

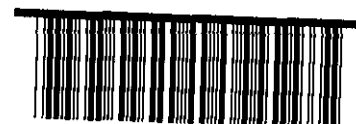
**BRISTOL ROVERS
(1883) LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2003

COMPANY NO. 4501223



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BRISTOL ROVERS (1883) LIMITED

FINANCIAL STATEMENTS

For the year ended 30 June 2003

Company registration number:

4501223

Registered office:

The Memorial Stadium
Filton Avenue
Horfield
Bristol
BS7 0BF

Chairman:

G M H Dunford

Other directors:

D H A Dunford
R Craig
B W Bradshaw
C Williams
K Spencer

Company Secretary:

A J Watola, ACA
(appointed 14 February 2003)

Bankers:

Barclays Bank plc

Solicitors:

TLT Solicitors

Auditors:

Grant Thornton
Registered auditors
Chartered accountants

BRISTOL ROVERS (1883) LIMITED

FINANCIAL STATEMENTS

For the year ended 30 June 2003

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BRISTOL ROVERS (1883) LIMITED

CHAIRMAN'S STATEMENT

Whilst it gives me pleasure to report on the first accounts of Bristol Rovers (1883) Limited, I am however saddened to witness another poor season of results on the field of play.

With the appointment of Ray Graydon as Manager and Director Of Football, his brief was to bring much needed stability to the club and rebuild for the future. Ray released 9 players and initially brought in 7, and following a record number of season ticket sales, expectations were high for a good campaign.

A poor start did not help our cause and the season slowly developed into another disappointing fight against relegation. It was only with the last minute signings of Ijah Anderson and in particular Andy Rammel, who scored some vital goals for us, that we were able to secure our Football League status during the first season in which two clubs were relegated to the Football Conference. We send our best wishes to our old rivals Shrewsbury and Exeter and wish them a speedy return to the Football League.

Yet again, it has been a difficult year to control finances, particularly when the team is not performing well, however, as always our fans have been very supportive with their attendance, and also by joining the new Supporters Club Shareholding Scheme, which funded the signing of Andy Rammel and was instrumental in helping the club maintain its league status. My Board would like to thank The Supporters Club so much for their wonderful support and for launching this valuable scheme, which in time will give you, our supporters, two main Board directors and a major say in the running of the football club.

As I reported last year, the demise of the transfer market has had a very marked impact on trading patterns. We have always been very successful in the trading of players to cover our losses in previous years and we are now dealing with the reality of trading within our means without having cash windfalls to balance the books. We are fortunate we still have money due to us from the transfers of Nathan Ellington and Bobby Zamora but I suspect it will be a rare occurrence that we will be able to rely on such funds in the future.

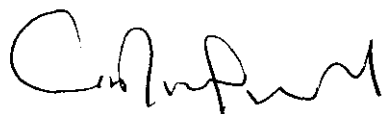
It is an ongoing process to make sure our supporters and shareholders are fully aware of the difficulty we face in trading within our means. We cannot gamble on success to the extent we did before the demise of the transfer market and it is important our annual accounts and cash flow position are fully understood by everyone and that you understand the financial limitations your Board operate under.

My Directors understand that most supporters are only interested in the results of the team, but we also have a stadium to finance and believe it is vitally important for the long term future of our football club that this asset is protected.

The accounts for the year show a disappointing result with a loss of £703,614. This was much worse than originally budgeted due, as I have mentioned above, to the need to preserve the Football League status of the club, which resulted in our playing squad being expanded to bring in much needed quality. This meant that with our lack of overdraft facilities the Directors injected loans to the value of over £400,000 in the year. The Board has instituted further reviews into all areas of the Club to further reduce day to day running costs and ensure as much of the Club's revenues are spent on the pitch not off it.

On a more positive note I would like to congratulate Bristol Rovers Ladies Team on their success in retaining their premiership status and also for yet again reaching the semi-finals of the Women's FA Cup. I would also like to report that we will be putting in a planning application next month to redevelop The Memorial Stadium, subject to funding from the Football Foundation.

Finally I would again like to thank my Board of Directors, for their help and support during another difficult year, and of course our superb supporters who have again been magnificent in their support of the team. Lastly I should like to thank our shareholders for their support during these difficult times, and we must all pull together to achieve a more successful future.



G M H Dunford

Chairman

23 March 2004

BRISTOL ROVERS (1883) LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 30 June 2003.

Principal activities

The principal activities of the group are that of a professional football league club and the operation of a sports stadium.

Business review

The company was incorporated on 1 August 2002.

The Chairman's statement includes a review of the development of the business during the year, its position at the year end and likely future developments.

