

BRISTOL RUGBY LIMITED

DIRECTORS REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2000



Registered Number: 3601031

BRISTOL RUGBY LIMITED

Directors, officers and advisers

M V L Pearce

G Dunford

J R Newman

J Rowell

A J Rushton

Company secretary

S R Smith

Auditors

KPMG

100 Temple Street

Bristol

BS1 6AG

Bankers

HSBC plc

45 Milsom Street

Bath

BA1 1DU

Solicitors

Withy King (incorporating Rushtons)

3 Gay Street

Bath

BA1 2PH

Osborne Clarke

50 Queen Charlotte Street

Bristol

BS1 4HE

Registered Office

James Street West

Green Park

Bath

BA1 2BU

Registered Number

3601031

BRISTOL RUGBY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

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BRISTOL RUGBY LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2000.

Principal activities

The company's principal objectives are to promote, encourage and foster the game of Rugby Football Union.

Business review

The financial results are summarised in the profit and loss account on page 5. The directors consider the results for the year to be in line with those anticipated given the requirement to develop the business during the early years of trading.

Proposed dividend

The directors do not recommend the payment of a dividend for the year ended 30 June 2000.

Directors and directors' interests

The following were directors of the company during the year:

M V L Pearce
N De Scossa (resigned 31 October 2000)
G Dunford
J R Newman
J Rowell
A J Rushton

None of the directors who held office in the year has any disclosable interest in the shares of the company or its holding company apart from M V L Pearce who held one ordinary share in the company as nominee and is a director of the ultimate holding company and his interests in its share capital and debentures are included in the financial statements of that company.

European and monetary union

The advent of economic and monetary union and the potential impact upon the company of the single currency, the Euro, continues to be reviewed and monitored.

Close company

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

BRISTOL RUGBY LIMITED

DIRECTORS' REPORT (continued)

Auditors

During the year KPMG were re-appointed as auditors of the company. In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of directors and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'S R Smith', with a large loop at the top and a series of wavy lines at the bottom.

S R Smith
Secretary

James Street West
Green Park
Bath BA1 2BU

19 December 2000

BRISTOL RUGBY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

REPORT OF THE AUDITORS TO THE MEMBERS OF BRISTOL RUGBY LIMITED

We have audited the financial statements on pages 5 to 14.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Going concern

In forming our opinion we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the continuity of the financial support given to the company by its parent. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 June 2000 and of the company's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG
Chartered Accountants
Registered Auditor

19 December 2000

BRISTOL RUGBY LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2000**

		Year ended 30 June 2000	Period ended 30 June 1999
	Notes	£000	£000
Turnover	<i>1-2</i>	1,458	578
Ground and match expenses		(374)	(359)
Administrative expenses		(1,579)	(525)
Staff costs	<i>5</i>	(2,955)	(1,544)
Depreciation		(8)	(1)
Other operating income		10	16
		<hr/>	<hr/>
		(4,906)	(2,413)
		<hr/>	<hr/>
Operating loss		(3,448)	(1,835)
Interest payable and similar charges	<i>6</i>	(3)	(2)
Interest receivable and similar income	<i>7</i>	2	-
		<hr/>	<hr/>
Loss on ordinary activities before taxation	<i>3</i>	(3,449)	(1,837)
Tax on loss on ordinary activities	<i>8</i>	-	-
		<hr/>	<hr/>
Loss on ordinary activities after taxation		(3,449)	(1,837)
		<hr/>	<hr/>

There were no recognised gains or losses other than the loss for either year.

All activities are derived from continuing operations.

The notes on pages 8 to 14 form part of these financial statements

BRISTOL RUGBY LIMITED

BALANCE SHEET AT 30 JUNE 2000

	Notes	2000 £000	1999 £000
Fixed assets			
Tangible assets	9	59	12
Current assets			
Stocks	10	18	5
Debtors	11	589	695
Cash at bank and in hand		112	1
		<u>719</u>	<u>701</u>
Creditors: amounts falling due within one year	12	(6,064)	(2,550)
Net current liabilities		<u>(5,345)</u>	<u>(1,849)</u>
Net liabilities		<u>(5,286)</u>	<u>(1,837)</u>
Capital and reserves			
Called up share capital	14	-	-
Profit and loss account	15	(5,286)	(1,837)
Equity shareholders' deficit		<u>(5,286)</u>	<u>(1,837)</u>

