 May 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2009 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

#### **Matters on which we are required to report by exception**

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

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

## **Independent auditors' report**

**to the members of Bristol City Football Club Limited (continued)**

### **Emphasis of matter - Going concern**

Without qualifying our opinion, we draw attention to the disclosures made in note 1 of the financial statements concerning the company's ability to continue as a going concern. The company made a net loss of £4,388,930 during the year ended 31 May 2009 and, as of that date, the company had net current liabilities of £6,717,064 and net liabilities of £20,682,035. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern as it is not practicable to determine or quantify them.

*S.N. Woodward*

Stuart Woodward (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
Bristol, United Kingdom  
19 October 2009

# Profit and loss account

for the year ended 31 May 2009

|   | Notes | 2009<br>£    | 2008<br>£    |
|---|-------|--------------|--------------|
| <b>Turnover - continuing operations</b>                         |       |              |              |
| Football revenue  |       | 7,793,605    | 8,790,936    |
| Other revenue   |       | 922,080      | 1,068,327    |
|   | 2     | 8,715,685    | 9,859,263    |
| Staff costs   | 3     | (8,655,529)  | (6,877,040)  |
| Amortisation and impairment of players' contracts               | 7     | (1,646,382)  | (1,138,608)  |
| Depreciation  | 8     | (21,119)     | (3,508)      |
| Other operating charges   |       | (3,365,066)  | (4,178,717)  |
|   |       | (13,688,096) | (12,197,873) |
| <b>Operating loss - continuing operations</b>                   | 4     | (4,972,411)  | (2,338,610)  |
| Profit on disposal of players' contracts                        |       | 619,163      | 358,897      |
| <b>Loss on ordinary activities before interest and taxation</b> |       | (4,353,248)  | (1,979,713)  |
| Loss excluding player trading                                   |       | (3,326,029)  | (1,200,002)  |
| Player trading*   |       | (1,027,219)  | (779,711)    |
| Bank interest receivable  |       | -            | 10,724       |
| Interest payable and similar charges                            | 5     | (35,682)     | (57,362)     |
| <b>Loss on ordinary activities before taxation</b>              |       | (4,388,930)  | (2,026,351)  |
| Tax on loss on ordinary activities                              | 6     | -            | -            |
| <b>Loss for the financial year</b>                              | 13    | (4,388,930)  | (2,026,351)  |

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

\* Player trading comprises amortisation and impairment of players' contracts and the profit on disposal of players' contracts.



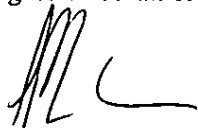
## Balance sheet

at 31 May 2009

|  | Notes | 2009<br>£           | 2008<br>£           |
|--|-------|---------------------|---------------------|
| <b>Fixed assets</b>  |       |                     |                     |
| Intangible assets  | 7     | 3,212,408           | 2,285,959           |
| Tangible assets  | 8     | 1,186,259           | 430,909             |
|  |       | <u>4,398,667</u>    | <u>2,716,868</u>    |
| <b>Current assets</b>  |       |                     |                     |
| Debtors  | 9     | 730,916             | 1,650,423           |
| Cash at bank and in hand                                       |       | 3,976               | 2,560,618           |
|  |       | <u>734,892</u>      | <u>4,211,041</u>    |
| <b>Creditors: amounts falling due within one year</b>          | 10    | (7,451,956)         | (7,692,575)         |
| <b>Net current liabilities</b>                                 |       | <u>(6,717,064)</u>  | <u>(3,481,534)</u>  |
| <b>Total assets less current liabilities</b>                   |       | <u>(2,318,397)</u>  | <u>(764,666)</u>    |
| <b>Creditors: amounts falling due after more than one year</b> | 11    | (18,363,638)        | (15,528,439)        |
| <b>Net liabilities</b>   |       | <u>(20,682,035)</u> | <u>(16,293,105)</u> |
| <b>Capital and reserves</b>                                    |       |                     |                     |
| Called up share capital  | 12    | 1                   | 1                   |
| Profit and loss account  | 13    | (20,682,036)        | (16,293,106)        |
| <b>Shareholder's deficit</b>                                   |       | <u>(20,682,035)</u> | <u>(16,293,105)</u> |

These financial statements were approved by the Board of Directors on 19 October 2009.

