

# Financial Statements

## Bristol Rovers (1883) Limited

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For the year ended 30 June 2018



Registered number: 04501223

## Company Information

<b>Directors</b>	W Al Qadi S C Hamer K A W Masters Brian Seymour-Smith (resigned 19 October 2017) M W Turner
<b>Company secretary</b>	Taylor Wessing Secretaries Limited
<b>Registered number</b>	04501223
<b>Registered office</b>	The Memorial Stadium Filton Avenue Horfield Bristol BS7 0BF
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 2 Glass Wharf Bristol BS2 0EL
<b>Bankers</b>	Bank of Scotland Plc Bank House Wine Street Bristol BS1 2AN
<b>Solicitors</b>	Taylor Wessing LLP 5 New St Square London EC4A 3TW

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## Chairman's Statement

For the year ended 30 June 2018

The chairman presents his statement for the period.

It gives me great pleasure to present my second Chairman's Report to the shareholders of Bristol Rovers (1883) Limited. This report covers the second year exclusively under the ownership of Dwane Sports Limited.

The following season syndrome in League one after a successful returning first season found the team enjoy moments of remarkable good form, a 0-6 away win at Northampton Town being one memorable result, however, inconsistency prevailed throughout the season and the Club never really reached the levels of even threatening the top 8 position finishing 3 places below the 2016/2017 season in 13<sup>th</sup> place seven points worse off than the previous season. The loss of Billy Bodin in the January 2018 window to Preston North End F C also did not help the cause as he had become something of a talisman for the team and his ability to score goals was sorely missed for the second half of the season. The playing surface at the Memorial Stadium was not what it should have been either due to some substandard work carried out during the 2017 summer by contractors who were engaged to remedy the pitch problems of the previous season. Sadly, the outcome of that work was a playing surface that was one of the poorest in the League. This certainly hindered the style of play manager Darrell Clarke always tried to introduce at home, 6 league matches were lost during the course of the season. As an overview it could be suggested that this past season might be considered to have been a holding season and that with 2 years' experience of the league the manager would recruit ahead of the next season with players that would improve the Club's league status and be more than well equipped to be successful playing in League one.

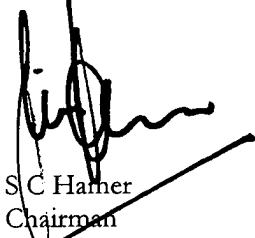
On a more positive note the Development Squad (U23's) under the stewardship of Chris Hargreaves and Brian Dutton won the Central League Southern Division. No Less than 12 players from the squad were involved on first team duty during the course of the season which was a great credit to the coaches and the investment made in running the team. This is certainly an exciting addition to the Club's portfolio and something that hopefully continues to bear fruit supporting the first team squad.

Over the past few years, the Academy has accomplished a great deal. We have shown the capacity to consistently support the development of players who have progressed to gain professional contracts at Bristol Rovers, with a number of the current Bristol Rovers first team squad having spent time within our Academy system. Furthermore, we have a history of developing players who have also gained international honours at various youth levels as well as players who have progressed to the highest levels of the domestic game.

Whilst we are immensely proud of our achievements, we remain ambitious and committed to achieving even more. We have an opportunity to build on these successes and further support the long term development of the academy in order to help us achieve our ambitious target to produce home-grown academy graduates that will one day make up the core of the future Bristol Rovers 1<sup>st</sup> team.

It is felt that this can be accomplished by the development of 4 core strategic areas:

- Sporting Excellence
- Talent Identification and Recruitment
- Sporting infrastructure
- Economic Management



S C Hamer  
Chairman

Date

23 May 2019

# Director's Report

For the year ended 30 June 2018

## **Directors' responsibilities statement**

The directors are responsible for preparing the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the group and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group and to 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Principal activity**

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

## **Business review**

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.

## **Financial instruments**

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 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 requirements for additional funding is managed by the directors on a needs basis.

## **Directors' Report (continued)**

**For the year ended 30 June 2018**

### **Results and dividends**

The consolidated loss for the year, after taxation, amounted to £3,261,865 (2017: loss £3,046,563).

### **Going concern**

In assessing the appropriateness of the going concern assumption the directors have prepared a detailed cash flow forecast covering a period of 2018/19 and 2019/20 football seasons and have considered reasonably foreseeable material uncertainties in relation to income and costs.

The forecast has been prepared on the basis that the Club remains in League 1 and indicate, based on reliably expected working capital forecasts and expectations for availability of future external finance as required from time to time, the Club can meet its liabilities as they fall due.

