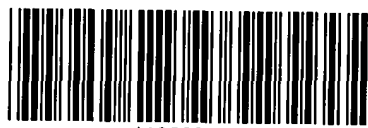


# **Bristol Rugby Club Limited**

## **Annual Report and Consolidated Financial Statements Year Ended 31 May 2020**

Registration number: 03601031

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# **Bristol Rugby Club Limited**

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# **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 2020**

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

#### **Principal activity**

The principal activity of the company is operating a professional Rugby Football Union Club. In addition, the group also runs a professional Women's Rugby Club. The vision of the group is to 'Inspire Our Community Through Rugby Success'.

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

The 2019/20 season has been a successful one thus far, and the season will come to a conclusion in October. The club secured a third place finish in the Gallagher Premiership following the 9th place finish last season and qualified for a place in the play-offs. In the opening fixture of the Premiership season we defeated local rivals Bath 43-16 in front of a record crowd of over 26,000. The team won fourteen of their twenty-two games this season, drawing one. The team have also progressed to the Final of the European Challenge Cup.

Bristol Bears Women had their 19-20 season cut short due to the Covid-19 pandemic causing its abandonment, at which point they were 7th in the Premier 15s league.

As we entered 2020, in common with all other businesses across the world, we were then hit by the severe trading shock arriving via the Covid-19 pandemic which still persists. The impact of all this on the hospitality and sports industry is now well documented. Activity in virtually all areas was heavily impacted with a market shut down. The month of March saw a lock down in the UK and the timescale for any meaningful relaxation of these rules for the stadium and return to normality is unknown.

Turnover was adversely affected in the final quarter of trading between March and May. Overall, turnover in the financial period reached £10.987m (2019 - £9.392m) and recorded operating losses of £3.181m (2019 - operating profit of £1.798m). Turnover includes advanced income from Premier Rugby Limited in respect of future broadcasting income, which is being released over four years, having been received in full in the year to 31 May 2019. The taxation charge, and therefore net loss for the year, includes the impact of a reversal of group loss relief tax income from 2019 where those reliefs were not subsequently required.

These operating losses have increased the net liabilities as at 31 May 2020 to £22.97m (2019 - £18.86m). The value of the investment in the PRL remains at £13.865m. Deferred income includes £9.079m (2019 - £12.096m) of broadcasting income from PRL, which is being released to the profit and loss account over four years.

During the season there has been far greater integration between the men's and women's teams. In July 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, Bristol Bears Women Rugby Club Ltd (the results and balance sheet position of which are consolidated within these group financial statements). 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.

# Bristol Rugby Club Limited

## Strategic Report


Year Ended 31 May 2020

### 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 in note 2 to the financial statements.

The extent of the operational and financial impact of the Covid-19 pandemic on the UK economy, professional rugby in England and Bristol Bears 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 19<sup>th</sup> October 20 and signed on its behalf by:

  
C A Booy  
Chairman

# **Bristol Rugby Club Limited**

## **Directors' Report**

**Year Ended 31 May 2020**

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

### **Directors of the group**

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

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.

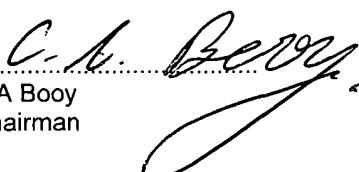
### **Future developments**

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 auditor**

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 auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 19<sup>th</sup> October 2020 and signed on its behalf by:

  
C A Booy  
Chairman

## **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.

## **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 'parent company') and its subsidiaries (the 'group') for the year ended 31 May 2020, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated 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 group's and the parent company's affairs as at 31 May 2020 and of the group's 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 group 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 group's or the parent 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.



## **Bristol Rugby Club Limited**

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

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.

