

Bristol Rugby Club Limited
Annual Report and Consolidated Financial Statements
Year Ended 31 May 2022

Registration number: 03601031

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

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 2022

The directors present their strategic report for the year ended 31 May 2022.

Principal activity

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

Review of the business

The 2021/22 season was ultimately a disappointing season for Bristol Bears Men, with the team achieving a tenth-place finish in the regular season of the Gallagher Premiership and missing out on qualification for the Premiership play offs and the European Champions Cup for the 2022/23 season. The team progressed to the last 16 of the European Champions Cup. Despite a disappointing performance for the men's team in the 2021/22 season, we are confident that the team will produce an improvement in performances on the pitch moving forwards.

It was a very successful season for Bristol Bears Women both on and off the pitch, with the team achieving a third-place finish in the regular season of the Premier 15s and qualifying for the Premier 15s play offs for the first time in their history. There was a club record attendance of 4,101 for the Premier 15s fixture against Harlequins at Ashton Gate Stadium. The women's team are now based at the Bears High Performance Centre with all operational staff working closely with their counterparts from the men's team.

It was also a very successful season for the Bristol Bears Academy, and the under 18s went unbeaten all season and won a maiden Academy League title in 2022. The Bears Academy works with more than 1,000 young players across the region every season.

Accordingly, the board would like to formally acknowledge the very generous financial support provided by Pula Sport Limited and ultimately Steve and Maggie Lansdown. Finally, we would like to thank all our hardworking staff for their continued contributions throughout this difficult year.

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

- Non-qualification for the Gallagher Premiership playoffs or the European Champions Cup - 10th place in the 2021/22 season achieved (2020/21 - 1st).
- Number of wins and points per season - 8 wins & 48 points in the 2021/22 season (2020/21 - 17 wins & 85 points).
- Average Premiership Attendance - 17,915 (2020/21 - Nil).
- Qualification for the Premier 15s playoffs - 3rd place in the 2021/22 season achieved (2020/21 - 8th).
- Average Premier 15s Attendance - 938 (2020/21 - Nil).
- Turnover - £14.2m (2021 - £9.0m).
- Net Loss for the year - £3.0m (2021 - net loss of £3.5m).

Bristol Rugby Club Limited

Strategic Report

Year Ended 31 May 2022

The consequence of the net loss for the year of £3.0m is that the balance sheet saw an increase in net liabilities to £29.5m (2021 - £26.5m).

The increase in turnover from £9m in the prior year to £14m reflects the relaxing of Covid-19 restrictions meaning that all games were played in front of crowds compared to none in the prior year. Combined with a reduction in administrative expenses of £316k, this has reduced the net loss to £3m (2021 - £3.5m).

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, as has been demonstrated during the 12 months to 31 May 2022 and as explained in the going concern accounting policy, is critical.

Approved by the Board on 27 October 2022 and signed on its behalf by:

.....
C A Booy
Chairman

Bristol Rugby Club Limited

Directors' Report

Year Ended 31 May 2022

The directors present their report and the for the year ended 31 May 2022.

Directors of the group

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

C A Booy - Chairman

J S Lansdown

G T Marshall

M A Tainton (Resigned 30 June 2022)

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.

Disclosure of information to the auditor

Each director has taken 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 27 October 2022 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 2022, 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 2022 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

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

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

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

Other information

The 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the entity and the sector in which it operates to identify the key laws and regulations affecting the entity. As part of this assessment process we discussed with management the laws and regulations applicable to the company, reviewed certification identified on the company website and other communications and considered findings from previous audits.

The key laws and regulations we identified were Premiership Rugby (PRL) Salary Cap rules and Employment legislation.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, primarily Companies Act 2006, Corporation Taxes Acts 2009 & 2010, and the Capital Allowances Act 2001.

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place. We also identified the individuals who have responsibility for ensuring that the entity complies with laws and regulations and deal with reporting any issues if they arise. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the entity's ability to continue trading and the risk of material misstatement to the financial statements.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements;
- Review of relevant correspondence, documentation and calculations in respect of PRL Salary Cap rules;
- Review of other relevant correspondence, reports and documentation;
- Review of legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance; and
- Reviewed Board minutes.

As part of our enquiries we discussed with management whether there have been any known instances, allegations or suspicions of fraud, of which management confirmed there had been none during or after the period.

