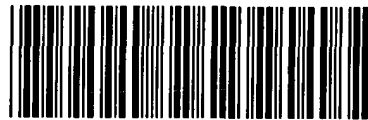


**Bristol City Football Club Limited**  
**Annual Report and Financial Statements**  
**Year Ended 31 May 2020**  
Registration number: 03230871

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# **Bristol City Football Club Limited**

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# Bristol City Football Club Limited

## Company Information

**Chairman** J S Lansdown

**Directors** M A Ashton  
D J Harman  
J S Lansdown  
G T Marshall

**Company secretary** G T Marshall

**Registered office** Ashton Gate  
Bristol  
BS3 2EJ

**Solicitors** Burges Salmon LLP  
One Glass Wharf  
Bristol  
BS2 0ZX

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

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

# **Bristol City Football Club Limited**

## **Strategic Report**

### **Year Ended 31 May 2020**

The directors present their strategic report for the year ended 31 May 2020.

#### **Review of the business**

The overall Company loss before tax this year was £7.38m (2019 profit £12.7m).

The 2019 summer transfer window proved to be one of the Club's most active and profitable player trading periods. Adam Webster was sold for a Club record amount to Premier League Brighton and Hove Albion with the sale of Marlon Pack to Cardiff City and Mo Eisa to Peterborough United also generating significant transfer fees.

Eight players were purchased; among them Tomas Kalas, Kasey Palmer and Jay Dasilva from Chelsea, Han-Noah Massengo from Monaco, Daniel Bentley from Brentford and Adam Nagy from Bologna.

Results on the pitch leading up to the New Year were encouraging. During the January 2020 transfer window Nahki Wells was signed from Burnley with Josh Brownhill being sold also to Burnley. At the beginning of February the Club were sitting 5th in the table with 50 points from 30 games. However, hampered by injuries to key players, a disappointing run of results followed with only 5 points secured from the next 6 games.

The lunch time game against Fulham on 7 March was significant in more ways than one - it was earmarked to celebrate the Club's 125th anniversary, a milestone watched at Ashton Gate by 23,796 fans. It was also to be the last fixture for more than three months as the football league programme was suspended and the country faced lockdown due to the outbreak of Covid-19.

Eventually, the football league programme resumed on 20 June after the end of the financial year, and with the Club's remaining 9 fixtures being played out behind closed doors without supporters. Results continued to disappoint and the Board decided to make changes to the coaching staff with Head Coach Lee Johnson being relieved of his duties and Dean Holden appointed to take temporary charge for the remaining games of the season. Dean Holden was subsequently appointed head coach.

The 2019/20 season eventually concluded on 22 July with a drawn home game against Preston North End and with the Club finishing 12th in the table with 63 points.

Bristol City Women's Football Club ('BCWFC') (which operates within a subsidiary company) had their season ended prematurely when the decision was made by the FA to end the 2019-20 season, and finished 10th out of 12 teams in the Barclays FA Women's Super League.

With support from Pula Sport Limited, the development of the training ground facilities at Failand continued throughout the year and is on course for completion in spring 2021. There is no doubt this will transform the Club's training programmes as it brings together players and staff from the first team, under 23s, Academy and BCWFC in magnificent new facilities.

As we tentatively look forward to the coming season, the economic damage done by Covid-19 to date will extend out during the 2020/21 trading year and significant uncertainty surrounds the likely pick up in match day ticketing, broadcasting and commercial revenues during this period.

The board would like to formally acknowledge the generous financial support of Pula Sport Limited and ultimately Steve and Maggie Lansdown in what has been a difficult year. Finally, we would like to thank all our loyal and hard working staff for their continued efforts throughout this year.

# Bristol City Football Club Limited

## Strategic Report

### Year Ended 31 May 2020

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

- (i) Average league attendance - 21,809 (2019 - 20,949) (2019/20 18 home league matches; 2018/19 23 home league matches)
- (ii) Final league position - 12th (2019 - 8th) in the Championship, meaning that the 2020/21 season will be spent in the Championship
- (iii) Total gate revenue down £1,243,668 (21%) (2019 - down £673,131 (10%))
- (iv) Central distributions from broadcasting, the Football League and solidarity payments up £491,885 (6%) (2019 - up £250,011 (3%))
- (v) Loss excluding player trading - £22.3m (2019 - £17.7m)
- (vi) Net profit on player trading - £14.5m (2019 - £30.4m)
- (vii) Loss before tax of £7.4m (2019 - profit before tax of £12.7m)

Turnover was adversely affected by the lack of matchday revenue in the final quarter of trading between March and May. Overall, turnover in the financial period reached £16.171m (2019 - £17.350m) and recorded operating losses of £7.380m (operating profit of 12.700m). The taxation charge, and therefore net loss for the year, includes the impact of a reversal of a tax charge of £1.444m from 2019 as current year losses were used to offset this tax charge.