#### **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 group and the parent 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

## Bristol Rugby Club Limited

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

#### 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.

#### 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: 21<sup>st</sup> October 2020

## Bristol Rugby Club Limited

### Consolidated Profit and Loss Account

Year Ended 31 May 2020

	Note	2020 £	2019 £
Turnover	3	10,986,718	9,391,697
Cost of sales		<u>(12,358,886)</u>	<u>(12,837,133)</u>
Gross loss		(1,372,168)	(3,445,436)
Administrative expenses		(2,134,130)	(2,138,750)
Fair value gain on valuation of fixed asset investment		-	7,382,065
Other operating income	4	<u>325,344</u>	<u>-</u>
Operating (loss)/profit	5	<u>(3,180,954)</u>	<u>1,797,879</u>
(Loss)/profit before tax		(3,180,954)	1,797,879
Taxation	9	<u>(934,439)</u>	<u>1,046,960</u>
(Loss)/profit for the financial year		<u><u>(4,115,393)</u></u>	<u><u>2,844,839</u></u>

The notes on pages 15 to 33 form an integral part of these financial statements.

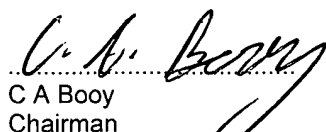
# Bristol Rugby Club Limited

## Consolidated Balance Sheet

31 May 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	10	3,467	5,067
Tangible assets	11	592,871	476,130
Other financial assets	13	<u>13,865,147</u>	<u>13,865,147</u>
		<u>14,461,485</u>	<u>14,346,344</u>
<b>Current assets</b>			
Debtors	14	12,179,652	14,066,603
Cash at bank and in hand		<u>311,267</u>	<u>3,327,727</u>
		12,490,919	17,394,330
<b>Creditors: Amounts falling due within one year</b>	17	<u>(40,183,447)</u>	<u>(37,175,036)</u>
<b>Net current liabilities</b>		<u>(27,692,528)</u>	<u>(19,780,706)</u>
<b>Total assets less current liabilities</b>		(13,231,043)	(5,434,362)
<b>Creditors: Amounts falling due after more than one year</b>	17	(60,803)	-
Deferred income	19	<u>(9,678,713)</u>	<u>(13,420,804)</u>
<b>Net liabilities</b>		<u>(22,970,559)</u>	<u>(18,855,166)</u>
<b>Capital and reserves</b>			
Called up share capital	21	102	102
Share premium reserve		5,895,667	5,895,667
Profit and loss account		<u>(28,866,328)</u>	<u>(24,750,935)</u>
<b>Total equity</b>		<u>(22,970,559)</u>	<u>(18,855,166)</u>

Approved and authorised by the Board on 19<sup>th</sup> October 2020 and signed on its behalf by:

  
C A Booy  
Chairman

Company Registration Number: 03601031

# Bristol Rugby Club Limited


## Balance Sheet

31 May 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	10	3,467	5,067
Tangible assets	11	592,183	476,130
Investments	12	100	100
Other financial assets	13	<u>13,865,147</u>	<u>13,865,147</u>
		<u>14,460,897</u>	<u>14,346,444</u>
<b>Current assets</b>			
Debtors	14	12,175,439	14,066,503
Cash at bank and in hand		<u>292,514</u>	<u>3,327,727</u>
		12,467,953	17,394,230
<b>Creditors: Amounts falling due within one year</b>	17	<u>(40,177,586)</u>	<u>(37,175,036)</u>
<b>Net current liabilities</b>		<u>(27,709,633)</u>	<u>(19,780,806)</u>
<b>Total assets less current liabilities</b>		(13,248,736)	(5,434,362)
<b>Creditors: Amounts falling due after more than one year</b>	17	(60,803)	-
Deferred income	19	<u>(9,678,713)</u>	<u>(13,420,804)</u>
<b>Net liabilities</b>		<u>(22,988,252)</u>	<u>(18,855,166)</u>
<b>Capital and reserves</b>			
Called up share capital		102	102
Share premium reserve		5,895,667	5,895,667
Profit and loss account		<u>(28,884,021)</u>	<u>(24,750,935)</u>
<b>Total equity</b>		<u>(22,988,252)</u>	<u>(18,855,166)</u>

The company made a loss after tax for the financial year of £4,133,086 (2019 - profit of £2,844,839).

Approved and authorised by the Board on 19<sup>th</sup> October 2020 and signed on its behalf by:

  
C A Booy  
Chairman

Company Registration Number: 03601031

The notes on pages 15 to 33 form an integral part of these financial statements.

