

Bristol Rugby Club Limited

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

Registration number: 03601031



Bristol Rugby Club Limited

Contents

Company Information	1
Strategic Report	2 to 3
Directors' Report	4
Statement of Directors' Responsibilities	5
Independent Auditor's Report	6 to 8
Profit and Loss Account	9
Balance Sheet	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to the Financial Statements	13 to 27

Bristol Rugby Club Limited

Company Information

Chairman C A Booy

Directors J S Lansdown
G T Marshall
M A Tainton

Company secretary G T Marshall

Registered office Ashton Gate Stadium
Ashton Road
Bristol
BS3 2EJ

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

Bristol Rugby Club Limited

Strategic Report

Year Ended 31 May 2019

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

Principal activity

The principal activity of the company is operating a professional Rugby Football Union Club. The vision of the club is to 'Inspire Our Community Through Rugby Success'.

Fair review of the business

The 2018/19 season was a successful one with the club achieving a 9th place finish in the Gallagher Premiership in the first season following promotion from the Championship. In an extremely competitive division the team was only 5 points away from finishing in the top 4 and qualifying for the end of season playoffs.

The team won 9 of their 22 Premiership league fixtures and also progressed to the Quarter Finals of the European Challenge Cup. In the opening fixture of the Premiership season we defeated local rivals Bath 17-10 in front of over 26,000 fans.

During the season there has been far greater integration between the men's and women's teams. In June 2019 the trade and assets of Bristol Ladies Rugby Club Limited were transferred to a newly incorporated wholly owned subsidiary of Bristol Rugby Club Limited. We believe that the transfer will enable us to better fund and develop women's rugby in Bristol as part of the Bristol Sport group of companies.

As we look forward to the coming season, the board would also like to formally acknowledge the continuing and generous financial support of Steve and Maggie Lansdown. Finally, we would like to thank all our loyal and hard working staff for their continued efforts during this year.

The company measures performance using both financial and non-financial KPIs. The company's key financial and other performance indicators during the year were as follows:

- Retaining Gallagher Premiership status - achieved
- Number of wins and points per season - 9 wins & 51 points
- Average Premiership Attendance - 16,339 (2018 Championship - 8,488, 2017 Premiership - 13,433)
- Turnover - £9,391,697 (2018 - £5,301,784)
- Net Profit for the year - £2,844,839 (2018 - net loss of £7,236,460)

The net profit for the year of £2.8m (2018 - loss of £7.2m) includes a significant adjustment to reflect the revaluation of the company's principal financial asset - the shares of Premier Rugby Limited. In addition, the company has recognised a taxation credit for the year of £1.05m. This represents the amounts receivable from a fellow subsidiary of the Pula Sport Limited group to which the company surrendered tax losses by way of 'group relief' in respect of the year. The consequence of this profit for the year was that the balance sheet was improved to net liabilities of £18.9m (2018 - £21.7m) which is inclusive of £33.1m (2018 - £27.7m) owed to the parent company.

Bristol Rugby Club Limited

Strategic Report

Year Ended 31 May 2019

Future developments

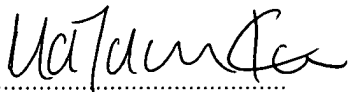
Work is underway on the construction of a new training ground with the development scheduled to be completed by May 2020. This is a significant development for Bristol Bears and will help us to realise our ambitions to be one of the leading clubs in the country. The new facility will help the club to attract and retain top class playing talent and provide Pat Lam and his coaching staff with the environment to further drive the performance of the playing squad.

We already have the fantastic stadium at Ashton Gate and are now in the process of building a training centre that matches those high standards. The site is close to Bristol City Football Club's existing training ground and will facilitate improved inter-club use of various specialised facilities.

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.

Approved by the Board on 23/10/19 and signed on its behalf by:



M A Tainton
Director

Bristol Rugby Club Limited

Directors' Report

Year Ended 31 May 2019

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

Directors of the company

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

C A Booy - Chairman

R J Clilverd (resigned 6 August 2019)

J S Lansdown

G T Marshall (appointed 17 July 2018)

The following director was appointed after the year end:

M A Tainton (appointed 1 June 2019)

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 23/10/19 and signed on its behalf by:



M A Tainton
Director

Bristol Rugby 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Bristol Rugby Club Limited

Independent Auditor's Report to the Members of Bristol Rugby Club Limited

Opinion

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

In our opinion the financial statements:

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

Independent Auditor's Report to the Members of Bristol Rugby 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. This description forms part of our auditor's report.