There was a loss for the year after taxation and minority interests amounting to £703,614 (2002: £608,402). The directors do not recommend payment of a dividend and the loss has therefore been deducted from reserves.

Directors

The directors in office at the end of the year are set out below.

The interests of the directors and their families in the shares of the company as at 30 June 2003 were as follows:

	Ordinary 10p shares 2003
R Craig (appointed 14 February 2003)	225,080
D H A Dunford (appointed 14 February 2003)	50
G M H Dunford (appointed 14 February 2003)	228,090
G M H Dunford Trust	170,000
B W Bradshaw (appointed 14 February 2003)	251,580
C Williams (appointed 14 February 2003)	180,000
K Spencer (appointed 14 February 2003)	180,000

Directors' responsibilities for the financial statements

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 group and of the profit or loss of the group 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;
- 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 maintaining proper accounting records, for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BRISTOL ROVERS (1883) LIMITED

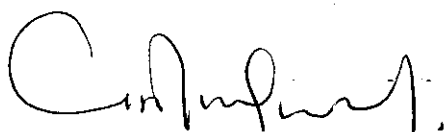
REPORT OF THE DIRECTORS

Continued

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'G M H Dunford', is written over a light blue grid background.

G M H Dunford
Chairman

23 March 2004

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BRISTOL ROVERS (1883) LIMITED**

We have audited the financial statements of Bristol Rovers (1883) Limited for the year ended 30 June 2003 which comprise the principal accounting policies, the consolidated profit and loss account, the balance sheets, the consolidated cash flow statement and notes 1 to 30. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

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 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the group has not kept proper accounting records, 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 group is not disclosed.

We read other information contained in the annual report, and consider whether it is consistent with the audited financial statements. This information comprises only the directors' report and the chairman's statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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 group's circumstances, consistently applied and adequately disclosed.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BRISTOL ROVERS (1883) LIMITED**

Basis of opinion (continued)

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.

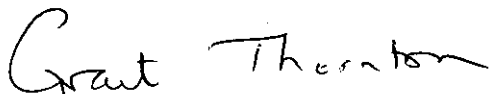
Fundamental uncertainty - going concern

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the basis of preparation.

The financial statements have been prepared under the going concern basis, the validity of which depends on the directors successfully implementing their plans to reduce costs and raise further funds from non-operating sources. The financial statements do not include any adjustments that would result from a failure to achieve these objectives. Details of the circumstances relating to this fundamental uncertainty are described in Note 1 to the financial statements. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state affairs of the company and the group as at 30 June 2003 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

BRISTOL

23 March 2004

BRISTOL ROVERS (1883) LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention (see note 1).

The principal accounting policies of the group are set out below and are unchanged from the previous year.

BASIS OF CONSOLIDATION

The group financial statements consolidate those of the company and of its subsidiary undertakings drawn up to 30 June 2003. Profits or losses on intra-group transactions are eliminated in full. On acquisition of a subsidiary, all of the subsidiary's assets and liabilities which exist at the date of acquisition are recorded at their fair value reflecting their condition at that date.

Goodwill on consolidation, representing the excess of the fair value of the consideration given over the fair values of the identifiable net assets acquired, is capitalised and is amortised on a straight line basis over its estimated useful economic life.

On 22 April 2003 Bristol Rovers (1883) Limited acquired the entire share capital of Bristol Rovers Football Club Limited by way of a share exchange. The transaction qualifies as a group reconstruction within the meaning of Financial Reporting Standard 6, and has been accounted for using the merger accounting method. Accordingly, the financial information for the current period and comparatives have been presented as if Bristol Rovers Football Club Limited had been owned by Bristol Rovers (1883) Limited throughout the current and prior periods.

TURNOVER

Turnover is the total amount receivable by the group for goods supplied and services provided, excluding VAT and trade discounts.

DEPRECIATION

Depreciation is calculated to write down the cost or valuation less the estimated residual value of all tangible fixed assets, other than freehold land and buildings, by equal annual instalments over their expected useful lives. The rates generally applicable are:

Motor vehicles	- 20% to 33%
Plant and machinery	- 10% to 20%
Computer equipment	- 33%
Freehold improvements	- 5% to 33%

No depreciation is provided on freehold properties as it is the group's policy to maintain these assets in a continual state of sound repair. The useful economic lives of these assets are thus so long and residual values so high that any depreciation would not be material. Residual values are based on prices prevailing at the date of acquisition or subsequent valuation. Provision is made in the profit and loss account for any permanent diminution in value.

INTANGIBLE FIXED ASSETS

The group capitalises as an intangible asset the element of a player's transfer fee which relates to his registration together with associated costs and amortises that element over the period of his contract including any subsequent agreed extensions. No provision is made for the value of players developed within the group.