The Club relies on the continued support of the Al Qadi family, through the ultimate holding company Dwane Sports Limited, for its day to day funding and funds its working capital requirements through a facility provided by Dwane Sports Limited that is repayable only at such time the Club is in a position to repay the outstanding loans.

Mr H Al Qadi has confirmed his intention to maintain this support for a period of at least 12 months from the signing of these accounts.

### **Directors**

The directors who served during the year were:

W Al Qadi  
S C Hamer  
K A W Masters  
B Seymour-Smith (resigned 19 October 2017)  
M W Turner

### **Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

### **Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

  
S C Hamer  
Director

Date:

23 May 2019

# Independent Auditor's Report to the Members of Bristol Rovers (1883) Limited

## Opinion

We have audited the financial statements of Bristol Rovers (1883) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2018, which the Consolidated Statement of comprehensive income, Consolidated Statement of financial position, Company Statement of comprehensive income, Company Statement of financial position, Consolidated Statement of changes in equity, Company 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 of the parent company's affairs as at 30 June 2018 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# Independent Auditor's Report to the Members of Bristol Rovers (1883) Limited (continued)

## **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Chairman's statement and Directors' report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Opinion on other matters 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 the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by the Companies Act 2006**

In the light of the 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.

## **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which 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.





## Independent Auditor's Report to the Members of Bristol Rovers (1883) Limited (continued)

### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement, 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.

### **Auditors' 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 based on these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The 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.

Timothy Lincoln BA ACA  
Senior Statutory Auditor  
for and on behalf of  
Grant Thornton UK LLP  
Chartered Accountants  
Statutory Auditor  
Bristol

23 May 2019

# Consolidated Statement of Comprehensive Income

For the year ended 30 June 2018

	Note	2018 £	2017 £
Turnover	4	5,815,958	6,226,859
Operating expenditure	5	(8,968,183)	(9,233,692)
<b>Gross loss</b>		<b>(3,152,225)</b>	<b>(3,006,833)</b>
Donation from support organisations	6	90,177	51,501
Amortisation of players	15	(346,957)	(97,122)
<b>Operating loss</b>	7	<b>(3,409,005)</b>	<b>(3,052,454)</b>
Net compensation for loss of youth players	6	15,000	-
Profit on sale of players	6	580,004	327,218
<b>Loss on ordinary activities before interest</b>		<b>(2,814,001)</b>	<b>(2,725,236)</b>
Interest receivable and similar income	11	-	-
Interest payable and expenses	12	(454,621)	(321,327)
<b>Loss on ordinary activities before taxation</b>		<b>(3,268,622)</b>	<b>(3,046,563)</b>
Tax on loss	13	6,757	-
<b>Loss for the financial year</b>		<b><u>(3,261,865)</u></b>	<b><u>(3,046,563)</u></b>
<b>Loss for the year attributable to:</b>			
Owners of the parent company		<b><u>(3,261,865)</u></b>	<b><u>(3,046,563)</u></b>
		<b><u>(3,261,865)</u></b>	<b><u>(3,046,563)</u></b>

There were no recognised gains and losses for 2018 or 2017 other than those included in the Statement of Comprehensive Income.

There was no other comprehensive income for 2018 (2017: £Nil).

The notes on pages 14 to 36 form part of these financial statements.

**Bristol Rovers (1883) Limited****Consolidated Statement of Financial Position**

As at 30 June 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	15	556,051	296,755
Tangible assets	16	2,579,271	2,496,160
		<b>3,135,322</b>	<b>2,792,915</b>
<b>Current assets</b>			
Stocks	20	131,728	66,316
Debtors: amounts falling due within one year	21	707,032	601,465
Cash at bank and in hand	22	384,394	9,360
		<b>1,223,154</b>	<b>677,141</b>
Creditors: amounts falling due within one year	23	(17,403,619)	(13,314,745)
<b>Net current liabilities</b>		<b>(16,180,465)</b>	<b>(12,637,604)</b>
<b>Total assets less current liabilities</b>		<b>(13,045,143)</b>	<b>(9,844,689)</b>
Creditors: amounts falling due after more than one year	24	(60,990)	(25,979)
<b>Provisions for liabilities</b>			
<b>Net liabilities</b>		<b>(13,106,133)</b>	<b>(9,870,668)</b>
<b>Capital and reserves</b>			
Called up share capital	28	819,777	818,817
Share premium account	29	4,830,762	4,805,322
Capital redemption reserve	29	1,193,574	1,193,574
Profit and loss account	29	(19,950,246)	(16,688,381)
<b>Equity attributable to owners of the parent company</b>		<b>(13,106,133)</b>	<b>(9,870,668)</b>

The company's financial statements have been prepared in accordance with the provisions applicable to company's subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**S C Hamer**  
Director

Date:

23 May 2019

The notes on pages 14 to 36 form part of these financial statements.