Bristol Rugby Club Limited

Independent Auditor's Report to the Members of Bristol Rugby 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: 25 October 2019

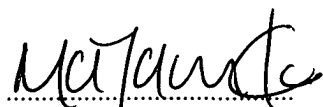
Bristol Rugby Club Limited

Balance Sheet

31 May 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	9	5,067	6,667
Tangible assets	10	476,130	604,405
Investments	11	100	-
Other financial assets	12	13,865,147	6,483,082
		<u>14,346,444</u>	<u>7,094,154</u>
Current assets			
Debtors	13	14,066,503	1,043,272
Cash at bank and in hand		3,327,727	150,807
		<u>17,394,230</u>	<u>1,194,079</u>
Creditors: Amounts falling due within one year	15	<u>(37,175,036)</u>	<u>(28,908,394)</u>
Net current liabilities		<u>(19,780,806)</u>	<u>(27,714,315)</u>
Total assets less current liabilities		<u>(5,434,362)</u>	<u>(20,620,161)</u>
Deferred income	16	<u>(13,420,804)</u>	<u>(1,079,844)</u>
Net liabilities		<u>(18,855,166)</u>	<u>(21,700,005)</u>
Capital and reserves			
Called up share capital	19	102	102
Share premium reserve		5,895,667	5,895,667
Profit and loss account		<u>(24,750,935)</u>	<u>(27,595,774)</u>
Total equity		<u>(18,855,166)</u>	<u>(21,700,005)</u>

Approved and authorised by the Board on 23/10/19 and signed on its behalf by:



M A Tainton
Director

Company Registration Number: 03601031

Bristol Rugby Club Limited

Profit and Loss Account

Year Ended 31 May 2019

	Note	2019 £	2018 £
Turnover	3	9,391,697	5,301,784
Cost of sales		<u>(12,837,133)</u>	<u>(10,649,992)</u>
Gross loss		(3,445,436)	(5,348,208)
Administrative expenses		(2,138,750)	(1,888,110)
Fair value gain on valuation of fixed asset investment	20	<u>7,382,065</u>	<u>-</u>
Operating profit/(loss)	4	1,797,879	(7,236,318)
Interest payable and similar charges	7	<u>-</u>	<u>(142)</u>
Profit/(loss) before tax		1,797,879	(7,236,460)
Taxation	8	<u>1,046,960</u>	<u>-</u>
Profit/(loss) for the financial year		<u><u>2,844,839</u></u>	<u><u>(7,236,460)</u></u>

Bristol Rugby Club Limited

Statement of Changes in Equity

Year Ended 31 May 2019

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 June 2018	102	5,895,667	(27,595,774)	(21,700,005)
Profit for the year	-	-	2,844,839	2,844,839
Total comprehensive income	-	-	2,844,839	2,844,839
At 31 May 2019	102	5,895,667	(24,750,935)	(18,855,166)

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 June 2017	102	5,895,667	(20,359,314)	(14,463,545)
Loss for the year	-	-	(7,236,460)	(7,236,460)
Total comprehensive income	-	-	(7,236,460)	(7,236,460)
At 31 May 2018	102	5,895,667	(27,595,774)	(21,700,005)

Bristol Rugby Club Limited

Statement of Cash Flows

Year Ended 31 May 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Profit/(loss) for the year		2,844,839	(7,236,460)
<u>Adjustments to cash flows from non-cash items</u>			
Depreciation and amortisation	4	150,632	161,797
Fair value gain on fixed asset investment		(7,382,065)	-
Finance costs	7	-	142
Corporation tax	8	(1,046,960)	-
		<u>(5,433,554)</u>	<u>(7,074,521)</u>
<u>Working capital adjustments</u>			
Decrease in stocks		-	47,991
(Increase)/decrease in debtors	13	(13,023,231)	267,767
Increase/(decrease) in creditors	15	2,916,542	(185,650)
Increase in deferred income		<u>12,340,960</u>	<u>256,134</u>
Cash generated from operations		(3,199,283)	(6,688,279)
Corporation tax received	8	<u>1,046,960</u>	<u>-</u>
Net cash flow from operating activities		<u>(2,152,323)</u>	<u>(6,688,279)</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(20,757)	(124,724)
Acquisition of intangible assets	9	<u>-</u>	<u>(8,000)</u>
Net cash flows from investing activities		<u>(20,757)</u>	<u>(132,724)</u>
Cash flows from financing activities			
Cash advanced by the parent company		5,350,000	6,807,810
Payments to finance lease creditors		<u>-</u>	<u>(12,784)</u>
Net cash flows from financing activities		<u>5,350,000</u>	<u>6,795,026</u>
Net increase/(decrease) in cash and cash equivalents		3,176,920	(25,977)
Cash and cash equivalents at 1 June		<u>150,807</u>	<u>176,784</u>
Cash and cash equivalents at 31 May	14	<u><u>3,327,727</u></u>	<u><u>150,807</u></u>