## Bristol Rugby Club Limited

### Consolidated Statement of Changes in Equity

Year Ended 31 May 2020

	Share capital £	Share premium £	Profit and loss account £	Total equity £
At 1 June 2019	102	5,895,667	(24,750,935)	(18,855,166)
Loss for the year	-	-	(4,115,393)	(4,115,393)
Total comprehensive income	-	-	(4,115,393)	(4,115,393)
At 31 May 2020	102	5,895,667	(28,866,328)	(22,970,559)

	Share capital £	Share premium £	Profit and loss account £	Total equity £
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)

The notes on pages 15 to 33 form an integral part of these financial statements.

# Bristol Rugby Club Limited

## Statement of Changes in Equity

Year Ended 31 May 2020

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 June 2019	102	5,895,667	(24,750,935)	(18,855,166)
Loss for the year	-	-	(4,133,086)	(4,133,086)
Total comprehensive income	-	-	(4,133,086)	(4,133,086)
At 31 May 2020	102	5,895,667	(28,884,021)	(22,988,252)

	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)

The notes on pages 15 to 33 form an integral part of these financial statements.

# Bristol Rugby Club Limited

## Consolidated Statement of Cash Flows

Year Ended 31 May 2020

	Note	2020 £	2019 £
<b>Cash flows from operating activities</b>			
(Loss)/profit for the year		(4,115,393)	2,844,839
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	149,396	150,632
Fair value gain on fixed asset investment		-	(7,382,065)
Tax expense/(credit)		934,439	(1,046,960)
		<u>(3,031,558)</u>	<u>(5,433,554)</u>
Working capital adjustments			
Decrease/(increase) in trade debtors	14	952,512	(11,976,371)
Increase in trade creditors	17	2,972,813	8,266,642
(Decrease)/increase in deferred income		<u>(3,742,091)</u>	<u>12,340,960</u>
Net cash flow from operating activities		<u>(2,848,324)</u>	<u>3,197,677</u>
<b>Cash flows from investing activities</b>			
Acquisitions of tangible assets		(263,033)	(20,757)
<b>Cash flows from financing activities</b>			
Receipts from finance lease creditors		111,738	-
Payments to finance lease creditors		<u>(16,841)</u>	<u>-</u>
Net cash flows from financing activities		<u>94,897</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents		(3,016,460)	3,176,920
Cash and cash equivalents at 1 June		<u>3,327,727</u>	<u>150,807</u>
Cash and cash equivalents at 31 May	15	<u><u>311,267</u></u>	<u><u>3,327,727</u></u>



# **Bristol Rugby 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 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.

#### **Summary of disclosure exemptions**

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its individual financial statements. Exemptions have been taken in relation to financial instruments, presentation of a statement of cash flows and key management personnel compensation. Equivalent information is presented in relation to these group accounts.

#### **Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 May 2020.

As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Subsidiary undertakings are included using the acquisition method of accounting. Under this method the group profit and loss account and statement of cash flows include the results and the cash flows of subsidiaries from the date of acquisition and to the date of sale outside the group in the case of disposal of subsidiaries. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

# **Bristol Rugby Club Limited**

## **Notes to the Financial Statements**

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

#### **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 currently has net current liabilities and net liabilities. The vast majority of these liabilities are intra group. In order to continue in operational existence as a going concern while the club develops, and to meet its liabilities as they fall due, the group 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 and the group.

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 rugby. The group 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 reductions in wages. The directors are satisfied that, whilst there can be no certainty as to the specific longer term implications for professional rugby, *there are no material uncertainties in respect of the going concern status of the company and group.* Following the year end, games resumed on the 14 August 2020 and the 2019/20 season is due to be completed on 24 October 2020, with all games likely to be played behind closed doors.

The directors are confident that, taking into account the commitment by Pula Sport Limited, the company and 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.

In addition, the company received significant funding in the previous year from Premier Rugby Limited in respect of advanced payment for broadcasting related income. This is being released from deferred income over a 4 year period from 31 May 2019, with c.£3.15m due for release in the year to 31 May 2021, with funds being 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.