**Bristol Rovers (1883) Limited****Company Statement of Financial Position****As at 30 June 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	16	30,034	39,956
Investments	17	725,462	725,462
Investment property	19	11,100,000	11,100,000
		<u>11,855,496</u>	<u>11,865,418</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	21	11,309,482	7,598,085
Cash at bank and in hand	22	5,313	15
		<u>11,314,795</u>	<u>7,598,100</u>
Creditors: amounts falling due within one year	23	(15,742,715)	(11,389,092)
<b>Net current liabilities</b>		<u>(4,427,920)</u>	<u>(3,790,992)</u>
<b>Total assets less current liabilities</b>		<u>7,427,576</u>	<u>8,074,426</u>
Creditors: amounts falling due after more than one year	24	(9,666)	(25,979)
Deferred taxation	27	(207,512)	(214,269)
<b>Net assets</b>		<u><u>7,210,398</u></u>	<u><u>7,834,178</u></u>
<b>Capital and reserves</b>			
Called up share capital	28	819,777	818,817
Share premium account	29	4,830,762	4,805,322
Capital redemption reserve	29	372,000	372,000
Profit and loss account brought forward		1,838,039	3,280,517
Loss for the year		(650,180)	(1,442,478)
<b>Profit and loss account carried forward</b>		<u><u>1,187,859</u></u>	<u><u>1,838,039</u></u>
		<u><u>7,210,398</u></u>	<u><u>7,834,178</u></u>

The financial statements were approved and authorised for issue by the board on 5<sup>th</sup> March 2019 and were signed on its behalf by:

S C Hamer  
Director

Date:

23 May 2019

The notes on pages 14 to 36 form part of these financial statements.

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## Consolidated Statement of Changes in Equity

For the year ended 30 June 2018

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 July 2017	818,817	4,805,322	1,193,574	(16,688,381)	(9,870,668)
Loss for the year	-	-	-	(3,261,865)	(3,261,865)
<b>Total comprehensive income for the year</b>	-	-	-	(19,950,246)	(13,132,533)
Shares issued during the year	960	25,440	-	-	26,400
<b>Total transactions with owners</b>	960	25,440	-	-	26,400
<b>At 30 June 2018</b>	<b>819,777</b>	<b>4,830,762</b>	<b>1,193,574</b>	<b>(19,950,246)</b>	<b>(13,106,133)</b>

## Consolidated Statement of Changes in Equity

For the year ended 30 June 2016

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 July 2016	818,065	4,785,394	1,193,574	(13,641,818)	(6,844,785)
Loss for the year	-	-	-	(3,046,563)	(3,046,563)
<b>Total comprehensive income for the year</b>	-	-	-	(16,688,381)	(9,891,348)
Shares issued during the year	752	19,928	-	-	20,680
Redemption of preference shares	-	-	-	-	-
<b>Total transactions with owners</b>	752	19,928	-	-	20,680
<b>At 30 June 2017</b>	<b>818,817</b>	<b>4,805,322</b>	<b>1,193,574</b>	<b>(16,688,381)</b>	<b>(9,870,668)</b>

The notes on pages 14 to 36 form part of these financial statements.

## Company Statement of Changes in Equity

For the year ended 30 June 2018

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 July 2017	818,817	4,805,322	372,000	1,838,039	7,834,178
Loss for the year	-	-	-	(650,180)	(650,180)
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,187,859</u>	<u>7,183,998</u>
Shares issued during the year	960	25,440	-	-	26,400
<b>Total transactions with owners</b>	<u>960</u>	<u>25,440</u>	<u>-</u>	<u>-</u>	<u>26,400</u>
<b>At 30 June 2018</b>	<u><u>819,777</u></u>	<u><u>4,830,762</u></u>	<u><u>372,000</u></u>	<u><u>1,187,859</u></u>	<u><u>7,210,398</u></u>

## Company Statement of Changes in Equity

For the year ended 30 June 2017

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 July 2016	818,065	4,785,394	372,000	3,280,517	9,255,976
Loss for the year	-	-	-	(1,442,478)	(1,442,478)
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,838,039</u>	<u>7,813,498</u>
Shares issued during the year	752	19,928	-	-	20,680
<b>Total transactions with owners</b>	<u>752</u>	<u>19,928</u>	<u>-</u>	<u>-</u>	<u>20,680</u>
<b>At 30 June 2017</b>	<u><u>818,817</u></u>	<u><u>4,805,322</u></u>	<u><u>372,000</u></u>	<u><u>1,838,039</u></u>	<u><u>7,834,178</u></u>

The notes on pages 14 to 36 form part of these financial statements.