Signed on behalf of the Board of Directors



S P Lansdown – Chairman

## Notes to the financial statements

at 31 May 2009

### 1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

#### Going concern

In accordance with their responsibilities, the directors have considered the appropriateness of the going concern basis for the preparation of the financial statements. In forming their view, they considered the period to 31 May 2010, a period of less than 12 months from the approval of the financial statements.

The company meets its day-to-day working capital requirements through an overdraft facility and inter company finance, both of which are repayable on demand. The directors have prepared projected cash flow information for the period to 31 May 2010.

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

The directors are confident that taking into account the commitment by Stephen Lansdown to subscribe for further shares and/or loan stock in Bristol City Holdings Limited should the need arise, the group will have sufficient working capital until at least the end of the 2009/2010 season.

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

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

#### Basis of preparation

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

#### Cash flow statement

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

## Notes to the financial statements

at 31 May 2009

### 1. Accounting policies (continued)

#### Players' transfer fees

Transfer fees payable are capitalised in the year in which the player is bought and amortised over the initial contract life. Transfer fees conditional on player and/or team performance related measures are capitalised as and when they crystallise and are amortised over the remaining contract life.

Where a contract is re-negotiated prior to the expiry of its original term, the net book value at that time is amortised over the remaining revised contract life.

#### Profit on disposal of players' contracts

Profits or losses arising on the disposal of players' contracts are credited or charged to the profit and loss account in the year in which the player is sold. They are calculated as the difference arising between the transfer fees received and the net book value of the contracts at the time of this disposal. Any excess of net book value of a player's contract over its net realisable value is taken to the profit and loss account as and when it arises.

#### Contractual liabilities under players' contracts

Contractual liabilities under players' contracts are written off in the year in which they become payable.

#### Revenue recognition

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

#### Tangible fixed assets

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

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

|                       |            |
|-----------------------|------------|
| Plant and machinery   | 10 years   |
| Buildings             | 10 years   |
| Leasehold land        | 99 years   |
| Fixtures and fittings | 5-10 years |

#### Taxation

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

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

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

## Notes to the financial statements

at 31 May 2009

### 1. Accounting policies (continued)

#### Leasing commitments

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

#### Post-retirement benefits

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

### 2. Turnover

Turnover is wholly attributable to the principal activity of the company and represents the amounts received and receivable, stated net of value added tax.

### 3. Staff costs

|                       | 2009<br>£        | 2008<br>£        |
|-----------------------|------------------|------------------|
| Wages and salaries    | 7,646,146        | 6,109,341        |
| Social security costs | 1,004,706        | 762,608          |
| Pension contributions | 4,677            | 5,091            |
|                       | <u>8,655,529</u> | <u>6,877,040</u> |

The average monthly number of employees (excluding directors) during the year was as follows:

|                                | No.       | No.       |
|--------------------------------|-----------|-----------|
| Office and football management | 16        | 17        |
| Players                        | 28        | 33        |
|                                | <u>44</u> | <u>50</u> |

The directors received no remuneration from the company throughout the current or the preceding years. Directors are paid for their services to the group by another group company, Ashton Gate Limited. It is not practicable to allocate their remuneration between their services to the various companies.

## Notes to the financial statements

at 31 May 2009

### 4. Operating loss

|                                    |           |           |
|------------------------------------|-----------|-----------|
| This is stated after charging:     | 2009      | 2008      |
|                                    | £         | £         |
| Operating lease rentals:           |           |           |
| - property                         | 40,625    | 32,142    |
| - others                           | 28,071    | 17,702    |
| Depreciation                       | 21,119    | 3,508     |
| Amortisation of players' contracts | 1,646,382 | 1,138,608 |

The audit fee of £7,500 (2008: £7,500) is borne by Ashton Gate Limited and not recharged.