Bristol Rugby Club Limited

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

We also evaluated the risk of fraud through management override. The key risks we identified were the potential manipulation of payments to players in order to adhere to PRL Salary Cap rules, and manipulation of results in order to maintain ongoing funding support from the ultimate owners. We determined that the principal risks were related to payment of image rights and agents' fees and management override of controls.

In response to the identified risk, as part of our audit work we:

- Used data analytics to test journal entries throughout the year, for appropriateness;
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates; and
- Undertook specific review of calculations provided to the PRL.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to be come aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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

27 October 2022

Bristol Rugby Club Limited

Consolidated Profit and Loss Account

Year Ended 31 May 2022

	Note	2022 £	2021 £
Turnover	<u>3</u>	14,217,783	8,979,751
Cost of sales		<u>(14,647,630)</u>	<u>(13,339,191)</u>
Gross loss		(429,847)	(4,359,440)
Administrative expenses		(2,914,250)	(3,230,015)
Fair value gain on valuation of fixed asset investment		-	3,686,633
Other operating income	<u>4</u>	<u>159,988</u>	<u>372,910</u>
Operating loss	<u>5</u>	(3,184,109)	(3,529,912)
Interest payable and similar charges	<u>9</u>	<u>(103,644)</u>	<u>(20,836)</u>
Loss before tax		(3,287,753)	(3,550,748)
Taxation	<u>10</u>	<u>(31,914)</u>	<u>39,025</u>
Loss for the financial year		<u><u>(3,319,667)</u></u>	<u><u>(3,511,723)</u></u>

Bristol Rugby Club Limited

Consolidated Balance Sheet

31 May 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	<u>11</u>	267	1,867
Tangible assets	<u>12</u>	319,488	286,047
Other financial assets	<u>14</u>	17,551,780	17,551,780
		<u>17,871,535</u>	<u>17,839,694</u>
Current assets			
Debtors	<u>15</u>	10,882,107	11,781,840
Cash at bank and in hand		<u>1,141,178</u>	<u>3,061,415</u>
		12,023,285	14,843,255
Creditors: Amounts falling due within one year	<u>18</u>	<u>(49,971,489)</u>	<u>(46,426,234)</u>
Net current liabilities		<u>(37,948,204)</u>	<u>(31,582,979)</u>
Total assets less current liabilities		(20,076,669)	(13,743,285)
Creditors: Amounts falling due after more than one year	<u>18</u>	(4,894,152)	(4,820,200)
Deferred income	<u>20</u>	<u>(4,831,128)</u>	<u>(7,918,797)</u>
Net liabilities		<u>(29,801,949)</u>	<u>(26,482,282)</u>
Capital and reserves			
Called up share capital	<u>23</u>	102	102
Share premium reserve		5,895,667	5,895,667
Profit and loss account		<u>(35,697,718)</u>	<u>(32,378,051)</u>
Total equity		<u>(29,801,949)</u>	<u>(26,482,282)</u>

Approved and authorised by the Board on 27 October 2022 and signed on its behalf by:

.....
C A Booy
Chairman

Company Registration Number: 03601031

Bristol Rugby Club Limited

Balance Sheet

31 May 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	<u>11</u>	267	1,867
Tangible assets	<u>12</u>	318,287	285,609
Investments	<u>13</u>	100	100
Other financial assets	<u>14</u>	17,551,780	17,551,780
		<u>17,870,434</u>	<u>17,839,356</u>
Current assets			
Debtors	<u>15</u>	10,887,758	11,804,509
Cash at bank and in hand		<u>1,122,707</u>	<u>3,015,868</u>
		12,010,465	14,820,377
Creditors: Amounts falling due within one year	<u>18</u>	<u>(49,947,782)</u>	<u>(46,393,445)</u>
Net current liabilities		<u>(37,937,317)</u>	<u>(31,573,068)</u>
Total assets less current liabilities		(20,066,883)	(13,733,712)
Creditors: Amounts falling due after more than one year	<u>18</u>	(4,894,152)	(4,820,200)
Deferred income	<u>20</u>	<u>(4,828,508)</u>	<u>(7,918,797)</u>
Net liabilities		<u>(29,789,543)</u>	<u>(26,472,709)</u>
Capital and reserves			
Called up share capital		102	102
Share premium reserve		5,895,667	5,895,667
Profit and loss account		<u>(35,685,312)</u>	<u>(32,368,478)</u>
Total equity		<u>(29,789,543)</u>	<u>(26,472,709)</u>

The company made a loss after tax for the financial year of £3,316,834 (2021 - loss of £3,484,457).