These financial statements were approved by the board of directors on 19 December 2000 and were signed on its behalf by:

M V L PEARCE

Director

J R NEWMAN

Director

The notes on pages 8 to 14 form part of these financial statements

BRISTOL RUGBY LIMITED

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 30 JUNE 2000**

	2000 £000	1999 £000
Loss for the financial year	(3,449)	(1,837)
Net reduction in equity shareholders' funds	(3,449)	(1,837)
Opening equity shareholders' deficit	(1,837)	-
Closing equity shareholders' deficit	(5,286)	(1,837)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2000

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Going concern

The financial statements have been prepared on the going concern basis which assume that the company will continue in operational existence for the foreseeable future. The company suffered a loss for the year of £3,449,000 (1999 loss £1,837,000) and had net current liabilities at the year end of £5,286,000 (1999 £1,837,000). The company relies on the continued financial support of its parent company who provide the security for the bank overdraft which is used to fund the company's day to day working capital requirements. The directors have received assurances from the parent company that support will be given which will enable the company to meet its liabilities as they fall due for the foreseeable future.

The financial statements do not include any adjustments that would result from the withdrawal of this support.

Cash flow statement

The company has taken advantage of the exemption, conferred by Financial Reporting Standard 1, from presenting a cash flow statement as the ultimate parent company includes the company in its own published consolidated financial statements.

Fixed assets and depreciation

Depreciation is provided on all tangible fixed assets to write off the cost by equal instalments over their estimated useful economic lives as follows:

Computer Equipment	-	3 years
Fixtures & Fittings	-	10 years
Motor Vehicles	-	4 years

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension scheme

The company contributes to a defined contribution non contributory personal pension scheme for various players. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Taxation

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

BRISTOL RUGBY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2000 (continued)

1. Accounting policies (continued)

Turnover

Turnover represents the amounts (excluding value added tax) derived from match tickets, executive boxes, sponsorship, English Rugby Partnership Limited income, debentures, gate takings and the provision of goods and services by the company. Income that is receivable under contracts relating to the playing season is recognised in full in the period.

Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party transactions' concerning transactions with entities that are part of The Johnsons Group Limited. The Johnsons Group Limited is the ultimate controlling parent undertaking, incorporated in England and Wales. Copies of the accounts of The Johnsons Group Limited have been filed at Companies House, Cardiff and can also be obtained from the group's registered office at James Street West, Bath, BA1 2BU

2. Analysis of turnover

	Year ended 30 June 2000 £000	Period ended 30 June 1999 £000
Turnover comprises:		
Rugby income	773	324
English Rugby Partnership income	510	190
Commercial income	175	64
	<hr/>	<hr/>
	1,458	578
	<hr/>	<hr/>

3. Loss on ordinary activities before taxation

	Year ended 30 June 2000 £000	Period ended 30 June 1999 £000
Loss on ordinary activities before taxation is stated after charging:		
Auditors' remuneration:		
Audit	3	3
Depreciation and other amounts written off tangible fixed assets	8	1
Operating lease rentals – Plant & Machinery	63	44
Operating lease rentals – Land & Buildings	100	89
	<hr/>	<hr/>

BRISTOL RUGBY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2000 (continued)

4. Remuneration of directors

	Year ended 30 June 2000 £000	Period ended 30 June 1999 £000
Directors' emoluments	98	53
Compensation for loss of office	30	-
	<hr/> 128	<hr/> 53
	<hr/> <hr/>	<hr/> <hr/>

None of the directors who served during the period had any retirement benefits accruing

5. Staff numbers and costs

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

	Number of employees	
	2000	1999
Playing and coaching staff	53	51
Administration and other support staff	16	7
	<hr/> 69	<hr/> 58
	<hr/> <hr/>	<hr/> <hr/>

The aggregate payroll costs of these persons were as follows:

	Year ended 30 June 2000 £000	Period ended 30 June 1999 £000
Wages and salaries	2,681	1,422
Social security costs	234	116
Other pension costs	40	6
	<hr/> 2,955	<hr/> 1,544
	<hr/> <hr/>	<hr/> <hr/>

6. Interest payable and similar charges

	Year ended 30 June 2000 £000	Period ended 30 June 1999 £000
Finance charges	3	2
	<hr/> 3	<hr/> 2
	<hr/> <hr/>	<hr/> <hr/>

BRISTOL RUGBY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2000 (continued)

7. Interest receivable and similar income

	Year ended 30 June 2000 £000	Period ended 30 June 1999 £000
Interest receivable	2	-
	<hr/>	<hr/>
	2	-
	<hr/>	<hr/>

8. Taxation

No provision for corporation tax has been made due to the losses incurred in the year.