# **Bristol Rugby Club Limited**

## **Notes to the Financial Statements**

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

#### **Key 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 estimates that have a significant effect on the amounts recognised in the financial statements are as follows:

#### **Other financial assets**

Other financial assets are measured at fair value, which is determined with reference to the observable market price from a recent transaction in the shares of the relevant investee. The directors recognise that the ongoing impact of the Coronavirus pandemic on the global and UK economy, and professional rugby in England and Europe, has caused uncertainty in understanding the value of the investment in Premier Rugby Limited by virtue of its shareholding in PRL Investor Limited. In responding to this uncertainty, which the directors recognise could give rise to material fluctuations in market value, the group has obtained third party assurance as to the appropriate carrying value of this investment as at 31 May 2020, and are satisfied that the most recent observable market price remains the March 2019 transaction, and that there was no other evidence to indicate that the carrying value is materially misstated given the planned continuation of the 2019/20 season, subsequent launch of the 2020/21 season and related broadcasting rights. The directors recognise that it can be reasonably expected that material fair value fluctuations will arise in future accounting periods. The carrying amount is £13,865,147 (2019 - £13,865,147).

#### **Deferred income**

Deferred income has been recognised in respect of season ticket income for the 19/20 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 pandemic impacted schedule of sporting and other events, and the presence of crowds at those events. The carrying amount is £599,604 (2019 - £1,325,050). In light of the resumption of the 2019/20 season and plans for the 2020/21 and subsequent seasons, the directors do not envisage, any significant uncertainty in respect of the £9,079,109 (2019 - £12,095,754) deferred income relating to broadcasting rights.

# **Bristol Rugby Club Limited**

## **Notes to the Financial Statements**

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

#### **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.

#### **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.

#### **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.

#### **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.

# Bristol Rugby Club Limited

## Notes to the Financial Statements

Year Ended 31 May 2020

### Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost of assets 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

### Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination.

### Intangible assets

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

### 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

### 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.

### 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 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;
- Finance leases;
- Other financial assets; 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.

Other financial assets are measured at fair value through the profit and loss account. Fair value of the shares is determined by reference to the market price of a recent transactions in the shares of the relevant investee.

### 3 Revenue

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

	2020	2019
	£	£
Sale of goods	104,855	92,278
Rendering of services	4,383,298	1,759,732
Ticket sales	2,469,422	2,934,553
League income	4,029,143	4,605,134
	<u>10,986,718</u>	<u>9,391,697</u>

# Bristol Rugby Club Limited

## Notes to the Financial Statements

Year Ended 31 May 2020

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

	2020 £	2019 £
Ticket sales	2,469,422	2,934,553
League income	4,029,143	4,605,134
Other rugby and commercial income	4,488,153	1,852,010
	<u>10,986,718</u>	<u>9,391,697</u>

### 4 Other operating income

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

	2020 £	2019 £
Government grants	<u>325,344</u>	<u>-</u>

### 5 Operating loss

Arrived at after charging/(crediting)

	2020 £	2019 £
Depreciation expense	146,292	149,032
Amortisation expense	3,104	1,600
Foreign exchange (gains)/losses	<u>(3)</u>	<u>479</u>

### 6 Staff costs

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

	2020 £	2019 £
Wages and salaries	8,570,102	8,576,378
Social security costs	1,058,172	1,055,363
Pension costs, defined contribution scheme	154,658	100,755
	<u>9,782,932</u>	<u>9,732,496</u>

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

	2020 No.	2019 No.
Administration and support	36	31
Other departments	<u>78</u>	<u>62</u>
	<u>114</u>	<u>93</u>

# Bristol Rugby Club Limited

## Notes to the Financial Statements

Year Ended 31 May 2020

### 7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2020 £	2019 £
Remuneration	135,336	-
Contributions paid to money purchase schemes	5,416	-
	<u>140,752</u>	<u>-</u>

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

	2020 No.	2019 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>-</u>

### 8 Auditor's remuneration

	2020 £	2019 £
Audit of these financial statements	5,100	5,050
Audit of the financial statements of subsidiaries of the company pursuant to legislation	1,500	-
	<u>6,600</u>	<u>5,050</u>