STOCKS

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

DEFERRED TAXATION

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

LEASED ASSETS

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of the leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

EMPLOYEES' CONTRACTS

Provision is made for all liabilities in respect of employees' contracts signed before the balance sheet date.

GRANTS

Grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account by equal annual instalments over the expected useful lives of the relevant assets.

Grants of a revenue nature are credited to the profit and loss account in the same period as the related expenditure.

PRINCIPAL ACCOUNTING POLICIES

CONTRIBUTIONS TO PENSION SCHEME

Defined Contribution Scheme

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

BRISTOL ROVERS (1883) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 30 June 2003

	Note	2003 £	2002 £
Turnover	2	3,696,831	4,563,523
Operating expenditure	3	<u>(4,460,461)</u>	<u>(4,986,690)</u>
		(763,630)	(423,167)
Donations from support organisations		<u>46,410</u>	<u>61,536</u>
Operating loss before amortisation of players		(717,220)	(361,631)
Amortisation and impairment of players		<u>(32,191)</u>	<u>(598,339)</u>
Operating loss		(749,411)	(959,970)
Profit on sale of players		<u>260,000</u>	<u>577,030</u>
Loss on ordinary activities before interest		(489,411)	(382,940)
Net interest	4	<u>(102,531)</u>	<u>(115,712)</u>
Loss on ordinary activities before taxation	2	(591,942)	(498,652)
Tax on loss on ordinary activities	6	<u>-</u>	<u>5,000</u>
Loss on ordinary activities after taxation		(591,942)	(493,652)
Minority interests		<u>(111,672)</u>	<u>(114,750)</u>
Loss for the financial year	20	<u><u>(703,614)</u></u>	<u><u>(608,402)</u></u>

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

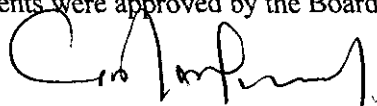
The accompanying accounting policies and notes form an integral part of these financial statements.

BRISTOL ROVERS (1883) LIMITED
CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2003

	Note	£	2003 £	2002 £
Fixed assets				
Intangible assets	8		93,512	29,453
Tangible assets	9		<u>2,865,298</u>	<u>2,889,307</u>
			2,958,810	2,918,760
Current assets				
Stocks	11	15,663		52,738
Debtors	12	1,258,628		697,320
Cash at bank and in hand	13	<u>385,383</u>		<u>741,594</u>
		1,659,674		1,491,652
Creditors: amounts falling due within one year	14	<u>(3,282,223)</u>		<u>(2,695,504)</u>
Net current liabilities			<u>(1,622,549)</u>	<u>(1,203,852)</u>
Total assets less current liabilities			1,336,261	1,714,908
Creditors: amounts falling due after more than one year	15		(1,309,748)	(1,135,561)
Provisions for liabilities and charges	17		-	(700)
			<u>26,513</u>	<u>578,647</u>
Capital and reserves				
Called up share capital	18		725,514	-
Share premium account	19		29,850	-
Profit and loss account	19		(1,700,425)	(946,811)
Capital reserve	19		<u>421,574</u>	<u>250,458</u>
Shareholders' funds	20		(523,487)	(696,353)
Minority interests				
- Non-equity			<u>550,000</u>	<u>1,275,000</u>
			<u>26,513</u>	<u>578,647</u>
Equity shareholders' funds			(1,108,587)	
Non-equity shareholders' funds			<u>585,100</u>	
			<u>(523,487)</u>	

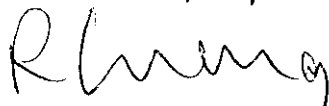
The financial statements were approved by the Board of Directors on 23 March 2004.

G M H Dunford



Director

R Craig



Director

The accompanying accounting policies and notes form an integral part of these financial statements.

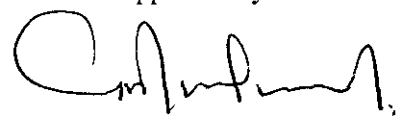
BRISTOL ROVERS (1883) LIMITED

BALANCE SHEET AT 30 JUNE 2003

	Note	£	2003 £	2002 £
Fixed assets				
Tangible assets	9		3,397,778	-
Investments	10		<u>725,364</u>	-
Current assets			<u>4,123,142</u>	-
Stocks	11	15,663		-
Debtors	12	549,590		-
Cash at bank and in hand	13	<u>9,040</u>		-
		574,293		-
Creditors: amounts falling due within one year	14	<u>(2,862,697)</u>		-
Net current liabilities			<u>(2,288,404)</u>	-
Total assets less current liabilities			<u>1,834,738</u>	-
Creditors: amounts falling due after more than one year	15		<u>(1,073,143)</u>	-
			<u><u>761,595</u></u>	-
Capital and reserves				
Called up share capital	18		725,514	-
Share premium account	19		29,850	-
Profit and loss account	19		<u>6,231</u>	-
Shareholders' funds			<u><u>761,595</u></u>	-

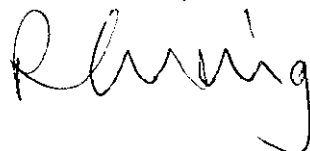
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G M H Dunford



Director

R Craig



Director

The accompanying accounting policies and notes form an integral part of these financial statements.