9. Tangible fixed assets

	Computer Equipment £000	Fixtures & Fittings £000	Motor Vehicles £000	Total £000
Cost at beginning of the year	10	3	-	13
Additions	20	13	-	33
Transfers from group companies	-	-	29	29
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	30	16	29	75
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation at beginning of the year	1	-	-	1
Charge for year	5	2	1	8
Transfers from group companies	-	-	7	7
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	6	2	8	16
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 30 June 2000	24	14	21	59
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 30 June 1999	9	3	-	12
	<hr/>	<hr/>	<hr/>	<hr/>

There are no assets held under finance leases or hire purchase agreements.

BRISTOL RUGBY LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2000 (continued)****10. Stocks**

	2000	1999
	£000	£000
Goods for resale	18	5

11. Debtors

	2000	1999
	£000	£000
Trade debtors	184	9
Amounts owed by group companies	-	9
Other debtors	242	637
Prepayments and accrued income	163	40
	589	695

Included within other debtors at 30 June 1999 was an amount of £601,000 advanced to London Scottish Rugby Club Limited. Of this balance, £401,000 has been written off in the year and £200,000 is still included in other debtors. This was received post year end.

12. Creditors: amounts falling due within one year

	2000	1999
	£000	£000
Bank loans and overdrafts	5,022	2,320
Trade creditors	191	149
Taxation and social security	74	51
Other creditors	32	6
Accruals and deferred income	745	24
	6,064	2,550

The company's bankers have granted overdraft facilities of £2,000,000 to companies within The Johnsons Group Limited group of companies which are secured by a fixed and floating charge on the assets of the companies in the group.

BRISTOL RUGBY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2000 (continued)

13. Provisions for liabilities and charges

No provision for deferred tax has been made as the directors are of the opinion that such timing differences are unlikely to crystallise in the foreseeable future. Had deferred taxation been provided for at 30% the following provision would have been required.

	2000 Unprovided £000	1999 Unprovided £000
Accelerated capital allowances	3	1

14. Called up share capital

	2000 £	1999 £
Allotted, called up and fully paid		
2 ordinary shares of £1 each	2	2
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000

15. Reserves

	Profit & Loss Account £000
Retained loss brought forward	(1,837)
Retained loss for the year taken to reserves	(3,449)
Retained loss carried forward	(5,286)

16. Commitments

- (a) At the balance sheet date the directors had neither authorised nor contracted for any capital expenditure.
- (b) Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings £000	Other £000	Total £000
Operating leases which expire:			
Within one year	-	12	12
In the second to fifth years inclusive	103	10	113
Over five years	-	-	-
	103	22	125

BRISTOL RUGBY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2000 (continued)

17. Pension scheme

The pension cost charge for the period represents contributions payable by the company to the fund and amounted to £39,866 (1999 £5,951) and the balance owing at the year end to the fund was £5,810 (1999 £1,756).

18. Contingent liabilities

The company is a member of a group registration for Value Added Tax and is jointly and severally liable for any debt due from other group companies.

The assets of the company are subject to a fixed and floating charge as security for the bank loan and overdraft facilities of The Johnsons Group Limited group of companies.

The group overdraft facility at 30 June 2000 granted by HSBC plc was £2,000,000 (1999 £7,000,000) and the amount utilised by the group was £904,397 (1999 £ 5,638,733).

The company is named in an unlimited multilateral cross guarantee required by the group's bankers.

19. Ultimate parent company

The company is a subsidiary undertaking of The Johnsons Group Limited incorporated in the United Kingdom and registered in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by The Johnsons Group Limited. The consolidated accounts of the company are available to the public and may be obtained from Companies House, Cardiff or the registered office at James Street West, Green Park, Bath BA1 2BU.

20. Related party transactions

G Dunford is a director of The Memorial Stadium Company Limited which manages the Memorial Stadium. The fees payable to The Memorial Stadium Company Limited, all of which were incurred on an arms length basis, were £194,023 (1999 £215,370) and the balance owing at the year end was £16,220 (1999 £24,787).