### 9 Taxation

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

	2020 £	2019 £
<b>Current taxation</b>		
Group relief payable/(receivable)	(44,128)	(1,046,960)
UK corporation tax adjustment to prior periods group relief	978,567	-
	<u>934,439</u>	<u>(1,046,960)</u>



## Bristol Rugby Club Limited

### Notes to the Financial Statements

#### Year Ended 31 May 2020

The tax on profit before tax for the year is higher 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>(3,180,954)</u>	<u>1,797,879</u>
Corporation tax at standard rate	(604,381)	341,597
Effect of fair value adjustment exempt from taxation	-	(1,402,592)
Expenses not deductible for tax purposes	3,186	3,372
Adjustments to deferred tax in respect of changes in tax rates	(693,255)	1,123
Deferred tax not recognised	1,250,322	9,540
Effect of adjustment to group relief receivable in respect of prior periods	<u>978,567</u>	<u>-</u>
Total tax charge/(credit)	<u>934,439</u>	<u>(1,046,960)</u>

#### Deferred tax

##### Group

There are £37,706,015 of unused tax losses (2019 - £34,822,436) for which no deferred tax asset is recognised in the Balance Sheet.

##### Company

There are £37,595,412 of unused tax losses (2019 - £34,822,436) 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 2020

### 10 Intangible assets

#### Group

	Goodwill £	Computer software £	Total £
<b>Cost or valuation</b>			
At 1 June 2019	-	8,000	8,000
Additions	1,504	-	1,504
At 31 May 2020	1,504	8,000	9,504
<b>Amortisation</b>			
At 1 June 2019	-	2,933	2,933
Amortisation charge	-	1,600	1,600
Impairment	1,504	-	1,504
At 31 May 2020	1,504	4,533	6,037
<b>Carrying amount</b>			
At 31 May 2020	-	3,467	3,467
At 31 May 2019	-	5,067	5,067

#### Company

	Computer software £	Total £
<b>Cost or valuation</b>		
At 1 June 2019	8,000	8,000
At 31 May 2020	8,000	8,000
<b>Amortisation</b>		
At 1 June 2019	2,933	2,933
Amortisation charge	1,600	1,600
At 31 May 2020	4,533	4,533
<b>Carrying amount</b>		
At 31 May 2020	3,467	3,467
At 31 May 2019	5,067	5,067

## Bristol Rugby Club Limited

### Notes to the Financial Statements

Year Ended 31 May 2020

#### 11 Tangible assets

##### Group

	Land and buildings £	Office equipment £	Motor vehicles £	Plant and machinery £	Total £
<b>Cost or valuation</b>					
At 1 June 2019	865,279	77,192	29,473	293,324	1,265,268
Additions	-	15,041	-	247,992	263,033
At 31 May 2020	<u>865,279</u>	<u>92,233</u>	<u>29,473</u>	<u>541,316</u>	<u>1,528,301</u>
<b>Depreciation</b>					
At 1 June 2019	475,947	56,486	28,748	227,957	789,138
Charge for the year	<u>81,888</u>	<u>20,330</u>	<u>725</u>	<u>43,349</u>	<u>146,292</u>
At 31 May 2020	<u>557,835</u>	<u>76,816</u>	<u>29,473</u>	<u>271,306</u>	<u>935,430</u>
<b>Carrying amount</b>					
At 31 May 2020	<u>307,444</u>	<u>15,417</u>	<u>-</u>	<u>270,010</u>	<u>592,871</u>
At 31 May 2019	<u>389,332</u>	<u>20,706</u>	<u>725</u>	<u>65,367</u>	<u>476,130</u>

Included within the net book value of land and buildings above is £307,444 (2019 - £389,332) in respect of short leasehold land and buildings.