BRISTOL ROVERS (1883) LIMITED
CONSOLIDATED CASHFLOW STATEMENT

For the year ended 30 June 2003

			2003	2002
	Note	£	£	£
Net cash (outflow)/inflow from operating activities	21		(494,189)	281,669
Returns on investments and servicing of finance				
Interest received		3,532		2,586
Interest paid		(105,531)		(117,766)
Finance lease interest paid		(532)		(532)
Non-equity dividends to minority shareholders		(111,672)		(114,750)
Net cash outflow from returns on investments and servicing of finance			(214,203)	(230,462)
			(708,392)	51,207
Taxation				
UK corporation tax paid		-		(12,700)
			-	(12,700)
			(708,392)	38,507
Capital expenditure and financial investment				
Purchase of tangible fixed assets		(142,678)		(247,373)
Sale of tangible fixed assets		-		136,831
Purchase of players		(96,250)		(5,700)
Sale of players		260,000		682,650
Capital grants received		125,000		112,150
Net cash inflow from capital expenditure and financial investment			146,072	678,558
			(562,320)	717,065
Financing				
Issue of shares		201,480		172,588
Repurchase of preference shares		(50,000)		-
Repayment of borrowing		(213,974)		(142,768)
Receipts from borrowing		189,567		284,000
Capital element of finance lease rentals		(3,649)		(3,648)
Net cash inflow from financing			123,424	310,172
(Decrease)/increase in cash	22		(438,896)	1,027,237

The accompanying accounting policies and notes form an integral part of these financial statements.

BRISTOL ROVERS (1883) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2003

1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared on the going concern basis which assumes that the company and its subsidiaries will continue in operational existence for the foreseeable future.

During the year, the group incurred a loss after taxation and minority interests of £703,614. The profit attributable to the company was £21,818. At the balance sheet date the balance sheet of the subsidiary company, Bristol Rovers Football Club Limited, showed that current liabilities exceeded current assets by £1,494,106. The subsidiary has no bank overdraft facilities and further losses are indicated for the year ending 30 June 2004.

The directors continue to implement a series of measures to reduce costs and as in previous years, expect to realise further funds from non-operating sources. The directors consider that on this basis it is appropriate to prepare the financial statements on the going concern basis. The validity of the going concern assumption depends on the group's ability to reduce its cost base and realise such further funds. The financial statements do not include any adjustments that would result from a failure to achieve sufficient cost reductions and raise the necessary further funds.

2 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and loss before taxation are attributable to the running of a professional football league club and the operation of a sports stadium.

	2003 £	2002 £
Football receipts	1,598,287	1,785,091
Other receipts	2,098,544	2,778,432
	<u>3,696,831</u>	<u>4,563,523</u>

The loss on ordinary activities is stated after:

	2003 £	2002 £
Auditors' remuneration:		
Audit services	13,500	10,500
Depreciation and amortisation:		
Other intangible assets	32,191	449,802
Tangible fixed assets, owned	165,518	166,652
Tangible fixed assets, held under finance leases	-	4,054
Impairment of intangible assets	-	148,537
Operating lease rentals:		
Land and buildings	50,500	50,500
Other	16,858	3,173
Grants credited	<u>(86,322)</u>	<u>(97,994)</u>

BRISTOL ROVERS (1883) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Continued

For the year ended 30 June 2003

3 OPERATING EXPENDITURE

	2003 £	2002 £
Products purchased for resale	400,614	495,685
Players and staff costs	2,497,435	3,160,904
Match and ground expenses	1,272,443	1,084,916
Administrative expenses	289,969	245,185
	<u>4,460,461</u>	<u>4,986,690</u>

4 NET INTEREST

	2003 £	2002 £
On bank loans and overdrafts	105,531	117,766
Finance charges in respect of finance leases	532	532
	<u>106,063</u>	<u>118,298</u>
Other interest receivable and similar income	(3,532)	(2,586)
	<u>102,531</u>	<u>115,712</u>

5 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2003 £	2002 £
Wages and salaries	2,282,095	2,660,619
Social security costs	193,512	248,946
Other pension costs	56,720	28,026
	<u>2,532,327</u>	<u>2,937,591</u>

The average number of employees of the group during the year was as follows:

	2003 Number	2002 Number
Playing staff	35	28
Management and administration staff	36	38
Commercial staff	3	3
YTS training staff	24	22
Bar/catering staff	5	5
	<u>103</u>	<u>96</u>

The directors received no remuneration for their services in the year (2002: £nil).