The balance sheet includes £23.9m (2019 - £27.2m) of amounts receivable in respect of transfer fees, and £9.4m (2019 - £5.5m) of amounts payable in respect of transfer fees.

During the year 71,352,347 ordinary shares were allotted for an aggregate consideration of £71,352,347, by way of a debt to equity swap. The capital subscription has enabled the company to have net assets of £16.2m (2019 - net liabilities of £49.2m).

#### Principal risks and uncertainties

The principal risk to the company is the availability of finance to fund the continuing losses. The continuing financial support of Pula Sport Limited and the ultimate controlling parties, Mr & Mrs S P Lansdown, is critical as explained in the going concern accounting policy.

The extent of the operational and financial impact of the Covid-19 pandemic on the UK economy, professional football in England and Bristol City is, as yet, unknown given ongoing developments in infection rates and the Government response. The directors recognise that there remains significant operational and financial uncertainty.

Approved by the Board on 23 Dec 2020 and signed on its behalf by:



D J Harman  
Director

# Bristol City Football Club Limited

## Directors' Report

Year Ended 31 May 2020

The directors present their report and the financial statements for the year ended 31 May 2020.

### **Directors of the company**

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

M A Ashton

D J Harman

J S Lansdown - Chairman

G T Marshall

### **Principal activity**

The principal activity of the company is the running of a professional football club.

### **Financial instruments**

#### ***Objectives and policies***

The directors have reviewed the financial risk management objectives and policies of the company. They do not believe there to be significant 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.

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

Appropriate trade terms are negotiated with suppliers and customers. Management reviews these terms, the relationship 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.

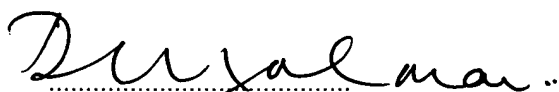
### **Future developments**

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

### **Disclosure of information to the auditors**

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

Approved by the Board on 23 Dec 2020 and signed on its behalf by:



D J Harman  
Director

# **Bristol City Football Club Limited**

## **Statement of Directors' Responsibilities**

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

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

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

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

# **Bristol City Football Club Limited**

## **Independent Auditor's Report to the Members of Bristol City Football Club Limited**

### **Opinion**

We have audited the financial statements of Bristol City Football Club Limited (the 'company') for the year ended 31 May 2020, which comprise the Statement of Income and Retained Earnings, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



# **Bristol City Football Club Limited**

## **Independent Auditor's Report to the Members of Bristol City Football Club Limited**

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

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

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

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

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

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

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

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities (set out on page 5), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

## Bristol City Football Club Limited

### Independent Auditor's Report to the Members of Bristol City Football Club Limited

#### Use of our report

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



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

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

Date: 24<sup>th</sup> December 2020

# Bristol City Football Club Limited

## Statement of Income and Retained Earnings

Year Ended 31 May 2020

	Note	2020 £	2019 £
Turnover	3	16,171,491	17,650,301
Other operating income	4	186,874	-
Staff costs		(27,356,955)	(24,620,235)
Depreciation and amortisation expense		(11,411,130)	(8,149,893)
Other operating expenses		<u>(11,003,024)</u>	<u>(10,350,017)</u>
Operating loss	5	(33,412,744)	(25,469,844)
Profit on disposal of players' contracts		<u>25,587,872</u>	<u>38,159,454</u>
Profit/ loss before interest and taxation		(7,824,872)	12,689,610
Loss excluding player trading		(22,296,249)	(17,716,729)
Player trading*		14,471,377	30,406,339
Other interest receivable and similar income	9	576,651	25,178
Interest payable and similar charges	10	<u>(131,512)</u>	<u>(14,493)</u>
(Loss)/profit before tax		(7,379,733)	12,700,295
Taxation	11	<u>1,479,986</u>	<u>(1,444,337)</u>
(Loss)/profit for the year		(5,899,747)	11,255,958
Retained earnings brought forward		<u>(107,722,064)</u>	<u>(118,978,022)</u>
Retained earnings carried forward		<u><u>(113,621,811)</u></u>	<u><u>(107,722,064)</u></u>