## Bristol Rugby Club Limited

### Notes to the Financial Statements

Year Ended 31 May 2020

#### Company

	Land and buildings £	Office equipment £	Motor vehicles £	Plant and machinery £	Total £
<b>Cost or valuation</b>					
At 1 June 2019	865,279	77,192	29,473	293,324	1,265,268
Additions	-	14,290	-	247,992	262,282
At 31 May 2020	<u>865,279</u>	<u>91,482</u>	<u>29,473</u>	<u>541,316</u>	<u>1,527,550</u>
<b>Depreciation</b>					
At 1 June 2019	475,947	56,486	28,748	227,957	789,138
Charge for the year	<u>81,888</u>	<u>20,267</u>	<u>725</u>	<u>43,349</u>	<u>146,229</u>
At 31 May 2020	<u>557,835</u>	<u>76,753</u>	<u>29,473</u>	<u>271,306</u>	<u>935,367</u>
<b>Carrying amount</b>					
At 31 May 2020	<u>307,444</u>	<u>14,729</u>	<u>-</u>	<u>270,010</u>	<u>592,183</u>
At 31 May 2019	<u>389,332</u>	<u>20,706</u>	<u>725</u>	<u>65,367</u>	<u>476,130</u>

Included within the net book value of land and buildings above is £307,444 (2019 - £389,332) in respect of short leasehold land and buildings.

## Bristol Rugby Club Limited

### Notes to the Financial Statements

Year Ended 31 May 2020

#### 12 Investments

##### Company

	2020 £	2019 £
Investments in subsidiaries	<u>100</u>	<u>100</u>
<b>Subsidiaries</b>		£
<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
<b>Subsidiary undertakings</b>				
Bristol Bears Women Rugby Club Limited	Ashton Gate Bristol BS3 2EJ	Ordinary	100%	100%

The principal activity of Bristol Bears Women Rugby Club Limited is the running of a professional rugby team.

# Bristol Rugby Club Limited

## Notes to the Financial Statements

Year Ended 31 May 2020

### 13 Other financial assets

#### Group and company

	Financial assets at fair value through profit and loss £	Total £
<b>Cost or valuation</b>		
At 1 June 2019	13,865,147	13,865,147
At 31 May 2020	13,865,147	13,865,147
<b>Carrying amount</b>		
At 31 May 2020	13,865,147	13,865,147

### 14 Debtors

	Note	2020 £	Group 2019 £	2020 £	Company 2019 £
Trade debtors		50,329	724	50,329	724
Amounts due from group undertakings	23	11,542,854	12,963,780	11,546,695	12,963,680
Other debtors		406,079	844,840	405,525	844,840
Prepayments		180,390	257,259	172,890	257,259
		<u>12,179,652</u>	<u>14,066,603</u>	<u>12,175,439</u>	<u>14,066,503</u>

### 15 Cash and cash equivalents

	2020 £	Group 2019 £	2020 £	Company 2019 £
Cash on hand	523	565	473	565
Cash at bank	<u>310,744</u>	<u>3,327,162</u>	<u>292,041</u>	<u>3,327,162</u>
	<u>311,267</u>	<u>3,327,727</u>	<u>292,514</u>	<u>3,327,727</u>

# Bristol Rugby Club Limited

## Notes to the Financial Statements

Year Ended 31 May 2020

### 16 Analysis of cash and cash equivalents and net debt

	At 1 June 2019 £	Cash flow £	At 31 May 2020 £
Cash at bank and on hand	3,327,727	(3,016,460)	311,267
Cash and cash equivalents	3,327,727	(3,016,460)	311,267
Finance lease obligations	-	(94,897)	(94,897)
Net debt	<u>3,327,727</u>	<u>(3,111,357)</u>	<u>216,370</u>

### 17 Creditors

	Note	2020 £	Group 2019 £	2020 £	Company 2019 £
<b>Due within one year</b>					
Loans and borrowings	18	34,094	-	34,094	-
Trade creditors		79,403	111,195	78,092	111,195
Amounts due to group undertakings	23	38,727,018	33,503,489	38,727,749	33,503,489
Social security and other taxes		881,354	3,074,007	881,354	3,074,007
Outstanding defined contribution pension costs		23,547	27,807	23,547	27,807
Other creditors		-	1,320	-	1,320
Accrued expenses		<u>438,031</u>	<u>457,218</u>	<u>432,750</u>	<u>457,218</u>
		<u>40,183,447</u>	<u>37,175,036</u>	<u>40,177,586</u>	<u>37,175,036</u>
<b>Due after one year</b>					
Loans and borrowings	18	<u>60,803</u>	<u>-</u>	<u>60,803</u>	<u>-</u>