Approved and authorised by the Board on 27 October 2022 and signed on its behalf by:

.....
C A Booy
Chairman

Company Registration Number: 03601031

Bristol Rugby Club Limited

Consolidated Statement of Changes in Equity

Year Ended 31 May 2022

	Share capital £	Share premium £	Profit and loss account £	Total equity £
At 1 June 2021	102	5,895,667	(32,378,051)	(26,482,282)
Loss for the year	-	-	(3,319,667)	(3,319,667)
Total comprehensive income	-	-	(3,319,667)	(3,319,667)
At 31 May 2022	102	5,895,667	(35,697,718)	(29,801,949)

	Share capital £	Share premium £	Profit and loss account £	Total equity £
At 1 June 2020	102	5,895,667	(28,866,328)	(22,970,559)
Loss for the year	-	-	(3,511,723)	(3,511,723)
Total comprehensive income	-	-	(3,511,723)	(3,511,723)
At 31 May 2021	102	5,895,667	(32,378,051)	(26,482,282)

Bristol Rugby Club Limited

Statement of Changes in Equity

Year Ended 31 May 2022

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 June 2021	102	5,895,667	(32,368,478)	(26,472,709)
Loss for the year	-	-	(3,316,834)	(3,316,834)
Total comprehensive income	-	-	(3,316,834)	(3,316,834)
At 31 May 2022	102	5,895,667	(35,685,312)	(29,789,543)

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 June 2020	102	5,895,667	(28,884,021)	(22,988,252)
Loss for the year	-	-	(3,484,457)	(3,484,457)
Total comprehensive income	-	-	(3,484,457)	(3,484,457)
At 31 May 2021	102	5,895,667	(32,368,478)	(26,472,709)

Bristol Rugby Club Limited

Consolidated Statement of Cash Flows

Year Ended 31 May 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Loss for the year		(3,319,667)	(3,511,723)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	<u>5</u>	122,144	190,394
(Profit)/loss on disposal of tangible assets		(7,906)	265,742
Finance costs	<u>9</u>	103,644	20,836
Fair value gain on fixed asset investment		-	(3,686,633)
Tax expense/(credit)		31,914	(39,025)
		(3,069,871)	(6,760,409)
Working capital adjustments			
Decrease in debtors	<u>15</u>	867,819	436,837
Increase in creditors	<u>18</u>	3,552,589	6,241,417
Decrease in deferred income		(3,087,669)	(1,759,916)
Net cash flow from operating activities		(1,737,132)	(1,842,071)
Cash flows from investing activities			
Acquisitions of tangible assets		(153,985)	(147,711)
Proceeds from sale of tangible assets		7,906	-
Net cash flows from investing activities		(146,079)	(147,711)
Cash flows from financing activities			
Proceeds from other borrowing draw downs		-	4,776,958
Payments to finance lease creditors		(37,026)	(37,028)
Net cash flows from financing activities		(37,026)	4,739,930
Net (decrease)/increase in cash and cash equivalents		(1,920,237)	2,750,148
Cash and cash equivalents at 1 June		3,061,415	311,267
Cash and cash equivalents at 31 May	<u>16</u>	<u>1,141,178</u>	<u>3,061,415</u>

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2022

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

These financial statements were authorised for issue by the Board on 27 October 2022.

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 2022.

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 2022

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.

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 2022/23 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 a 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 the final c.£2.67m due for release in the year to 31 May 2023, with funds having been primarily used for the construction of the Bears High Performance Centre 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 2022

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. There has been no observable market transaction in the shares during the year. The carrying amount is £17,551,780 (2021 - £17,551,780).

Deferred income

Deferred income has been recognised in respect of season ticket income for the 22/23 season. The directors expect this will be released to the profit and loss account as revenue in the 12 months following the balance sheet date. The directors, whilst confident that the entire balance will be recognised as revenue, acknowledge that there is uncertainty as to the precise timing of the future release of deferred income which is dependent upon the schedule of sporting events, and the presence of crowds at those events, not being further impacted by any pandemic restrictions during the 22/23 season. The carrying amount is £2,158,181 (2021 - £2,044,079). The directors do not envisage any significant uncertainty in respect of the £2,670,326 (2021 - £5,874,718) deferred income relating to broadcasting rights.