# Consolidated Statement of Cash Flows

For the year ended 30 June 2018

	2018 £	2017 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(3,261,865)	(3,046,563)
<b>Adjustments for:</b>		
Amortisation of intangible assets	346,957	97,122
Depreciation of tangible assets	97,583	83,903
Impairments of fixed assets	-	885,991
Amortisation of grants	(1,448)	(32,770)
Interest expense	454,652	321,327
Interest received	(31)	-
(Increase)/decrease in stocks	(65,412)	(13,874)
(Increase) in debtors	(105,567)	(239,962)
(Decrease)/Increase in creditors	4,263,224	997,810
Loss on disposal of tangible assets	-	30,333
Profit on sale of players	(595,004)	(327,218)
<b>Net cash generated from operating activities</b>	<b>1,133,089</b>	<b>(1,243,901)</b>
<b>Cash flows from investing activities</b>		
Purchase of Players	(606,253)	(363,423)
Sale of Players	595,004	332,017
Purchase of tangible fixed assets	(180,694)	(202,751)
Sale of tangible fixed assets	-	-
<b>Net cash from investing activities</b>	<b>(191,943)</b>	<b>(234,157)</b>

## Consolidated Statement of Cash Flows (continued)

For the year ended 30 June 2018

	2018 £	2017 £
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	26,400	20,680
Repayment of loans	-	-
Interest expense	(454,621)	(321,327)
Loan advance	-	1,397,014
<b>Net cash used in financing activities</b>	<b>(428,221)</b>	<b>1,096,367</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>512,925</b>	<b>(381,691)</b>
Cash and cash equivalents at beginning of year	(168,098)	213,593
<b>Cash and cash equivalents at the end of year</b>	<b><u>344,827</u></b>	<b><u>(168,098)</u></b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	384,394	9,360
Bank overdrafts	(39,567)	(177,458)
	<b><u>344,827</u></b>	<b><u>(168,098)</u></b>



# Notes to the Financial Statements

For the year ended 30 June 2018

## **1. General information**

Bristol Rovers (1883) Limited is a company limited by shares incorporated in England and Wales. The company's registered office is The Memorial Stadium, Filton Avenue, Horfield, Bristol, BS7 0BF.

## **2. Accounting policies**

### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Board Elected on 5<sup>th</sup> March 2019 to adopt the amendments to FRS 102 early.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies (see note 3).

The following principal accounting policies have been applied:

### **2.2 Basis of consolidation**

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

### **2.3 Going concern**

The Consolidated Statement of Financial Position discloses net liabilities of £13,106,133 (2017: £9,870,668). Notwithstanding the net liabilities, the financial statements have been prepared on the going concern basis which assumes the company will continue in operational existence for the foreseeable future. The company relies on the continued support of the Al Qadi family for its day to day funding and funds its working capital requirements through a facility provided by Dwane Sports Limited, a company owned by the Al Qadi family, that is not repayable within 12 months from these accounts. Subsequent to the year end this has extended to a £17.5 million facility of which £13 million was drawn down by year end.

Mr H Al Qadi has confirmed his intention to maintain support for a period of at least twelve months from the signing of these accounts.

On the basis above the directors consider it appropriate to prepare the financial statements on a going concern basis.

# Notes to the Financial Statements

For the year ended 30 June 2018

## **2. Accounting policies (continued)**

### **2.4 Turnover**

Turnover is the total amount receivable by the group for goods supplied and services provided, excluding VAT and trade discounts. Gate, season tickets and other matchday revenue is recognised over the period of the football season as matches are played. Sponsorship and similar commercial income is recognised over the duration of the respective contracts. The fixed element of the broadcasting revenues is recognised over the duration of the football season, whilst facility fees for live coverage or highlights are taken when earned. Payments received from the Football League are recognised over the period of the football season to which payments relate.

### **2.5 Intangible 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. No provision is made for the value of the players developed within the group.

### **2.6 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- Indefinite
Plant and machinery	- 5% to 20%
Motor vehicles	- 20% to 33%
Computer equipment	- 33%
Assets under construction	- Depreciated once available for use

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

# Notes to the Financial Statements

For the year ended 30 June 2018

## **2. Accounting policies (continued)**

### **2.7 Impairment of fixed assets and goodwill**

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

### **2.8 Investment property**

Investment property is carried at fair deemed cost determined by an external valuer in 2017. No depreciation is provided.

The above policy is only applicable to Bristol Rovers (1883) Limited company only accounts.