For the year ended 30 June 2003

6 TAX ON LOSS ON ORDINARY ACTIVITIES

The tax (credit)/charge represents:

	2003 £	2002 £
Corporation tax @ 19% (2002: 20%)	-	-
Deferred tax	-	(5,000)
	<u>-</u>	<u>(5,000)</u>

Unrelieved tax losses of £1,853,000 (2002: £1,285,000) remain available to offset against future taxable trading profits.

Factors affecting the tax charge for the period.

	2003 £	2002 £
Loss on ordinary activities before tax	<u>(591,942)</u>	<u>(498,652)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax at 19% (2002: 20%)	(112,469)	(99,730)
Capital gains in excess of accounting profit	-	175
Expenses not deductible for tax purposes	4,648	13,100
Capital allowances for the period less than depreciation	20,895	16,685
Increase in tax losses	108,380	104,028
Additional deductions for tax purposes	<u>(21,454)</u>	<u>(34,258)</u>
Current tax charge for period	<u>-</u>	<u>-</u>

7 LOSS FOR THE FINANCIAL YEAR

The parent company has taken advantage of section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The group loss for the year includes a profit of £21,818 which is dealt with in the financial statements of the company.

For the year ended 30 June 2003

8 INTANGIBLE FIXED ASSETS

The group	Goodwill on consolidation £	Players £	Total £
Cost			
At 1 July 2002	38,069	703,000	741,069
Additions	-	96,250	96,250
Disposals	-	(698,000)	(698,000)
At 30 June 2003	38,069	101,250	139,319
Amortisation			
At 1 July 2002	38,069	673,547	711,616
Provided in the year	-	32,191	32,191
Disposals	-	(698,000)	(698,000)
At 30 June 2003	38,069	7,738	45,807
Net book amount at 30 June 2003	-	93,512	93,512
Net book amount at 30 June 2002	-	29,453	29,453

Goodwill on consolidation has been written off in the year of acquisition as, in the directors' opinion, this accurately reflects its useful economic life.

For the year ended 30 June 2003

9 TANGIBLE FIXED ASSETS**The group**

	Plant, equipment & motor vehicles £	Fixtures & fittings £	Freehold property and improvements £	Total £
Cost				
At 1 July 2002	643,605	4,645	2,720,884	3,369,134
Additions	3,960	-	138,718	142,678
Disposals	(4,677)	-	-	(4,677)
At 30 June 2003	642,888	4,645	2,859,602	3,507,135
Depreciation				
At 1 July 2002	414,962	2,450	62,415	479,827
Provided in the year	106,441	584	58,493	165,518
Eliminated on disposals	(3,508)	-	-	(3,508)
At 30 June 2003	517,895	3,034	120,908	641,837
Net book amount at 30 June 2003	124,993	1,611	2,738,694	2,865,298
Net book amount at 30 June 2002	228,643	2,195	2,658,469	2,889,307

For the year ended 30 June 2003

9 TANGIBLE FIXED ASSETS (CONTINUED)**The company**

	Plant and equipment £	Freehold properties £	Fixtures and fittings £	Total £
Cost				
At 1 July 2002	-	-	-	-
Additions	-	1,260	-	1,260
Acquired from subsidiary undertaking	451,620	3,298,958	4,645	3,755,223
At 30 June 2003	451,620	3,300,218	4,645	3,756,483
Depreciation				
At 1 July 2002	-	-	-	-
Provided in the year	15,275	48	-	15,323
Acquired from subsidiary undertaking	340,348	3,034	-	343,382
At 30 June 2003	355,623	3,082	-	358,705
Net book amount at 30 June 2003	<u>95,997</u>	<u>3,297,136</u>	<u>4,645</u>	<u>3,397,778</u>
Net book amount at 30 June 2002	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

BRISTOL ROVERS (1883) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Continued

For the year ended 30 June 2003

10 FIXED ASSET INVESTMENTS

	2003	The company
	£	2002
		£
Interests in subsidiary undertakings	<u>725,364</u>	<u>-</u>
Interests in subsidiary undertakings		
The company		
		Shares in subsidiary undertakings
		£
Cost		
At 1 July 2002		-
Additions		<u>725,364</u>
At 30 June 2003		<u>725,364</u>
Amounts written off		
At 1 July 2002		-
Provided in the year		<u>-</u>
At 30 June 2003		<u>-</u>
Net book amount at 30 June 2003		<u><u>725,364</u></u>
Net book amount at 30 June 2002		<u><u>-</u></u>

At 30 June 2003 the company held 20% or more of the equity of the following:

Subsidiary undertakings	Nature of business	Class of capital held	Proportion held
Bristol Rovers Football Club Limited	Professional football league club and the operation of a sports stadium	Ordinary shares	100%
The Memorial Stadium Company Limited	Sports stadium leasing & catering facilities provision (now dormant)	Ordinary shares	100%

The Memorial Stadium Company Limited's shares are held by Bristol Rovers Football Club Limited.