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2022

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 2022

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 2022

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;
- Long term other borrowings;
- 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, long term other borrowings, 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.

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2022

3 Revenue

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

	2022 £	2021 £
Sale of goods	73,692	29,809
Rendering of services	4,887,201	4,381,945
Ticket sales	4,990,838	442,271
League income	4,266,052	4,125,726
	<u>14,217,783</u>	<u>8,979,751</u>

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

	2022 £	2021 £
Ticket sales	4,990,838	442,271
League income	4,266,052	4,125,726
Other rugby and commercial income	4,960,893	4,411,754
	<u>14,217,783</u>	<u>8,979,751</u>

4 Other operating income

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

	2022 £	2021 £
Government grants	-	322,837
Other operating income	159,988	50,073
	<u>159,988</u>	<u>372,910</u>

5 Operating loss

Arrived at after charging/(crediting)

	2022 £	2021 £
Depreciation expense	120,544	188,794
Amortisation expense	1,600	1,600
Foreign exchange losses	838	393
(Profit)/loss on disposal of property, plant and equipment	<u>(7,906)</u>	<u>265,742</u>

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2022

6 Staff costs

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

	2022 £	2021 £
Wages and salaries	9,902,659	9,537,068
Social security costs	1,185,809	1,142,555
Pension costs, defined contribution scheme	158,472	149,315
	<u>11,246,940</u>	<u>10,828,938</u>

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

	2022 No.	2021 No.
Coaching & support staff	59	57
Playing staff	86	68
	<u>145</u>	<u>125</u>

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2022 £	2021 £
Remuneration	141,490	134,424
Contributions paid to money purchase schemes	5,600	5,356
	<u>147,090</u>	<u>139,780</u>

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

	2022 No.	2021 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

8 Auditor's remuneration

	2022 £	2021 £
Audit of these financial statements	<u>10,000</u>	<u>5,440</u>

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2022

9 Interest payable and similar expenses

	2022 £	2021 £
Interest expense on other finance liabilities	103,644	20,836

10 Taxation

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

	2022 £	2021 £
Current taxation		
Group relief payable/(receivable)	-	(39,025)
UK corporation tax adjustment to prior periods group relief	31,914	-
	31,914	(39,025)

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2021 - higher than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £	2021 £
Loss before tax	(3,287,753)	(3,550,748)
Corporation tax at standard rate	(624,673)	(674,642)
Effect of fair value adjustment exempt from taxation	-	(700,460)
Expenses not deductible for tax purposes	(7,624)	52,129
Adjustments to deferred tax in respect of changes in tax rates	(199,672)	(2,651,059)
Deferred tax not recognised	915,954	3,903,093
Deferred tax credit from unrecognised temporary difference from a prior period	(83,985)	-
Tax increase arising from group relief in excess of receipt	-	31,914
Adjustment to group relief surrender in prior year	31,914	-
Total tax charge/(credit)	31,914	(39,025)

Deferred tax

Group

There are £50,998,287 of unused tax losses (2021 - £43,749,635) for which no deferred tax asset is recognised in the Balance Sheet.

Company

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2022

There are £50,415,000 of unused tax losses (2021 - £43,440,766) for which no deferred tax asset is recognised in the Balance Sheet.

11 Intangible assets

Group

	Goodwill £	Computer software £	Total £
Cost or valuation			
At 1 June 2021	1,504	8,000	9,504
At 31 May 2022	1,504	8,000	9,504
Amortisation			
At 1 June 2021	1,504	6,133	7,637
Amortisation charge	-	1,600	1,600
At 31 May 2022	1,504	7,733	9,237
Carrying amount			
At 31 May 2022	-	267	267
At 31 May 2021	-	1,867	1,867

Company

	Computer software £	Total £
Cost or valuation		
At 1 June 2021	8,000	8,000
At 31 May 2022	8,000	8,000
Amortisation		
At 1 June 2021	6,133	6,133
Amortisation charge	1,600	1,600
At 31 May 2022	7,733	7,733
Carrying amount		
At 31 May 2022	267	267
At 31 May 2021	1,867	1,867