### **2.9 Stocks**

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

### **2.10 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

### **2.11 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

# Notes to the Financial Statements

For the year ended 30 June 2018

## **2. Accounting policies (continued)**

### **2.12 Financial instruments**

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are off set and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### **2.13 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

# Notes to the Financial Statements

For the year ended 30 June 2018

## **2. Accounting policies (continued)**

### **2.14 Employees' Contracts**

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

### **2.15 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Consolidated Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

### **2.16 Finance costs**

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

### **2.17 Operating leases: the group as lessee**

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 July 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

### **2.18 Pensions**

#### **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.

### **2.19 Interest income**

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

### **2.20 Borrowing costs**

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

# Notes to the Financial Statements

For the year ended 30 June 2018

## **2. Accounting policies (continued)**

### **2.21 Taxation**

Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated based on tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

### **2.22 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the group but are presented separately due to their size or incidence.

# Notes to the Financial Statements

For the year ended 30 June 2018

## **3. Judgements in applying accounting policies and key sources of estimation uncertainty**

The preparation of financial statements requires management to make estimates and judgements that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the reported period. The estimates and associated judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources.

Adjustments to accounting estimates are recognised in the period in which the estimate is revised if the change affects only that period or in the period of the revision and subsequent periods if both periods are affected.

The following are management judgements in applying the accounting policies of the group that have the most significant effect on the financial statements.

### **Impairment of non-financial assets and goodwill**

In assessing impairment, management estimates the recoverable amount of each asset based on expected future cash flows and uses an interest rate to discount them. Scenario analysis is also performed, whereby the discount rate is made larger through using a smaller growth rate, hence, a worst-case scenario value in use can be determined. The worst-case scenario is used for assessing the indication of asset impairment. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate

### **Useful lives of depreciable assets**

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain tangible assets.

### **Fair value measurement**

Management uses valuation techniques to determine the fair value of financial instruments. Management bases its assumptions on observable data. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. The estimates and underlying judgements 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.

### **Valuation of investment properties**

Investment properties are carried at fair value through the company's profit or loss. This requires an estimation of the fair value of the investment property annually. Management use valuation experts to determine the fair value of the assets based on a depreciated replacement cost model with regards to residual value.

# Notes to the Financial Statements

For the year ended 30 June 2018

## 4. Turnover

An analysis of turnover by class of business is as follows:

	2018 £	2017 £
Football receipts	3,498,684	3,977,366
Other receipts	2,317,274	2,249,493
	<u>5,815,958</u>	<u>6,226,859</u>

All turnover arose within the United Kingdom.

## 5. Operating expenditure

	2018 £	2017 £
Players and staff costs	5,630,209	5,047,138
Match and ground expenses	1,865,303	1,516,358
Administrative expenses	846,874	1,176,007
Products purchased for resale	625,797	577,865
Exceptional cost - Impairment of tangible fixed assets	-	916,324
	<u>8,968,183</u>	<u>9,233,692</u>

## 6. Other operating income

	2018 £	2017 £
Donations from support organisations	90,177	51,501
Profit on sale of players	580,004	327,218
Net compensation for loss of youth players	<u>15,000</u>	<u>-</u>



# Notes to the Financial Statements

For the year ended 30 June 2018

## 7. Operating loss

The operating loss is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	97,583	83,903
Impairment of tangible fixed assets	-	916,324
Amortisation of intangible assets	346,957	97,122
Operating lease rentals: Land and Buildings	94,525	84,140
Other operating lease rentals	73,418	65,513
Grants credited	<u>(1,448)</u>	<u>(32,770)</u>

## 8. Auditor's remuneration

	2018 £	2017 £
Fees payable to the group's auditor and its associates for the audit of the group's annual financial statements	<u>32,350</u>	<u>39,100</u>

### Fees payable to the group's auditor and its associates in respect of:

Audit-related assurance services	19,000	27,800
Taxation compliance services	9,700	7,500
Non-audit services	3,650	3,800
	<u>32,350</u>	<u>39,100</u>

# Notes to the Financial Statements

For the year ended 30 June 2018

## 9. Employees

Staff costs, including directors' remuneration, were as follows:

	2018 £	2017 £
Wages and salaries	5,140,735	4,619,926
Social security costs	471,122	407,852
Cost of defined contribution scheme	18,352	19,360
	<u>5,630,209</u>	<u>5,047,138</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 No.
Playing staff	42	45
Management and administration staff	24	30
Commercial staff	13	9
Academy	53	31
Bar/catering staff	48	53
Matchday Stewards	-	59
	<u>180</u>	<u>227</u>