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

# Bristol City Football Club Limited

## Balance Sheet

31 May 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	12	25,135,027	13,149,155
Tangible assets	13	4,977,470	2,000,302
Investments	14	100	100
		<u>30,112,597</u>	<u>15,149,557</u>
<b>Current assets</b>			
Stocks		-	711
Debtors	15	27,674,663	30,259,483
Cash at bank and in hand		101,709	32,709
		<u>27,776,372</u>	<u>30,292,903</u>
<b>Creditors: Amounts falling due within one year</b>	17	<u>(29,691,807)</u>	<u>(90,740,557)</u>
<b>Net current liabilities</b>		<u>(1,915,435)</u>	<u>(60,447,654)</u>
<b>Total assets less current liabilities</b>		28,197,162	(45,298,097)
<b>Creditors: Amounts falling due in more than one year</b>	17	(7,939,002)	-
<b>Deferred income</b>	19	(4,006,036)	(3,629,379)
<b>Provisions for liabilities</b>	21	-	(273,000)
<b>Net assets/(liabilities)</b>		<u>16,252,124</u>	<u>(49,200,476)</u>
<b>Capital and reserves</b>			
Called up share capital	23	129,873,935	58,521,588
Profit and loss account		<u>(113,621,811)</u>	<u>(107,722,064)</u>
Shareholders' funds/ (deficit)		<u>16,252,124</u>	<u>(49,200,476)</u>

Approved and authorised by the Board on 23 Dec 2020 and signed on its behalf by:

  
D J Harman  
Director

Company Registration Number: 03230871

# Bristol City Football Club Limited

## Statement of Changes in Equity

Year Ended 31 May 2020

	Share capital £	Profit and loss account £	Total £
At 1 June 2019	58,521,588	(107,722,064)	(49,200,476)
Loss for the year	-	(5,899,747)	(5,899,747)
Total comprehensive income	-	(5,899,747)	(5,899,747)
New share capital subscribed	71,352,347	-	71,352,347
At 31 May 2020	129,873,935	(113,621,811)	16,252,124

	Share capital £	Profit and loss account £	Total £
At 1 June 2018	58,521,588	(118,978,022)	(60,456,434)
Profit for the year	-	11,255,958	11,255,958
Total comprehensive income	-	11,255,958	11,255,958
At 31 May 2019	58,521,588	(107,722,064)	(49,200,476)

# **Bristol City Football Club Limited**

## **Notes to the Financial Statements**

**Year Ended 31 May 2020**

### **1 General information**

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

The address of its registered office is:

Ashton Gate  
Bristol  
BS3 2EJ

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

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

#### **Statement of compliance**

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

#### **Basis of preparation**

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

#### **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.

The company is loss making this year and has net current liabilities of £1.9m (2019 - £60.5m). Included in this much improved position are liabilities due within one year of £29.7m (2019 - £90.7m), of which £12.4m (2019 - £77.3m) are intra group. While the club continues to develop, the company is dependent on ongoing group support to ensure it has adequate working capital to continue its operations and to complete the development of the training facility. Such finance comes from the group's parent company, Pula Sport Limited, a company owned and controlled by Mr & Mrs S P Lansdown, in funding working capital. Pula Sport Limited invests in the group via equity injections which confirms the long term commitment that they and Mr & Mrs S P Lansdown have to the company and the group. Further evidence of this long term commitment is the debt to equity swap which took place in the year in Bristol City Holdings Limited, as well as in Bristol City Football Club Limited, which shows Pula Sport Limited continues to support the company via Bristol City Holdings. Pula Sport Limited has confirmed its ongoing support for the company and group.

# **Bristol City Football Club Limited**

## **Notes to the Financial Statements**

### **Year Ended 31 May 2020**

In forming their opinion as to the going concern status the directors have also considered the known, likely and potential impacts of the Coronavirus pandemic and its economic aftermath on professional football. The company was able to access the UK Government support through CJRS and deferral of certain taxes in order to manage cash flow, as well as reaching agreements with some staff regarding deferral of wages. The directors are satisfied that, whilst there can be no certainty as to the specific longer term implications for professional football, there are no material uncertainties in respect of the going concern status of the company. Following the year end, games resumed on the 20 June 2020 and the 2019/20 season was finished. All games were played behind closed doors. This has continued for the start of the 2020/21 season.