The notes on pages 13 to 27 form an integral part of these financial statements.

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2019

1 General information

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

The address of its registered office is:

Ashton Gate Stadium

Ashton Road

Bristol

BS3 2EJ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements have been 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 except that as disclosed in the accounting policies certain items are shown at fair value.

Group accounts not prepared

The company has taken advantage of the exemption available in Section 405 of the Companies Act 2006 and has not prepared group accounts on the basis that the consolidation of the company's sole subsidiary undertaking, Bristol Bears Women Rugby Club Limited, is not material for the purpose of giving a true and fair view. These financial statements include information about the company only.

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2019

Going concern

These financial statements have been prepared on a going concern basis.

The company currently 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 finance from its parent company, Pula Sport Limited, a company controlled by Mr & Mrs S P Lansdown. Pula Sport Limited has confirmed its ongoing support for the company.

The directors are confident that, taking into account the commitment by Pula Sport Limited, the company will have sufficient working capital until the end of the 2019/20 season and beyond for the foreseeable future, being not less than 12 months from the date of approval of these financial statements.

In addition, the company received significant funding in the year from Premier Rugby Limited in respect of advanced payment for broadcasting related income. This will be released from deferred income over the next 4 years with c.£3.15m due for release in the year to 31 May 2020, with funds to be primarily used in the construction of new training facilities by a fellow group company which would have otherwise been funded by the group.

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

The key estimate that has a significant effect on the amounts recognised in the financial statements is in respect of fixed asset investments. Fixed asset investments are measured at fair value, which is determined by measuring the present value of expected future cash flows. This requires estimation in the discount rate used, as well as the amount of cash flows. The carrying amount is £13,865,147 (2018 - £6,483,082).

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2019

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for ticket sales, Premier Rugby Limited and RFU funding, merchandise sales, sponsorship and advertising and other rugby related income. Turnover is shown net of value added tax, returns, rebates and discounts. Income from match days and those elements of commercial activities relating to matches is recognised when the related matches are played; income from advance ticket sales, including season tickets, is deferred accordingly; income in respect of Premier Rugby Limited broadcasting related income is deferred and released over the four year period from 1 April 2019. Other commercial income is recognised on a receivable basis.

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. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

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

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

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

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

Intangible assets

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

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2019

Amortisation

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

Asset class	Amortisation method and rate
Computer software	20% on a straight line basis

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.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost of assets, other than assets under construction, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Short leasehold property improvements	Over the period of the lease on a straight line basis
Plant and machinery	20% on a straight line basis
Fixtures and fittings	20% on a straight line basis
Motor vehicles	33% on a straight line basis
Computer equipment	33% on a straight line basis

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. 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.

Stocks

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

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.

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

The treatment of finance leases is as set out in the accounting policy for financial instruments below.

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 Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2019

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;
- Finance leases;
- Fixed asset investments; and
- Cash and bank balances.

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.

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. The assets are depreciated on a straight line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet. Finance lease obligations are subsequently measured at amortised cost using the effective interest method.

Fixed asset investments are measured at fair value through the profit and loss account. Fair value of the shares is determined by measuring the present value of expected future cash flows.