## 10. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	74,094	71,627
Company contributions to defined contribution pension schemes	495	436
	<u>74,589</u>	<u>72,063</u>

# Notes to the Financial Statements

For the year ended 30 June 2018

## 11. Interest receivable

	2018 £	2017 £
Redemption of finance charge on shares classified as financial liabilities	-	-
Interest waived on loans and bonds	-	-
	<u>-</u>	<u>-</u>

## 12. Interest payable and similar charges

	2018 £	2017 £
Loan interest payable	444,755	311,139
Finance charge on shares classified as financial liabilities	9,550	-
Hire purchase interest payable	316	10,188
	<u>454,621</u>	<u>321,327</u>

## 13. Taxation

	2018 £	2017 £
Current tax on profits for the year	-	-
<b>Total current tax</b>	<u>-</u>	<u>-</u>
Origination and reversal of timing differences	-	-
<b>Total deferred tax</b>	<u>-</u>	<u>-</u>
<b>Taxation on profit on ordinary activities</b>	<u>-</u>	<u>-</u>

Unrelieved tax losses of £8,400,165 (2017: £8,400,165) remain available to offset against future taxable trading profits. Deferred tax assets unrecognised amounted to £1,457,311 (2017: £1,457,311).

# Notes to the Financial Statements

For the year ended 30 June 2018

## 13. Taxation (continued)

### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017: the same as) the standard rate of corporation tax in the UK of 19% (2017:19%). The differences are explained below:

	2018 £	2017 £
Loss on ordinary activities before tax	<u>(3,261,865)</u>	<u>(3,046,563)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation on tax in the UK of 19% (2017: 19.75%)	(621,038)	(600,479)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	7,153	17,113
Depreciation in excess of capital allowances	5,987	417,494
Adjust opening deferred tax to average rate	(150,775)	(127,992)
Adjust closing deferred tax to average rate	214,763	235,800
Non-taxable income	-	-
Capital gains/(losses)	-	(83,274)
Deferred tax not recognised	537,153	141,338
<b>Total tax charge for the year</b>	<u><b>(6,757)</b></u>	<u><b>-</b></u>

## 14. Parent company loss for the year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent company for the year was £650,180 (2017: loss £1,442,478).

# Notes to the Financial Statements

For the year ended 30 June 2018

## 15. Intangible assets

### Group and Company

	Players £	Goodwill £	Total £
<b>Cost</b>			
At 1 July 2017	411,253	38,069	449,322
Additions	606,253	-	606,253
Disposals	(61,120)	-	(61,120)
At 30 June 2018	<u>956,386</u>	<u>38,069</u>	<u>994,455</u>
<b>Amortisation</b>			
At 1 July 2017	114,498	38,069	152,567
Charge for the year	346,957	-	346,957
On disposals	(61,120)	-	(61,120)
At 30 June 2018	<u>400,335</u>	<u>38,069</u>	<u>438,404</u>
<b>Net book value</b>			
At 30 June 2018	<u>556,051</u>	<u>-</u>	<u>556,051</u>
At 30 June 2017	<u>296,755</u>	<u>-</u>	<u>296,755</u>

# Notes to the Financial Statements

For the year ended 30 June 2018

## 16. Tangible fixed assets

Group

	Plant, equipment & motor vehicles £	Freehold property and improvements £	Assets under construction £	Total £
<b>Cost or valuation</b>				
At 1 July 2017	765,433	2,927,386	3,224,562	6,917,381
Additions	76,575	104,119	-	180,694
Disposals	(28,000)	-	-	(28,000)
At 30 June 2018	<u>814,008</u>	<u>3,031,505</u>	<u>3,224,562</u>	<u>7,070,075</u>

### Depreciation

At 1 July 2017	676,955	519,704	3,224,562	4,421,221
Charge for the year on owned assets	31,406	66,177	-	97,583
Impairment charge	(28,000)	-	-	(28,000)
At 30 June 2018	<u>680,361</u>	<u>585,881</u>	<u>3,224,562</u>	<u>4,490,804</u>

### Net book value

At 30 June 2018	<u>133,647</u>	<u>2,445,624</u>	<u>-</u>	<u>2,579,271</u>
At 30 June 2017	<u>88,478</u>	<u>2,407,682</u>	<u>-</u>	<u>2,496,160</u>

The net book value of plant and machinery held under Hire Purchase is £30,033 (2017: £38,415).