### 5. Interest payable and similar charges

|                       |        |        |
|-----------------------|--------|--------|
|                       | 2009   | 2008   |
|                       | £      | £      |
| Interest on overdraft | 35,682 | 57,362 |

### 6. Tax on loss on ordinary activities

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

The tax assessed on the loss on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2008: 29.7%). The differences are explained below:

|  |             |             |
|--|-------------|-------------|
|  | 2009        | 2008        |
|  | £           | £           |
| Loss on ordinary activities before tax   | (4,388,930) | (2,026,351) |
|  | £           | £           |
| Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008: 29.7%). | (1,228,900) | (601,826)   |
| Effect of:   |             |             |
| Expenses not deductible for tax purposes   | 25,273      | 27,943      |
| Depreciation for period in excess of capital allowances  | 549         | 615         |
| Other timing differences   | (1)         | (745)       |
| Losses carried forward   | 1,203,079   | 574,013     |
| Current tax charge for the year  | -           | -           |

The company has tax losses at 31 May 2009 of approximately £13,847,400 (2008: £9,512,794) that are available indefinitely for offset against future taxable profits. A deferred tax asset has not been recognised in respect of these losses as they do not satisfy the recognition criteria for deferred tax asset in FRS 19.

There are no known factors that may materially affect the future tax charge.

## Notes to the financial statements

at 31 May 2009

### 7. Intangible fixed assets

|                     | <i>Players' contracts</i><br>£ |
|---------------------|--------------------------------|
| Cost:               |                                |
| At 1 June 2008      | 3,620,952                      |
| Additions           | 3,131,668                      |
| Disposals           | (1,574,952)                    |
| At 31 May 2009      | 5,177,668                      |
| Amortisation:       |                                |
| At 1 June 2008      | 1,334,993                      |
| Charge for the year | 1,646,382                      |
| Disposals           | (1,016,115)                    |
| At 31 May 2009      | 1,965,260                      |
| Net book value:     |                                |
| At 31 May 2009      | 3,212,408                      |
| At 31 May 2008      | 2,285,959                      |

### 8. Tangible fixed assets

|                       | <i>Plant and<br/>machinery</i><br>£ | <i>Freehold<br/>building</i><br>£ | <i>Leasehold<br/>land</i><br>£ | <i>Fixture<br/>and fittings</i><br>£ | <i>Assets<br/>under<br/>construction</i><br>£ | <i>Total</i><br>£ |
|-----------------------|-------------------------------------|-----------------------------------|--------------------------------|--------------------------------------|---|-------------------|
| Cost:                 |                                     |                                   |                                |                                      |   |                   |
| At 1 June 2008        | -                                   | -                                 | -                              | 60,404                               | 374,013                                       | 434,417           |
| Additions             | 5,744                               | 121,613                           | 649,112                        | -                                    | -   | 776,469           |
| Transfer              | -                                   | 87,818                            | 346,599                        | (60,404)                             | (374,013)                                     | -                 |
| At 31 May 2009        | 5,744                               | 209,431                           | 995,711                        | -                                    | -   | 1,210,886         |
| Depreciation:         |                                     |                                   |                                |                                      |   |                   |
| At 1 June 2008        | -                                   | -                                 | -                              | 3,508                                | -   | 3,508             |
| Charge for the period | 574                                 | 13,666                            | 6,879                          | -                                    | -   | 21,119            |
| Transfer              | -                                   | 3,508                             | -                              | (3,508)                              | -   | -                 |
| At 31 May 2009        | 574                                 | 17,174                            | 6,879                          | -                                    | -   | 24,627            |
| Net book value:       |                                     |                                   |                                |                                      |   |                   |
| At 31 May 2009        | 5,170                               | 192,257                           | 988,832                        | -                                    | -   | 1,186,259         |
| At 31 May 2008        | -                                   | -                                 | -                              | 56,896                               | 374,013                                       | 430,909           |

## Notes to the financial statements

at 31 May 2009

### 9. Debtors

|   | 2009           | 2008             |
|---|----------------|------------------|
|   | £              | £                |
| Trade debtors                                 | 93,540         | 46,214           |
| Due from group undertakings                   | 134,457        | -                |
| Called up share capital not paid (note 12)    | 1              | 1                |
| Amount receivable in respect of transfer fees | 346,663        | 255,083          |
| Other debtors                                 | 156,255        | 1,349,125        |
|   | <u>730,916</u> | <u>1,650,423</u> |