3 Revenue

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

	2019	2018
	£	£
Sale of goods	92,278	30,000
Rendering of services	1,759,732	532,414
Ticket sales	2,934,553	1,101,462
League income	4,605,134	3,637,908
	<u>9,391,697</u>	<u>5,301,784</u>

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2019

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

	2019 £	2018 £
Ticket sales	2,934,553	1,101,462
League income	4,605,134	3,637,908
Other rugby and commercial income	1,852,010	562,414
	<u>9,391,697</u>	<u>5,301,784</u>

4 Operating loss

Arrived at after charging/(crediting)

	2019 £	2018 £
Depreciation expense	149,032	160,464
Amortisation expense	1,600	1,333
Foreign exchange losses	479	-
	<u></u>	<u></u>

5 Staff costs

The aggregate payroll costs were as follows:

	2019 £	2018 £
Wages and salaries	8,576,378	7,373,305
Social security costs	1,055,363	930,675
Pension costs, defined contribution scheme	100,755	29,057
	<u>9,732,496</u>	<u>8,333,037</u>

There was no remuneration paid to directors in the current or previous year.

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

	2019 No.	2018 No.
Players	62	60
Coaching, management, administration & support	31	31
	<u>93</u>	<u>91</u>

6 Auditor's remuneration

	2019 £	2018 £
Audit of the financial statements	<u>5,050</u>	<u>5,000</u>

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2019

7 Interest payable and similar expenses

	2019 £	2018 £
Interest on obligations under finance leases and hire purchase contracts	<u>-</u>	<u>142</u>

8 Taxation

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

	2019 £	2018 £
Current taxation		
Group relief payable/(receivable)	<u>(1,046,960)</u>	<u>-</u>

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

The differences are reconciled below:

	2019 £	2018 £
Profit/(loss) before tax	<u>1,797,879</u>	<u>(7,236,460)</u>
Corporation tax at standard rate	341,597	(1,374,927)
Effect of revenues exempt from taxation	(1,402,591)	-
Expenses not deductible for tax purposes	3,372	2,473
Deferred tax not recognised	9,540	1,227,985
Adjustments to deferred tax in respect of changes in tax rates	<u>1,122</u>	<u>144,469</u>
Total tax credit	<u>(1,046,960)</u>	<u>-</u>

Deferred tax

There are £29,600,000 of unused tax losses (2018 - £29,600,000) for which no deferred tax asset is recognised in the Balance Sheet.

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2019

9 Intangible assets

	Computer software £	Total £
Cost or valuation		
At 1 June 2018	8,000	8,000
At 31 May 2019	8,000	8,000
Amortisation		
At 1 June 2018	1,333	1,333
Amortisation charge	1,600	1,600
At 31 May 2019	2,933	2,933
Carrying amount		
At 31 May 2019	5,067	5,067
At 31 May 2018	6,667	6,667

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2019

10 Tangible assets

	Short leasehold property improvements £	Office equipment £	Motor vehicles £	Plant and machinery £	Total £
Cost or valuation					
At 1 June 2018	865,279	67,561	29,473	282,198	1,244,511
Additions	-	9,631	-	11,126	20,757
At 31 May 2019	865,279	77,192	29,473	293,324	1,265,268
Depreciation					
At 1 June 2018	394,055	38,415	24,373	183,263	640,106
Charge for the year	81,892	18,071	4,375	44,694	149,032
At 31 May 2019	475,947	56,486	28,748	227,957	789,138
Carrying amount					
At 31 May 2019	389,332	20,706	725	65,367	476,130
At 31 May 2018	471,224	29,146	5,100	98,935	604,405

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2019

11 Investments in subsidiaries

Subsidiaries	£
Cost	
Additions	<u>100</u>
Carrying amount	
At 31 May 2019	<u><u>100</u></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	
			2019	2018
Subsidiary undertakings				
Bristol Bears Women Rugby Club Limited	Ashton Gate Bristol BS3 2EJ	Ordinary	100%	0%

The principal activity of Bristol Bears Women Rugby Club Limited is that of being a dormant company

The profit for the financial period of Bristol Bears Women Rugby Club Limited was £nil and the aggregate amount of capital and reserves at the end of the period was £100.

Bristol Bears Women Rugby Club Limited was incorporated on 12 July 2018 and became active post year end.