# Notes to the Financial Statements

For the year ended 30 June 2018

## 16. Tangible fixed assets (continued)

### Company

	Plant and machinery £	Assets under construction £	Total £
<b>Cost or valuation</b>			
At 1 July 2017	517,905	3,224,562	3,742,467
Additions			
Disposals	-		
At 30 June 2018	517,905	3,224,562	3,742,467
<b>Depreciation</b>			
At 1 July 2017	477,949	3,224,562	3,702,511
Charge for the year on owned assets	9,923	-	9,923
Impairment charge	-		
At 30 June 2018	487,872	3,224,562	3,712,434
<b>Net book value</b>			
At 30 June 2018	30,033	-	30,033
At 30 June 2017	39,956	-	39,956

The net book value of plant and machinery held under Hire Purchase is £30,033 (2017: £38,415).

# Notes to the Financial Statements

For the year ended 30 June 2018

## 17. Fixed asset investments

Company

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 July 2017	725,462
At 30 June 2018	<u>725,462</u>
<b>Net book value</b>	
At 30 June 2018	<u><u>725,462</u></u>
At 30 June 2017	<u><u>725,462</u></u>

## 18. Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Bristol Rovers Football Club Limited	Ordinary	% 100	Professional Football league club and the operation of a sports stadium
The Memorial Stadium Company Limited	Ordinary	% 100	Sports Stadium leasing & catering facilities provision (dormant)
Filton Avenue Guarantee Company Limited	Ordinary	% 100	Stadium development (dormant)
Filton Avenue Developments Limited	Ordinary	% 100	Stadium development (dormant)
The Memorial Stadium Development Company Limited	Ordinary	% 100	Stadium development (dormant)

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



# Notes to the Financial Statements

For the year ended 30 June 2018

## 19. Investment property

### Group

Investment property is used by Bristol Rovers Football Club Limited and therefore is reclassified to tangible fixed assets on consolidation.

If the Investment property had been accounted for under the historic cost accounting rules, the properties would have been measured at £3,101,131. This consists of land and buildings that are fully depreciated.

### Company

**Freehold  
investment  
property  
£**

### Valuation

At 1 July 2017

**11,100,000**

**At 30 June 2018**

**11,100,000**

The property is held at deemed cost under FRS 102 amendment under the valuation performed by Jones Lang LaSalle on 23 March 2017. The fair valuation was based on the depreciated replacement cost model with regards to residual value in line with FRS 102.

## 20. Stocks

	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Company 2018 £</b>	<b>Company 2017 £</b>
Finished goods and goods for resale	<u>131,728</u>	<u>66,316</u>	<u>-</u>	<u>-</u>

## 21. Debtors

	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Company 2018 £</b>	<b>Company 2017 £</b>
Trade debtors	47,550	90,700	-	-
Amounts owed by group undertakings	-	-	11,178,968	7,468,296
Other debtors	358,385	249,794	7,690	5,982
Prepayments and accrued income	301,097	260,971	122,824	123,807
	<u>707,032</u>	<u>601,465</u>	<u>11,309,482</u>	<u>7,598,085</u>

# Notes to the Financial Statements

For the year ended 30 June 2018

## 22. Cash and cash equivalents

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Cash at bank and in hand	384,394	9,360	5,313	15
Less: bank overdrafts	(39,567)	(177,458)	-	-
	<u>344,827</u>	<u>(168,098)</u>	<u>5,313</u>	<u>15</u>

## 23. Creditors: Amounts falling due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Bank overdrafts	39,567	177,458	-	-
Payments received on account	1,267,529	1,374,128	-	-
Trade creditors	400,348	355,441	74,822	98,145
Amounts owed to group undertakings	13,228,663	8,573,251	13,895,475	9,240,063
Other taxation and social security	184,826	201,117	-	-
Obligations under finance lease and hire purchase contracts	16,313	16,313	16,313	16,313
Other creditors	565,421	1,275,519	207,804	930,717
Accruals and deferred income	1,364,452	1,003,570	1,211,801	767,354
Other deferred income: grant	-	1,448	-	-
Share capital treated as debt	336,500	336,500	336,500	336,500
	<u>17,403,619</u>	<u>13,314,745</u>	<u>15,742,715</u>	<u>11,389,092</u>

The amounts owed to group undertakings represents a loan between Bristol Rovers (1883) Limited and the ultimate parent Dwane Sports Limited. The facility is secured over the Memorial Stadium.