### 10. Creditors: amounts falling due within one year

|  | 2009             | 2008             |
|--|------------------|------------------|
|  | £                | £                |
| Bank overdraft                                   | 2,563,260        | -                |
| Amounts due to group undertakings                | -                | 44,287           |
| Football League loan                             | 167,800          | 13,250           |
| Amounts payable in respect of transfer fees      | 1,300,000        | 436,748          |
| Contractual liabilities under players' contracts | 22,877           | 11,355           |
| Trade creditors                                  | 200,111          | 461,574          |
| Other taxes and social security costs            | 662,037          | 943,811          |
| Accruals and deferred income                     | 2,535,871        | 5,781,550        |
|  | <u>7,451,956</u> | <u>7,692,575</u> |

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

The loan from the Football League is not secured and no interest is charged.

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

|                                   | 2009              | 2008              |
|-----------------------------------|-------------------|-------------------|
|                                   | £                 | £                 |
| Football League loan              | 335,200           | -                 |
| Amounts due to parent undertaking | 18,028,438        | 15,528,439        |
|                                   | <u>18,363,638</u> | <u>15,528,439</u> |

The directors of the parent undertaking, Bristol City Holdings Limited, have resolved not to call for repayment of the amounts due to the parent undertaking within the next twelve months. The amount is not secured. There is no fixed repayment date. There is no interest payable in respect of the balance.

The Football League loan is interest free and repayable in 6 monthly instalments over 3 years.

## Notes to the financial statements

at 31 May 2009

### 12. Called up share capital

|                            | <i>Authorised<br/>2008 and 2009</i> |          | <i>Allotted, called up and fully paid<br/>2008 and 2009</i> |          |
|----------------------------|-------------------------------------|----------|---|----------|
|                            | <i>No.</i>                          | <i>£</i> | <i>No.</i>  | <i>£</i> |
| Ordinary shares of £1 each | 500,000                             | 500,000  | 1   | 1        |

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

|                   | <i>Share<br/>capital<br/>£</i> | <i>Profit and<br/>loss account<br/>£</i> | <i>Total<br/>£</i> |
|-------------------|--------------------------------|--|--------------------|
| At 1 June 2007    | 1                              | (14,266,755)                             | (14,266,754)       |
| Loss for the year | -                              | (2,026,351)                              | (2,026,351)        |
| At 31 May 2008    | 1                              | (16,293,106)                             | (16,293,105)       |
| Loss for the year | -                              | (4,388,930)                              | (4,388,930)        |
| At 31 May 2009    | 1                              | (20,682,036)                             | (20,682,035)       |

### 14. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £70,000 (2008: £847,188).

### 15. Other financial commitments

At 31 May 2009 the company had annual commitments under non-cancellable operating leases as follows:

|                                | <i>Other<br/>2009<br/>£</i> | <i>Other<br/>2008<br/>£</i> |
|--------------------------------|-----------------------------|-----------------------------|
| Operating leases which expire: |                             |                             |
| Within one year                | 60,471                      | 1,919                       |
| In two to five years           | -                           | 29,904                      |
|                                | <u>60,471</u>               | <u>31,823</u>               |



## Notes to the financial statements

at 31 May 2009

### 16. Contingent liabilities

The following amounts may be payable at various stages in the future contingent on the relevant players meeting certain performance conditions:

|  | 2009           | 2008           |
|--|----------------|----------------|
|  | £              | £              |
| Transfer fees                                    | -              | 650,000        |
| Contractual liabilities under players' contracts | 477,103        | 175,701        |
|  | <u>477,103</u> | <u>825,701</u> |

### 17. Related party transactions

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

### 18. Post balance sheet events

Since the end of the financial year the company has contracted for the purchase and sale of various players. The net outgoings from these transfers, taking into account the applicable levies but excluding value added tax, is approximately £1,150,000. These transfers will be accounted for in the year ended 31 May 2010.

### 19. Parent undertaking and controlling party

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

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