The directors are confident that, taking into account the commitment by Pula Sport Limited, the company and the group will have sufficient working capital until the end of the 2020/21 season and beyond for the foreseeable future, being not less than 12 months from the date of approval of these financial statements.

Accordingly, the directors consider it appropriate to prepare these financial statements on a going concern basis.

#### **Key accounting judgements and sources of estimation uncertainty**

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

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

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

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

#### **Land and buildings**

Properties are carried at cost, less accumulated depreciation and any subsequent accumulated impairment loss. This requires an estimation in the depreciation rates used as well as assessment of the loss excluding player trading as to whether an indicator of permanent impairment has occurred. There is estimation in respect of the assumptions regarding future cash generation in respect of the player performance, attracting gate receipts and broadcasting revenue. The carrying amount at the year end is £755,113 (2019 - £885,956).

#### **Player contracts**

The costs associated with acquiring players' registrations, or extending their contracts, is carried at cost, less accumulated amortisation and accumulated impairment losses. The carrying value of players' contracts is reviewed for impairment in light of post year end performance, injuries and the sales value achieved for any players sold to other clubs. This review requires significant estimation by management in respect of player performance and value in the player market. The carrying amount at the year end is £25,106,400 (2019 - £13,094,229).

# **Bristol City Football Club Limited**

## **Notes to the Financial Statements**

### **Year Ended 31 May 2020**

#### **Deferred income**

Deferred income has been recognised in respect of season ticket income for the 19/20 season and the 20/21 season. This will be released as and when the relevant games are played. The directors expect this will be released to the profit and loss account as revenue in the 12 months following the balance sheet date. The directors, whilst confident that the entire balance will be recognised as revenue, acknowledge that there is uncertainty as to the precise timing of the future release of deferred income which is dependent upon the pandemic impacting football fixtures and matches, and the presence of crowds at those. The carrying amount at the year end is £4,006,036 (2019 - £3,629,379).

#### **Turnover**

Turnover comprises the fair value of the consideration received or receivable for matchday revenue, including ticket sales, broadcasting revenue, internet receipts and grants, Football League funding, comprising central funding and solidarity payments, and other commercial and related income, in respect of sponsorship, hospitality and advertising. Turnover is shown net of value added tax, returns, rebates and discounts.

Income is recognised as follows:

Income from matchday revenue, season tickets, broadcasting revenue is recognised when the related matches are played. Income from advance ticket sales, including season tickets, is deferred accordingly;

Income from the Football League is recognised on a receivable basis; and

Income in respect of other commercial and retail income is recognised in the period to which it relates.

Cup ticket revenue is shown net of the gate share payable to the away team, as the company acts as agent. The gate share payable in the current year amounted to £35,506 (2019 - £272,777).

#### **Tax**

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

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

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

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax assets in respect of tax losses carried forward are not recognised as they do not meet the recognition criteria set out in FRS 102 given there is no certainty as to when the losses will be utilised.



# **Bristol City Football Club Limited**

## **Notes to the Financial Statements**

**Year Ended 31 May 2020**

### **Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date.

### **Government grants**

Government revenue grants are accounted for under the accruals method. These are credited to the profit and loss account when the company is entitled to the income.

### **Intangible assets**

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

### **Players' contracts and transfer fees**

The costs associated with acquiring players' registrations or extending their contracts are capitalised as intangible assets and amortised, in equal instalments, over the period of the respective players' contracts. Where a contract is renegotiated prior to the expiry of its original term, the net book value at that time, and any new costs relating to the contract extension, are amortised over the remaining revised contract life.

Under the conditions of certain transfer agreements or contract renegotiations, further fees will be payable in the event of the players concerned making a certain number of first-team appearances or on the occurrence of certain other specified future events. Liabilities in respect of these additional transfer fees are accounted for, as provisions, when it becomes probable that the number of appearances will be achieved or the specified future events will occur.

Provision is made for any impairment and player registrations are written down when the carrying amount exceeds the amount recoverable through use or sale.

### **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.

### **Software**

Software is in respect of website and IT software costs capitalised. This is amortised on a straight line basis over 4 years.

### **Tangible assets**

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

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

Assets under construction represents the development of the training ground. Depreciation is not charged on assets under construction. Upon formal completion of each stage of the development the cost of assets will be transferred to the freehold buildings category.