# Bristol Rugby Club Limited

## Notes to the Financial Statements

Year Ended 31 May 2020

### 18 Loans and borrowings

	2020 £	Group 2019 £	2020 £	Company 2019 £
<b>Current loans and borrowings</b>				
Finance lease liabilities	<u>34,094</u>	<u>-</u>	<u>34,094</u>	<u>-</u>

	2020 £	Group 2019 £	2020 £	Company 2019 £
<b>Non-current loans and borrowings</b>				
Finance lease liabilities	<u>60,803</u>	<u>-</u>	<u>60,803</u>	<u>-</u>

#### Group and Company

The finance leases are denominated in sterling with a nominal interest rate of 5.4%, and the final instalment is due on 11 September 2024. The carrying amount at year end is £94,897 (2019 - £Nil).

The finance lease creditors are secured on the plant and machinery assets to which they relate.

Finance lease creditors are repayable by monthly instalments on 36 and 48 month terms.

### 19 Deferred income

	2020 £
At 1 June 2019	13,420,804
Released to profit during the year	(23,099,517)
Received during the year	<u>19,357,426</u>
At 31 May 2020	<u>9,678,713</u>

The current year deferred income balance includes rugby season ticket income in respect of the 2019/20 season suspended until after the year end due to Covid-19 in addition to broadcasting deferred income.

### 20 Pension schemes

#### Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £154,658 (2019 - £100,755).

Contributions totalling £23,547 (2019 - £27,807) were payable to the scheme at the end of the year and are included in creditors.



# Bristol Rugby Club Limited

## Notes to the Financial Statements

Year Ended 31 May 2020

### 21 Share capital

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

	No.	2020 £	No.	2019 £
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.

### 22 Financial instruments

#### Group

#### Categorisation of financial instruments

	2020 £	2019 £
Financial assets measured at fair value through profit or loss	13,865,147	13,865,147
Financial assets that are debt instruments measured at amortised cost	11,999,262	13,809,344
	25,864,409	27,674,491
Financial liabilities measured at amortised cost	(38,727,018)	(33,616,004)
	(38,727,018)	(33,616,004)

#### Financial assets measured at fair value

##### *Other financial assets - 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 (2019 - £13,865,147) and the change in value included in profit or loss is £Nil (2019 - £7,382,065).

### 23 Related party transactions

#### Group

#### Key management compensation

	2020 £	2019 £
Salaries and other short term employee benefits	772,302	584,801

# Bristol Rugby Club Limited

## Notes to the Financial Statements

Year Ended 31 May 2020

### Company

#### Summary of transactions with parent

Immediate parent company

During the year, the immediate parent company advanced funds to the company of £5,500,000 (2019 - £5,350,000). 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 £38,622,803 (2019 - £33,122,803).

#### 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 wider group of £Nil (2019 - £11,500,000). The funds are advanced free of interest and are repayable on demand. In addition, the company surrendered tax losses to the same fellow subsidiary for payment of £9,791 (2019 - £Nil). At the balance sheet date the total amount due to the company was £11,509,791 (2019 - £11,500,000).

During the year, the company surrendered tax losses to a fellow subsidiary of the wider group for payment of £102,730 (2019 - £Nil). At the balance sheet date the total amount due to the company was £102,730 (2019 - £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

	Other related parties £
<b>2020</b>	
Sale of goods	2,838,913
Receipt of services	146,473
Sale of property or other assets	201,806
	<u>3,187,192</u>
Amounts receivable from related party	<u>20,046</u>
	Other related parties £
<b>2019</b>	
Sale of goods	3,391,766
Receipt of services	684,154
Sale of property or other assets	187,203
Group relief payments receivable from related parties	1,046,960
	<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 2020**

#### **Expenditure with and payables to related parties**

	<b>Other related parties £</b>
<b>2020</b>	
Purchase of goods	2,457,494
Amounts payable to related party	<u>91,615</u>
	<b>Other related parties £</b>
<b>2019</b>	
Purchase of goods	2,614,571
Amounts payable to related party	<u>192,201</u>

#### **24 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.