11 STOCKS

	2003	The group	2003	The company
	£	2002	£	2002
		£		£
Goods for resale	<u>15,663</u>	<u>52,738</u>	<u>15,663</u>	<u>-</u>

BRISTOL ROVERS (1883) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Continued

For the year ended 30 June 2003

12 DEBTORS	The group		The company	
	2003	2002	2003	2002
	£	£	£	£
Trade debtors	657,129	449,335	56,186	-
Other debtors	510,302	47,817	445,815	-
Prepayments and accrued income	91,197	200,168	47,589	-
	<u>1,258,628</u>	<u>697,320</u>	<u>549,590</u>	<u>-</u>
13 CASH AT BANK AND IN HAND	The group		The company	
	2003	2002	2003	2002
	£	£	£	£
Cash and bank	21,514	178,353	9,040	-
Capital improvement fund	363,869	563,241	-	-
	<u>385,383</u>	<u>741,594</u>	<u>9,040</u>	<u>-</u>

The capital improvement fund represents monies held by a subsidiary company which are grants that must be applied to stadium improvements, as designated under the planning consent granted by Bristol City Council in respect of the car park development on 18 January 1999.

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	The group		The company	
	2003	2002	2003	2002
	£	£	£	£
Bank loans and overdraft	512,078	804,579	174,942	-
Unsecured loans	310,937	97,188	189,567	-
Payments received in advance	502,547	552,995	-	-
Trade creditors	183,438	150,810	31,247	-
Social security and other taxes	680,582	226,109	7,018	-
Transfer fees payable	27,500	-	-	-
Amounts due to group undertakings	-	-	2,020,116	-
Loans from related parties	398,669	-	357,440	-
Other creditors	110,401	81,674	6,978	-
Accruals and deferred income	464,232	730,682	47,505	-
Other deferred income: grants	91,535	47,514	27,884	-
Amounts due under finance leases	304	3,953	-	-
	<u>3,282,223</u>	<u>2,695,504</u>	<u>2,862,697</u>	<u>-</u>

BRISTOL ROVERS (1883) LIMITED**NOTES TO THE FINANCIAL STATEMENTS***Continued*

For the year ended 30 June 2003

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

The bank loans and overdrafts of the group are secured by fixed and floating charges over the assets of the group and a fixed charge over the freehold property of the group.

Accruals and deferred income (group) includes £363,869 (2002: £563,241) relating to the capital improvement fund (see note 13).

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	The group		The company	
	2003	2002	2003	2002
	£	£	£	£
Bank loan	1,073,143	936,113	1,073,143	-
Transfer fees payable	42,500	-	-	-
Deferred income: grants	194,105	199,448	-	-
	<u>1,309,748</u>	<u>1,135,561</u>	<u>1,073,143</u>	<u>-</u>

The bank loan is secured by a fixed charge over the freehold property of the group. The bank loan is repayable in equal quarterly instalments and bears interest at a rate of 2.5% above LIBOR.

16 BORROWINGS

Borrowings are repayable as follows:

	The group		The company	
	2003	2002	2003	2002
	£	£	£	£
Within one year				
Bank and other borrowings	823,015	901,767	364,509	-
Finance leases	304	3,953	-	-
After one and within two years				
Bank and other borrowings	122,644	86,508	122,644	-
After two and within five years				
Bank and other borrowings	367,932	259,526	367,932	-
After five years				
Bank and other borrowings	582,567	590,079	582,567	-
	<u>1,896,462</u>	<u>1,841,833</u>	<u>1,437,652</u>	<u>-</u>

For the year ended 30 June 2003

17 PROVISION FOR LIABILITIES AND CHARGES**The group**

Deferred taxation is provided for in full using tax rates of 19% (2002: 20%).