# **Bristol City Football Club Limited**

## **Notes to the Financial Statements**

**Year Ended 31 May 2020**

### **Depreciation**

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

<b>Asset class</b>	<b>Depreciation method and rate</b>
Leasehold land & buildings	Over the term of the lease
Freehold buildings	10 years straight line
Plant and machinery	7 years straight line
Fixtures and fittings	5 years straight line
Motor vehicles	4 years straight line

### **Investments**

Investments in subsidiaries where the shares are not publicly traded and where fair value cannot be reliably measured are stated at historical cost less provision for any diminution in value.

### **Leases**

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

### **Defined contribution pension obligation**

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

# **Bristol City Football Club Limited**

## **Notes to the Financial Statements**

**Year Ended 31 May 2020**

### **Financial instruments**

#### ***Classification***

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Short term intra-group debtors and creditors;
- Debtors and creditors in relation to transfer fees;
- Long term other borrowings at below market rate; and
- Cash and bank balances.

All financial instruments are classified as basic.

#### ***Recognition and measurement***

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

Short term trade, intra-group, transfer fee and other debtors and creditors and cash and bank balances are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Long term transfer fees payable and receivable are initially measured at transaction price, including transactions costs and are subsequently measured at amortised cost.

# Bristol City Football Club Limited

## Notes to the Financial Statements

Year Ended 31 May 2020

### 3 Revenue

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

	2020 £	2019 £
Sale of goods	241,051	182,624
Rendering of services	3,486,050	4,185,304
Ticket sales	4,728,794	5,972,462
Football League income	7,715,596	7,309,911
	<u>16,171,491</u>	<u>17,650,301</u>

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

	2020 £	2019 £
Matchday revenue	1,747,784	2,350,048
Season tickets	2,981,010	3,622,414
Broadcasting revenue	728,700	642,500
Football League pool	3,215,596	2,709,911
Solidarity payment	4,500,000	4,600,000
Other football related income	1,234,338	1,609,179
Other commercial and retail income	1,764,063	2,116,249
	<u>16,171,491</u>	<u>17,650,301</u>

### 4 Other operating income

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

	2020 £	2019 £
Government grants	<u>186,874</u>	<u>-</u>

### 5 Operating loss

Arrived at after charging:

	2020 £	2019 £
Depreciation expense	268,336	370,479
Amortisation expense	11,142,794	7,779,414
Foreign exchange (gains)/losses	(114,314)	10,461
Profit on disposal of property, plant and equipment	<u>(3,200)</u>	<u>-</u>

# Bristol City Football Club Limited

## Notes to the Financial Statements

Year Ended 31 May 2020

### 6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020 £	2019 £
Wages and salaries	24,076,848	21,976,201
Social security costs	3,052,780	2,302,361
Pension costs, defined contribution scheme	227,327	341,673
	<u>27,356,955</u>	<u>24,620,235</u>

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

	2020 No.	2019 No.
Office, coaching and management staff	124	119
Players	83	75
	<u>207</u>	<u>194</u>

### 7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2020 £	2019 £
Remuneration	633,194	591,690
Contributions paid to money purchase pension schemes	50,864	55,059
	<u>684,058</u>	<u>646,749</u>

During the year the number of directors who were receiving benefits was as follows:

	2020 No.	2019 No.
Accruing benefits under money purchase pension scheme	3	3

In respect of the highest paid director:

	2020 £	2019 £
Remuneration	527,364	484,535
Contributions paid to money purchase pension schemes	13,533	17,403

# Bristol City Football Club Limited

## Notes to the Financial Statements

Year Ended 31 May 2020

### 8 Auditors' remuneration

	2020 £	2019 £
Audit of the financial statements	<u>14,400</u>	<u>12,200</u>

### 9 Other interest receivable and similar income

	2020 £	2019 £
Other finance income	<u>576,651</u>	<u>25,178</u>

Certain agreements for the sale of players' contracts include an element of deferred consideration. The deferred element of the consideration has, where a financial asset has been recognised, been discounted to its present value at the date of the contract, using a market rate of interest for a debt instrument of a similar amount and duration. Other finance income represents the unwinding of this discount to the period end.