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2022

12 Tangible assets Group

	Land and buildings £	Office equipment £	Motor vehicles £	Plant and machinery £	Total £
Cost or valuation					
At 1 June 2021	19,965	34,926	28,915	444,155	527,961
Additions	-	105,808	-	48,177	153,985
At 31 May 2022	19,965	140,734	28,915	492,332	681,946
Depreciation					
At 1 June 2021	832	26,847	28,915	185,320	241,914
Charge for the year	1,996	19,164	-	99,384	120,544
At 31 May 2022	2,828	46,011	28,915	284,704	362,458
Carrying amount					
At 31 May 2022	17,137	94,723	-	207,628	319,488
At 31 May 2021	19,133	8,079	-	258,835	286,047

Included within the net book value of land and buildings above is £17,137 (2021 - £19,133) in respect of freehold land and buildings and £Nil (2021 - £Nil) in respect of short leasehold land and buildings.

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2022

Company

	Land and buildings £	Office equipment £	Motor vehicles £	Plant and machinery £	Total £
Cost or valuation					
At 1 June 2021	19,965	34,175	28,915	444,155	527,210
Additions	-	104,528	-	48,177	152,705
At 31 May 2022	19,965	138,703	28,915	492,332	679,915
Depreciation					
At 1 June 2021	832	26,534	28,915	185,320	241,601
Charge for the year	1,996	18,647	-	99,384	120,027
At 31 May 2022	2,828	45,181	28,915	284,704	361,628
Carrying amount					
At 31 May 2022	17,137	93,522	-	207,628	318,287
At 31 May 2021	19,133	7,641	-	258,835	285,609

Included within the net book value of land and buildings above is £17,137 (2021 - £19,133) in respect of freehold land and buildings and £Nil (2021 - £Nil) in respect of short leasehold land and buildings.

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2022

13 Investments

Company

	2022 £	2021 £
Investments in subsidiaries	100	100
Subsidiaries		£
Cost or valuation		
At 1 June 2021		100
Carrying amount		
At 31 May 2022		100
At 31 May 2021		100

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		
			2022	2021	
Subsidiary undertakings					
Bristol Bears Women Rugby Club Limited	Ashton Gate Bristol BS3 2EJ	Ordinary	100%	100%	

Subsidiary undertakings

Bristol Bears Women Rugby Club Limited

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 2022

14 Other financial assets

Group and company

	Financial assets at fair value through profit and loss £	Total £
Cost or valuation		
At 1 June 2021	17,551,780	17,551,780
At 31 May 2022	17,551,780	17,551,780
Carrying amount		
At 31 May 2022	17,551,780	17,551,780

15 Debtors

	Note	2022 £	Group 2021 £	2022 £	Company 2021 £
Trade debtors		1,968	-	1,800	-
Amounts due from group undertakings	<u>25</u>	10,339,734	11,463,555	10,347,764	11,488,036
Other debtors		13,922	10,266	13,437	8,454
Prepayments		526,483	308,019	524,757	308,019
		<u>10,882,107</u>	<u>11,781,840</u>	<u>10,887,758</u>	<u>11,804,509</u>

16 Cash and cash equivalents

	2022 £	Group 2021 £	2022 £	Company 2021 £
Cash on hand	200	121	200	121
Cash at bank	1,140,978	3,061,294	1,122,507	3,015,747
	<u>1,141,178</u>	<u>3,061,415</u>	<u>1,122,707</u>	<u>3,015,868</u>

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2022

17 Analysis of cash and cash equivalents and net debt

	At 1 June 2021	Cash flow	Other	At 31 May 2022
	£	£	£	£
Cash at bank and on hand	3,061,415	(1,920,237)	-	1,141,178
Cash and cash equivalents	3,061,415	(1,920,237)	-	1,141,178
Finance lease obligations	(57,870)	37,026	-	(20,844)
Long term loans	(4,797,794)	-	(95,540)	(4,893,334)
Net debt	(1,794,249)	(1,883,211)	(95,540)	(3,773,000)

18 Creditors

	Note	2022 £	Group 2021 £	2022 £	Company 2021 £
Due within one year					
Loans and borrowings	19	20,026	35,464	20,026	35,464
Trade creditors		115,717	46,717	115,210	45,959
Amounts due to group undertakings	25	48,595,257	44,688,977	48,590,539	44,687,158
Social security and other taxes		623,591	635,199	623,591	635,199
Outstanding defined contribution pension costs		29,661	25,695	29,661	25,695
Other creditors		21,720	3,651	21,720	3,651
Accrued expenses		565,517	990,531	547,035	960,319
		49,971,489	46,426,234	49,947,782	46,393,445
Due after one year					
Loans and borrowings	19	4,894,152	4,820,200	4,894,152	4,820,200