	Amount provided		Amount unprovided	
	2003	2002	2003	2002
	£	£	£	£
Accelerated capital allowances	-	700	-	-

18 SHARE CAPITAL

	2003
	£
Authorised	
30,000,000 ordinary shares of 10p each	3,000,000
500,000 'A' preference shares of £1 each	500,000
500,000 'B' preference shares of £1 each	500,000
500,000 'C' preference shares of £1 each	500,000
	<u>4,500,000</u>
Allotted, called up and fully paid	
1,404,139 ordinary shares of 10p each	140,414
332,500 'A' preference shares of £1 each	332,500
41,000 'B' preference shares of £1 each	41,000
211,600 'C' preference shares of £1 each	211,600
	<u>725,514</u>

Allotments during the year

During the year the company issued 6,000 ordinary shares at a premium of £19.90 in exchange for 120,000 £1 preference shares in The Memorial Stadium Company Limited.

During the year the company issued 1,500 ordinary shares at a premium of £19.90.

On 22 April 2003 the company made a share for share exchange for 585,100 £1 preference shares in The Memorial Stadium Company Limited.

On 22 April 2003 the company made a share for share exchange for 1,396,639 10p ordinary shares in Bristol Rovers Football Club Limited.

BRISTOL ROVERS (1883) LIMITED**NOTES TO THE FINANCIAL STATEMENTS***Continued*

For the year ended 30 June 2003

18 SHARE CAPITAL (continued)**Preference shares**

A, B and C preference shares carry an entitlement to a fixed cumulative dividend at 3%, 2.5% and 2% above the base rate respectively. A, B and C preference shares may be redeemed on or after the 3rd, 2nd and 1st anniversaries of issue respectively. Holders of preference shares have no entitlement to vote. Preference shareholders have the right, on a winding-up, to receive repayment of capital in priority to ordinary shareholders.

19 SHARE PREMIUM ACCOUNT AND RESERVES

The group	Share premium account £	Capital reserve £	Profit and loss account £
At 1 July 2002	-	250,458	(946,811)
Retained loss for the year	-	-	(703,614)
Merger adjustment	-	1,716	-
Redemption of minority interest preference shares	-	50,000	(50,000)
Consolidation adjustment	-	119,400	-
Premium on allotment during the year	<u>29,850</u>	-	-
At 30 June 2003	<u>29,850</u>	<u>421,574</u>	<u>(1,700,425)</u>

The consolidation adjustment represents the difference between the nominal value of the shares issued to former ordinary and preference shareholders of subsidiary companies and the nominal value of their acquired shares. The balance of the capital reserve comprises the non-distributable reserves of its merged subsidiaries.

The company

	Share premium account £	Profit and loss account £
At 1 July 2002	-	-
Retained profit for the year	-	6,231
Premium on allotment during the year	<u>29,850</u>	-
At 30 June 2003	<u>29,850</u>	<u>6,231</u>

BRISTOL ROVERS (1883) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
Continued

For the year ended 30 June 2003

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
Loss for the financial year	(703,614)	(608,402)
Issue of shares	874,764	172,588
Merger adjustment	1,716	-
Shareholders' funds at 1 July 2002	<u>(696,353)</u>	<u>(260,539)</u>
Shareholders' funds at 30 June 2003	<u>(523,487)</u>	<u>(696,353)</u>

21 NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2003 £	2002 £
Operating loss	(749,411)	(959,970)
Depreciation charges	165,518	170,706
Loss on sale of tangible fixed assets	1,169	(42,691)
Amortisation of grants	(86,322)	(97,994)
Amortisation and impairment of players	32,191	598,339
Decrease in stock	37,075	12,699
(Increase)/decrease in debtors	(561,308)	656,761
Increase/(decrease) in creditors	666,899	(56,181)
Net cash (outflow)/inflow from operating activities	<u>(494,189)</u>	<u>281,669</u>

22 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2003 £	2002 £
(Decrease)/increase in cash in the year	(438,896)	1,027,237
Cash outflow from decrease in debt and lease financing	<u>28,056</u>	<u>(137,584)</u>
Movement in net debt in the year	(410,840)	889,653
Net debt at 1 July 2002	<u>(1,100,239)</u>	<u>(1,989,892)</u>
Net debt at 30 June 2003	<u>(1,511,079)</u>	<u>(1,100,239)</u>

23 ANALYSIS OF CHANGES IN NET DEBT

	At 1 July 2002 £	Cash flow £	At 30 June 2003 £
Cash at bank and in hand	741,594	(356,211)	385,383
Overdrafts	<u>(368,071)</u>	<u>(82,685)</u>	<u>(450,756)</u>
	373,523	(438,896)	(65,373)
Debt	(1,469,809)	24,407	(1,445,402)
Finance leases	<u>(3,953)</u>	<u>3,649</u>	<u>(304)</u>
Total	<u>(1,100,239)</u>	<u>(410,840)</u>	<u>(1,511,079)</u>

BRISTOL ROVERS (1883) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Continued

For the year ended 30 June 2003

24 ACQUISITION

The company acquired the trade and assets of The Memorial Stadium Company Limited on 22 April 2003.