### 10 Interest payable and similar expenses

	2020 £	2019 £
Interest on bank overdrafts and borrowings	10,620	21,164
Interest expense on other finance liabilities	<u>120,892</u>	<u>(6,671)</u>
	<u>131,512</u>	<u>14,493</u>

### 11 Taxation

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

	2020 £	2019 £
<b>Current taxation</b>		
UK corporation tax adjustment to prior periods	(1,206,986)	-
Group relief payable/(receivable)	<u>-</u>	<u>1,171,337</u>
	<u>(1,206,986)</u>	<u>1,171,337</u>
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>(273,000)</u>	<u>273,000</u>
Tax (credit)/expense in the income statement	<u>(1,479,986)</u>	<u>1,444,337</u>

# Bristol City Football Club Limited

## Notes to the Financial Statements

### Year Ended 31 May 2020

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2019 - lower than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
(Loss)/profit before tax	<u>(7,379,733)</u>	<u>12,700,295</u>
Corporation tax at standard rate	(1,402,149)	2,413,056
Expenses not deductible for tax purposes	95,543	68,480
Effect of tax losses carried back	189,497	-
Adjustments to deferred tax in respect of changes in tax rates	(2,056,865)	(102,051)
Effect of adjustment to group relief payable in respect of prior periods	(1,206,986)	-
Effect of prior period group relief surrendered	-	(35,650)
Effect of rollover relief on profit on disposal of fixed assets	-	(304,616)
Deferred tax not recognised	<u>2,900,974</u>	<u>(594,882)</u>
Total tax (credit)/charge	<u>(1,479,986)</u>	<u>1,444,337</u>

#### Deferred tax

There are £108,106,000 of unused tax losses (2019 - £103,560,000) for which no deferred tax asset is recognised in the Balance Sheet.

#### 12 Intangible assets

	Players' contracts £	Computer software £	Total £
<b>Cost or valuation</b>			
At 1 June 2019	26,820,994	105,195	26,926,189
Additions acquired separately	26,279,102	-	26,279,102
Disposals	<u>(4,804,000)</u>	<u>-</u>	<u>(4,804,000)</u>
At 31 May 2020	<u>48,296,096</u>	<u>105,195</u>	<u>48,401,291</u>
<b>Amortisation</b>			
At 1 June 2019	13,726,765	50,269	13,777,034
Amortisation charge	11,116,495	26,299	11,142,794
Amortisation eliminated on disposals	<u>(1,653,564)</u>	<u>-</u>	<u>(1,653,564)</u>
At 31 May 2020	<u>23,189,696</u>	<u>76,568</u>	<u>23,266,264</u>
<b>Carrying amount</b>			
At 31 May 2020	<u>25,106,400</u>	<u>28,627</u>	<u>25,135,027</u>
At 31 May 2019	<u>13,094,229</u>	<u>54,926</u>	<u>13,149,155</u>

## Bristol City Football Club Limited

### Notes to the Financial Statements

Year Ended 31 May 2020

#### 13 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Assets under construction £	Plant and equipment £	Total £
<b>Cost or valuation</b>						
At 1 June 2019	2,250,171	437,959	174,047	726,349	305,295	3,893,821
Additions	10,230	91,542	-	3,112,822	30,910	3,245,504
At 31 May 2020	<u>2,260,401</u>	<u>529,501</u>	<u>174,047</u>	<u>3,839,171</u>	<u>336,205</u>	<u>7,139,325</u>
<b>Depreciation</b>						
At 1 June 2019	1,364,215	222,793	168,756	-	137,755	1,893,519
Charge for the year	141,073	86,492	5,291	-	35,480	268,336
At 31 May 2020	<u>1,505,288</u>	<u>309,285</u>	<u>174,047</u>	<u>-</u>	<u>173,235</u>	<u>2,161,855</u>
<b>Carrying amount</b>						
At 31 May 2020	<u>755,113</u>	<u>220,216</u>	<u>-</u>	<u>3,839,171</u>	<u>162,970</u>	<u>4,977,470</u>
At 31 May 2019	<u>885,956</u>	<u>215,166</u>	<u>5,291</u>	<u>726,349</u>	<u>167,540</u>	<u>2,000,302</u>

Included within the net book value of land and buildings above is £755,113 (2019 - £885,955) in respect of freehold land and buildings and £Nil (2019 - £1) in respect of long leasehold land and buildings.

Included within land and buildings is freehold land with a cost of £263,209 (2017 - £263,209) which is not depreciated.