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2019

12 Fixed asset investments

	Financial assets at fair value through profit and loss £	Total £
Cost or valuation		
At 1 June 2018	6,483,082	6,483,082
Fair value adjustments	7,382,065	7,382,065
At 31 May 2019	13,865,147	13,865,147
Carrying amount		
At 31 May 2019	13,865,147	13,865,147
At 31 May 2018	6,483,082	6,483,082

13 Debtors

	2019 £	2018 £
Trade debtors	724	5,366
Amounts due from group undertakings	12,963,680	459,541
Other debtors	844,840	378,922
Prepayments	257,259	199,443
	14,066,503	1,043,272

14 Cash and cash equivalents

	2019 £	2018 £
Cash on hand	565	1,778
Cash at bank	3,327,162	149,029
Cash and cash equivalents in statement of cash flows	3,327,727	150,807

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2019

15 Creditors

	2019 £	2018 £
Due within one year		
Trade creditors	111,195	163,576
Amounts due to group undertakings	33,503,489	27,944,328
Social security and other taxes	3,074,007	411,542
Outstanding defined contribution pension costs	27,807	31,236
Other creditors	1,320	7,369
Accrued expenses	457,218	350,343
	<u>37,175,036</u>	<u>28,908,394</u>

16 Deferred income

	2019 £
At 1 June 2018	1,079,844
Released during the year	(821,103)
Received during the year	<u>13,162,063</u>
At 31 May 2019	<u>13,420,804</u>

17 Obligations under leases

Operating leases

The total of future minimum lease payments is as follows:

	2019 £	2018 £
Not later than one year	135,641	96,706
Later than one year and not later than five years	385,679	272,599
Later than five years	<u>278,943</u>	<u>216,184</u>
	<u>800,263</u>	<u>585,489</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £92,981 (2018 - £92,609).

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2019

18 Pension schemes

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £100,755 (2018 - £29,057).

19 Share capital

Allotted, called up and fully paid shares

	No.	2019 £	No.	2018 £
Ordinary shares of £1 each	102	102	102	102

Rights, preferences and restrictions

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

20 Financial instruments

Categorisation of financial instruments

	2019 £	2018 £
Financial assets measured at fair value through profit or loss	13,865,147	6,483,082
Financial assets that are debt instruments measured at amortised cost	13,809,244	843,829
Financial liabilities measured at amortised cost	(33,616,004)	(28,115,274)
	<u>(5,941,613)</u>	<u>(20,788,363)</u>

Financial assets measured at fair value

Fixed asset investment

The fixed asset investment is valued by an independent third party valuer on behalf of Premier Rugby Limited using the present value of expected future cashflows.

The fair value is £13,865,147 (2018 - £6,483,082) and the change in value included in profit or loss is £7,382,065 (2018 - £Nil).

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2019

21 Related party transactions

Key management compensation

	2019 £	2018 £
Key management compensation	<u>584,801</u>	<u>482,804</u>

Summary of transactions with parent

Immediate parent company

During the year, the immediate parent company advanced funds to the company of £5,350,000 (2018 - £6,807,810). The funds are advanced free of interest and are repayable on demand. At the balance sheet date the total amount due by the company was £33,122,803 (2018 - £27,772,803).

Summary of transactions with other related parties

Fellow subsidiaries of the Pula Sport Limited group

During the year, the company advanced funds to a fellow subsidiary of the Pula Sport Limited group of £11,500,000 (2018 - £Nil). The funds are advanced free of interest and are repayable on demand. At the balance sheet date the total amount due to the company was £11,500,000 (2018 - £Nil).

The company receives income collected on its behalf including merchandise, ticket and commercial revenues from its fellow subsidiaries. It raises sales invoices to related parties in respect of matchday and shop sales profit shares. The company makes purchases, including paying ticketing commission and payroll recharges to its fellow subsidiaries. The company incurred costs in the year which were recharged to its fellow subsidiaries.

Income and receivables from related parties

2019	Other related parties £
Income collected by related parties	3,391,766
Expenditure recharged to related parties	684,154
Income received from related parties	187,203
Group relief payments receivable from related parties	<u>1,046,960</u>
	<u>5,310,083</u>
Amounts receivable from related party	<u>1,271,111</u>

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2019

	Other related parties £
2018	
Income collected by related parties	1,826,733
Expenditure recharged to related parties	242,322
Income received from related parties	65,464
	<u>2,134,519</u>
Amounts receivable from related party	<u>459,541</u>

Expenditure with and payables to related parties

	Other related parties £
2019	
Purchases from related parties	<u>2,614,571</u>
Amounts payable to related party	<u>192,201</u>

	Other related parties £
2018	
Purchases from related parties	<u>1,948,990</u>
Amounts payable to related party	<u>256,780</u>

22 Parent and ultimate parent undertaking

The company's immediate parent is Pula Sport Limited, incorporated in Guernsey.

The ultimate parent is Pula Limited, incorporated in Guernsey.

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