# Notes to the Financial Statements

For the year ended 30 June 2018

## 24. Creditors: Amounts falling due after more than one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Net obligations under finance leases and hire purchase contracts	9,666	25,979	9,666	25,979
Players Agents Fees due	51,324	-	-	-
	<u>60,990</u>	<u>25,979</u>	<u>9,666</u>	<u>25,979</u>

## 25. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2018 £
In one year or less	113,484
Between two and five years	58,317
	<u>171,801</u>

## 26. Financial instruments

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	384,394	9,360	5,313	15
Financial assets measured at amortised cost	405,935	340,494	11,186,658	7,474,278
	<u>790,329</u>	<u>349,854</u>	<u>11,191,971</u>	<u>7,474,293</u>

### Financial liabilities

Financial liabilities measured at amortised cost	<u>(14,294,989)</u>	<u>(11,747,718)</u>	<u>(14,187,767)</u>	<u>(10,294,904)</u>
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Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets measured at amortised cost comprise trade debtors, other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, accruals and deferred income, shares classified as financial liabilities and other creditors.

# Notes to the Financial Statements

For the year ended 30 June 2018

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## 27. Deferred taxation

### Group

The group does not recognise any deferred taxation.

### Company

	2018 £
At beginning of year	(214,269)
Charged to profit or loss	6,757
<b>At end of year</b>	<b><u>(207,512)</u></b>

Deferred taxation relates to the treatment of the Memorial Stadium as an investment property within the company.

# Notes to the Financial Statements

For the year ended 30 June 2018

## 28. Share capital

	2018 £	2017 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
8,197,770 (2017: 8,188,170) Ordinary shares of £0.10 each	<u>819,777</u>	<u>818,817</u>
	2018 £	2017 £
<b>Shares classified as debt</b>		
<b>Allotted, called up and fully paid</b>		
135,500- 'A' preference shares of £1 each	135,500	135,500
41,000- 'B' preference shares of £1 each	41,000	41,000
160,000- 'C' preference shares of £1 each	160,000	160,000
	<u>336,500</u>	<u>336,500</u>

### Allotments during the year:

During the year the company issued 9,600 ordinary shares at a premium of £2.65.

### 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.

The cumulative redeemable preference shares are non-equity shares which carry an entitlement to a dividend at a yearly rate of 9% in The Memorial Stadium Company Limited. Holders of preference shares are not entitled to a vote. Preference shareholders have the right on a winding-up to receive, in priority to any other class of shares, the sum of the nominal amount plus any premium paid for the shares together with any arrears of a dividend. 20,000 of these shares were redeemed on 11 February 2016 for £21,000 (being £20,000 of principle and £1,000 in respect of unpaid dividends).

## 29. Reserves

### Share premium account

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

### Capital redemption reserve

Includes all redemptions of non-equity shares.

### Profit and loss account

Includes all current and prior period retained profits and losses.

## Notes to the Financial Statements

For the year ended 30 June 2018

### **30. Contingent 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.

### **31. Capital commitments**

The group and the company had capital commitments of £Nil at 30 June 2018 (30 June 2017: Nil).

### **32. Pension commitments**

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.

### **33. Commitments under operating leases**

At 30 June 2018 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2018 £</b>	<b>Group 2017 £</b>
In one year or less	<b>94,525</b>	94,525
Between two and five years	<b>220,560</b>	307,208
	<b><u>315,085</u></b>	<b><u>401,733</u></b>

# Notes to the Financial Statements

For the year ended 30 June 2018

## **34. Related party transactions**

The group has a revolving credit facility of £13,228,663 (2017: £8,573,250) at the year-end with Dwane Sports Limited, a related party by virtue of its controlling shareholding.

H Al Qadi is a director and shareholder of Dwane Sports Limited. During the year sales of £nil (2017: £492) were made to H Al Qadi. At the year-end £Nil (2017: £Nil) was held in debtors.

S Hamer is a director of the company. During the year purchases of £Nil (2017: £37,943) were made by companies in which S Hamer is a director. At the year-end £Nil (2017: £37,943) was held in creditors.

W Al Qadi is a director of the company. During the year sales of £608 (2017: £1,367) were made to W Al Qadi. At the year-end £Nil (2017: £Nil) was held in debtors.

M W Turner is a director of the company. During the year purchases of £64,559 (2017: £97,295) were made to Taylor Wessing LLP in which M W Turner is a partner. At the year-end £44,106 (2017: £37,967) was held in creditors.

Dwane Colony Limited is a subsidiary of Dwane Sports Limited, the ultimate parent of this company. During the year, Bristol Rovers Football Club Limited made purchases of £71,233 (2017: £127,566) on behalf of Dwane Colony Limited. At the year-end £198,799 (2017: £127,566) was held in debtors.

## **35. Controlling Party**

The ultimate parent undertaking of this company is Dwane Sports Limited, incorporated in Jersey, by virtue of holding 92.6% of the ordinary shares of Bristol Rovers (1883) Limited.

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