# Bristol City Football Club Limited

## Notes to the Financial Statements

Year Ended 31 May 2020

### 14 Investments in subsidiaries

Subsidiaries	£
<b>Cost or valuation</b>	
At 1 June 2019	<u>100</u>
<b>Carrying amount</b>	
At 31 May 2020	<u>100</u>
At 31 May 2019	<u>100</u>

### Details of undertakings

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

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2020	2019
Subsidiary undertakings				
Bristol City Women Football Club Limited	Ashton Gate Bristol BS3 2EJ	Ordinary	100%	100%
Bristol Academy Women's Football Club Limited	South Gloucestershire and Stroud College Filton Avenue Filton Bristol BS34 7AT	Company limited by guarantee	60%	60%

The principal activity of Bristol City Women Football Club Limited is the running of a professional football club

The principal activity of Bristol Academy Women's Football Club Limited is that of a dormant company. The company sold its trade and assets in the prior year and has been dormant since that date. The company is limited by guarantee. From 1 June 2018, the company was operationally controlled by representatives of Bristol City Football Club Limited and therefore, it is concluded that the company be accounted for as a subsidiary on this basis.

# Bristol City Football Club Limited

## Notes to the Financial Statements

Year Ended 31 May 2020

### 15 Debtors

	2020 £	2019 £
Trade debtors	332,731	71,405
Amounts owed by group undertakings	956,932	1,215,073
Other debtors	1,638,058	159,506
Amounts receivable in respect of transfer fees	23,893,915	27,217,952
Prepayments and accrued income	853,027	1,595,547
Total current trade and other debtors	<u>27,674,663</u>	<u>30,259,483</u>

An impairment loss of £330,000 (2019 - £83,222) has been recognised against amounts owed by group undertakings during the year.

#### Details of trade and other debtors

£11,843,642 (2019 - £10,013,182) of amounts receivable in respect of transfer fees is classified as non current.

### 16 Cash and cash equivalents

	2020 £	2019 £
Cash on hand	18,616	31,463
Cash at bank	83,093	1,246
	101,709	32,709
Bank overdrafts	<u>(1,968,544)</u>	<u>(1,288,106)</u>
Cash and cash equivalents	<u>(1,866,835)</u>	<u>(1,255,397)</u>

# Bristol City Football Club Limited

## Notes to the Financial Statements

Year Ended 31 May 2020

### 17 Creditors

	Note	2020 £	2019 £
<b>Due within one year</b>			
Loans and borrowings	18	2,163,144	1,288,106
Trade creditors		1,233,573	764,740
Amounts due to group undertakings		12,401,383	77,348,068
Social security and other taxes		2,511,599	3,888,407
Other creditors		923,895	-
Amounts payable in respect of transfer fees		9,418,411	5,515,345
Accrued expenses		1,039,802	1,935,891
		<u>29,691,807</u>	<u>90,740,557</u>
<b>Due after one year</b>			
Loans and borrowings	18	389,400	-
Amounts payable in respect of transfer fees		7,549,602	-
		<u>7,939,002</u>	<u>-</u>

### 18 Loans and borrowings

	2020 £	2019 £
<b>Non-current loans and borrowings</b>		
Other borrowings	<u>389,400</u>	<u>-</u>
<b>Current loans and borrowings</b>		
Bank overdrafts	1,968,544	1,288,106
Other borrowings	<u>194,600</u>	<u>-</u>
	<u>2,163,144</u>	<u>1,288,106</u>

#### Bank borrowings

The bank overdraft is denominated in sterling with a nominal interest rate of 1.75% plus base rate (0.75% at the year end), and is repayable on demand. The carrying amount at year end is £1,968,544 (2019 - £1,288,106).

The bank overdraft is secured by a limited guarantee given by S P Lansdown of £4,500,000 and an unlimited guarantee given by Ashton Gate Limited (fellow subsidiary).

# Bristol City Football Club Limited

## Notes to the Financial Statements

Year Ended 31 May 2020

### Other borrowings

Other borrowings is denominated in sterling with a nominal interest rate of 0%, and the final instalment is due on 1 April 2023. The carrying amount at year end is £584,000 (2019 - £Nil).

### 19 Deferred income

	2020 £
At 1 June 2019	3,629,379
Released to profit during the year	(3,629,379)
Received during the year	4,006,036
At 31 May 2020	<u>4,006,036</u>

The deferred income balance consists of football season ticket income in respect of the 2019/20 season suspended until after the year end due to Covid-19, and football season ticket income in respect of the 2020/21 season.