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2022

19 Loans and borrowings

	2022 £	Group 2021 £	2022 £	Company 2021 £
Current loans and borrowings				
Hire purchase contracts	20,026	35,464	20,026	35,464

	2022 £	Group 2021 £	2022 £	Company 2021 £
Non-current loans and borrowings				
Hire purchase contracts	818	22,406	818	22,406
Other borrowings	4,893,334	4,797,794	4,893,334	4,797,794
	4,894,152	4,820,200	4,894,152	4,820,200

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 £20,844 (2021 - £57,870).

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.

Other borrowings are denominated in sterling with a nominal interest rate of 2%, and the final instalment is due on 31 March 2031. The carrying amount at year end is £4,877,410 (2021 - £4,776,957).

The loan is secured by a floating charge over all the property of the company.
The loan is repayable over 10 years with a 2 year repayment holiday.

Included in the loans and borrowings are the following amounts due after more than five years:

	2022 £	2021 £
After more than five years by instalments	2,982,613	2,982,613

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2022

20 Deferred income

	2022 £
At 1 June 2021	7,918,797
Released to profit during the year	(5,655,402)
Received during the year	2,567,733
At 31 May 2022	<u>4,831,128</u>

The current year deferred income balance includes rugby season ticket income in respect of the 2022/23 season tickets, in addition to broadcasting deferred income.

21 Obligations under leases and hire purchase contracts

Group and company

Operating leases

The total of future minimum lease payments is as follows:

	2022 £	2021 £
Not later than one year	3,110	11,684
Later than one year and not later than five years	<u>11,733</u>	<u>14,843</u>
	<u>14,843</u>	<u>26,527</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £61,716 (2021 - £93,903).

22 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 £158,472 (2021 - £149,315). Contributions totalling £29,661 (2021 - £25,695) 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 2022

23 Share capital

Allotted, called up and fully paid shares

	No.	2022 £	No.	2021 £
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.

24 Financial instruments

Group

Categorisation of financial instruments

	2022 £	2021 £
Financial assets measured at fair value through profit or loss	17,551,780	17,551,780

Financial assets measured at fair value

Other financial assets - Fixed asset investment

The fixed asset investment is valued by PRL Investor Limited using the present value of expected future cashflows.

The fair value is £17,551,780 (2021 - £17,551,780) and the change in value included in profit or loss is £Nil (2021 - £3,686,633).

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2022

25 Related party transactions

Group and company

Key management compensation

	2022	2021
	£	£
Salaries and other short term employee benefits	670,924	687,378

Company

Summary of transactions with parent

Immediate parent company

During the year, the immediate parent company advanced funds to the company of £3,900,000 (2021 - £6,050,000) and the company repaid £nil (2021 - £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 £48,222,803 (2021 - £44,322,803).

Summary of transactions with other related parties

Fellow subsidiaries of the Pula Sport Limited group

In a previous year, the company advanced funds of £11,500,000 to a fellow subsidiary of the wider group. The funds are advanced free of interest and are repayable on demand. In addition, the company (reversed)/surrendered tax losses to the same fellow subsidiary for payment of (£31,914) (2021 - £31,914). The fellow subsidiary charged the company £540,000 (2021 - £495,000) for hire of facilities during the year and repaid £nil (2021 - £250,000). In addition, the company invoiced £300,955 (2021 - £nil) as agent for the fellow subsidiary in respect of other contracted income. At the balance sheet date the total amount due to the company was £9,914,045 (2021 - £10,786,914).

During the year, the company surrendered tax losses to a fellow subsidiary of the wider group for payment of £nil (2021 - £7,111). At the balance sheet date the total amount due to the company was £7,110 (2021 - £7,111).

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.

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2022

Income and receivables from related parties

	Other related parties £
2022	
Receipt of services	6,685,473
Amounts receivable from related party	205,218
2021	
Receipt of services	3,743,223
Amounts receivable from related party	410,095

Expenditure with and payables to related parties

	Other related parties £
2022	
Rendering of services	3,501,691
Amounts payable to related party	169,204
2021	
Rendering of services	3,415,884
Amounts payable to related party	104,919

26 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.

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