The assets and liabilities acquired were: £

Tangible fixed assets	3,411,841
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Current assets:

Stocks	<u>22,707</u>
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Net assets	<u><u>3,434,548</u></u>
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Satisfied by:

Amounts due to group undertakings	<u><u>3,434,548</u></u>
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The net assets were acquired at fair value with no goodwill arising.

25 CAPITAL COMMITMENTS

The group and the company had no capital commitments at 30 June 2003 or 30 June 2002.

26 CONTINGENT ASSETS AND LIABILITIES

The group may receive, under transfer agreements, further amounts for players already sold dependent on whether these players are sold on again for a profit. No reliable estimate can be made on the likelihood of these players being transferred or their potential transfer values.

The group and the company have, under transfer agreements, a liability to pay additional sums dependent on players' attainment and any subsequent transfer value. No provision has been made in these accounts for such liabilities and no reliable estimates can be made of any subsequent transfer values.

27 PENSIONS

The group operates a defined contribution pension scheme for the benefit of employees. The assets of the scheme are administered by trustees in a fund independent from those of the group.

The group has in the past contributed to The Football League Limited Pension and Life Assurance Scheme, a defined contribution pension scheme operated on behalf of all league clubs.

BRISTOL ROVERS (1883) LIMITED**NOTES TO THE FINANCIAL STATEMENTS***Continued*

For the year ended 30 June 2003

28 LEASING COMMITMENTS

Operating lease payments amounting to £56,590 (2002: £53,673) are due within one year.
The leases to which these amounts relate expire as follows:

The group

	2003		2002	
	Land and buildings	Other £	Land and buildings	Other £
In one year or less	-	-	-	-
Between one and five years	-	19,090	13,000	3,173
In five years or more	37,500	-	37,500	-
	37,500	19,090	50,500	3,173

The company

	2003		2002	
	Land and buildings	Other £	Land and buildings	Other £
In one year or less	-	-	-	-
Between one and five years	-	6,662	-	-
In five years or more	37,500	-	-	-
	37,500	6,662	-	-

29 RELATED PARTIES AND TRANSACTIONS WITH DIRECTORS

Barrs Court Limited is the owner of The Beeches which is used to provide accommodation and training facilities to the football club, as well as providing conference facilities for meetings and other club related matters. Barrs Court Limited also charges the group for the use of staff who are employed by the group, when they act for the group in such matters as administration and accountancy services as well as other professional matters. Messrs G M H Dunford and D H A Dunford are directors of this company. During the year £40,011 (2002: £67,887) was charged to the group in respect of these services. At the year end the group owed a balance of £6,262 (2002: £nil) to Barrs Court Limited.

During the year sales of £1,676 (2002: £2,278) were made to Barrs Court Limited. At the year end there was a balance of £782 (2002: £290) outstanding.

BRISTOL ROVERS (1883) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2003

29 RELATED PARTIES AND TRANSACTIONS WITH DIRECTORS (continued)

During the year the group made purchases of £54,213 (2002: £20,760) from and sales of £nil (2002: £3,103) to Deltavon Limited, a company of which Messrs G M H Dunford and D H A Dunford are directors. At the year end the company owed a balance of £nil (2002: £16,300) to Deltavon Limited.

The group was loaned £398,669 (2002: £nil) by Deltavon Limited.

Bristol Rovers Football Club Limited has entered into a lease with BWB Properties Limited, of which Mr B W Bradshaw is a director. Rent of £11,594 (2002: £13,000) was charged in the year. There was an amount for £615 (2002: £nil) owing to the group at the year end.

The group made purchases during the year of £nil (2002: £50) and £113 (2002: £10,333) from Bradshaw Fine Foods Limited and Bradshaw Leisure Limited respectively. The group made sales of £151 (2002: £nil) to Bradshaw Leisure Limited. Mr B W Bradshaw is a director of both of these companies. There were no amounts outstanding at either year end.

During the year ended 30 June 2003 there were loans outstanding to directors. These loans are to accrue interest at a rate of 2% over base. The amount outstanding at the year end was £300,157 (2002: £97,188). This amount is disclosed within creditors at the year end.

During the year sales of £20,067 (2002: £3,727) were made to Roman Glass Limited, a company in which Mr C Williams is a director. An amount for £4,075 (2002: £nil) was outstanding at the year end.

During the year sales of £4,540 (2002: £3,727) were made to Timber Supplies Limited, a company in which Mr K Spencer is a director. An amount for £1,763 (2002: £nil) was outstanding at the year end.

30 CONTROLLING RELATED PARTIES

The directors consider that there is no single controlling related party.