### 20 Obligations under leases

#### Operating leases

The total of future minimum lease payments is as follows:

	2020 £	2019 £
Not later than one year	86,386	276,930
Later than one year and not later than five years	13,844	66,250
	<u>100,230</u>	<u>343,180</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £291,489 (2019 - £286,571).

### 21 Deferred tax provision

	Deferred tax £	Total £
At 1 June 2019	273,000	273,000
Reversal of unused provision	(273,000)	(273,000)
At 31 May 2020	<u>-</u>	<u>-</u>

# Bristol City Football Club Limited

## Notes to the Financial Statements

Year Ended 31 May 2020

### 22 Pension schemes

#### Defined contribution pension scheme

The company operates a defined contribution pension scheme and also contributes to certain employees' personal pension plans. The pension cost charge for the year represents total contributions payable and amounted to £227,327 (2019 - £341,673).

### 23 Share capital

#### Allotted, called up and fully paid shares

	No.	2020 £	No.	2019 £
Ordinary shares of £1 each	<u>129,873,935</u>	<u>129,873,935</u>	<u>58,521,588</u>	<u>58,521,588</u>

#### New shares allotted

During the year 71,352,347 ordinary shares having an aggregate nominal value of £71,352,347 were allotted for an aggregate consideration of £71,352,347. The allotment was undertaken by way of a debt to equity swap.

#### Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:  
The right to one vote per share held at general meetings.

### 24 Commitments

#### Capital commitments

The company commenced the construction of a new training facility in January 2020. The total amount contracted for but not provided in the financial statements was £12,394,215 (2019 - £Nil).

### 25 Contingent assets

Contractual assets under contracts for the sale of players are expected to become receivable of £1,620,000 (2019 - £100,000) at various stages in the future contingent on the relevant players meeting certain performance conditions.

### 26 Contingent liabilities

Contractual liabilities under players' contracts may be payable of £242,000 (2019 - £162,500) at various stages in the future contingent on the relevant players meeting certain performance conditions.

# Bristol City Football Club Limited

## Notes to the Financial Statements

Year Ended 31 May 2020

### 27 Non adjusting events after the financial period

After the year end, the company has received £3,774,000 additional funding from Pula Sport Limited. This will be repaid upon receipt of the final instalment due to the company in respect of a player sale made during the year.

Since the end of the financial year the company has contracted for the purchase and sale of various players. The net cash income from these transfers, taking into account the applicable levies and excluding value added tax, is £1,707,500 (2019 - £3,241,623). These transfers will be accounted for in the year ended 31 May 2021.

The company is also due to pay £35,450 (2019 - £1,501,375) (excluding the contingent asset and liability described in Note 25 and 26) in respect of sell on clauses for players disposed of in previous years.

### 28 Related party transactions

#### Summary of transactions with other related parties

Fellow (non wholly owned) subsidiaries

During the year, the company recharged match day and other expenditure to its fellow subsidiaries. It received income in respect of ticket sales and sponsorship collected by its fellow subsidiaries. The company recognised receivables/(payables) in respect of tax losses group relieved to/(by) fellow subsidiaries. The company made merchandise, management charges and other purchases from its fellow subsidiaries.

#### Income and receivables from related parties

	<b>Other related parties</b>
	<b>£</b>
<b>2020</b>	
Expenditure recharged to related parties	484,841
Income collected by related parties	<u>6,245,474</u>
	<u>6,730,315</u>
Amounts receivable from related parties	<u>941,529</u>
	<b>Other related parties</b>
	<b>£</b>
<b>2019</b>	
Expenditure recharged to related parties	610,034
Income collected by related parties	6,980,332
Group relief receivable	<u>35,649</u>
	<u>7,626,015</u>
Amounts receivable from related parties	<u>1,066,895</u>

# Bristol City Football Club Limited

## Notes to the Financial Statements

Year Ended 31 May 2020

### Expenditure with and payables to related parties

	Other related parties £
<b>2020</b>	
Purchases from related parties	5,185,839
Group relief payable to related parties	<u>(1,206,986)</u>
	<u>3,978,853</u>
Amounts payable to related parties	<u>12,385,980</u>
	Other related parties £
<b>2019</b>	
Purchases from related parties	5,038,589
Group relief payable to related parties	<u>1,206,986</u>
	<u>6,245,575</u>
Amounts payable to related parties	<u>1,875,417</u>

### 29 Parent and ultimate parent undertaking

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

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

The ultimate parent is Pula Limited, incorporated in Guernsey.

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

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