

Registration number: 06748691

Forest Green Rovers Football Club Limited
Strategic Report, Directors' Report and Financial Statements
for the Year Ended 30 April 2018

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Forest Green Rovers Football Club Limited

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Forest Green Rovers Football Club Limited

Company Information

Directors

Dale Vince

Asif Rehmanwala

Trevor Saunders

Chris Wintle

Karyn Coombes

Helen Taylor

Company secretary

Tom Cowling

Registered office

Lion House

Rowcroft

Stroud

Gloucestershire

GL5 3BY

Auditor

Grant Thornton UK LLP

Chartered Accountants

2 Glass Wharf

Bristol

BS2 0EL

Forest Green Rovers Football Club Limited

Strategic Report for the Year Ended 30 April 2018

The Directors present their strategic report for the year ended 30 April 2018.

Principal activity

Forest Green Rovers Football Club Limited (the “Club”) is a professional football club playing in the English Football League (EFL) and part of the Ecotricity Group Limited (the parent undertaking to consolidate these financial statements - the “Group”).

The Group’s mission is to promote sustainability in all walks of life, working principally in the sectors of energy, transport and food. Forest Green Rovers pursues the same mission in front of a rather different audience, fans of football and the wider world of sport.

The wider Group’s mission is to promote sustainability in all walks of life, but principally in the sectors of energy, transport and food. This mission is central to everything that is undertaken at Forest Green Rovers, from installing solar panels and electric vehicle charging points at The New Lawn to becoming the first vegan football club in the world. FIFA has already called Forest Green Rovers the greenest football club in the world.

Fair review of the Business

During the year, The New Lawn staged 28 (2017: 28) match day events, comprising 23 League Two games and five domestic cup games. Season 2017-18 was a historic one for Forest Green Rovers Football Club: it was the first time in its 129 year history that the club competed in the English Football League.

The club has been successful in raising the profile of its sustainability mission to a global audience; receiving recognition from FIFA, the world governing body of football, who called the team “the greenest football club in the world”. Dale Vince, FGR Chairman, was invited to speak at the UN at COP 23 in Bonn in the Autumn - on the role of sport in addressing climate change. Forest Green was also awarded the first ever ‘Green Heart Hero’ Sustainability in Sport Award by the Climate Coalition, beating Manchester City Football Club and Lords Cricket Ground to the top spot.

Full year results

A combination of EFL League Two status, global media coverage and a continued focus on the commercial operation of the club resulted in a significant increase in Turnover to £4,923,647 (2017: £2,024,577). This positively benefited the overall results before taxation for the financial year with the Company reporting a profit before taxation of £408,143 (2017: (£2,155,063)). The Company’s financial position remains in a net asset position having increased to £1,069,909 (2017: £6,659). The position was maintained through the issue of additional ordinary shares.

On 8 April 2016, the Company acquired all of the ordinary share capital of Forest Green Sun Company Limited (formerly Sun Edison Residential 1 Limited). The subsidiary’s principal activity is the production and supply of solar powered electricity from the use of rooftop solar panel units. The company continues to perform well, which resulted in the distribution of dividends into Forest Green Rovers Football Club Limited of £100,000 (2017: £100,000).

Forest Green Rovers Football Club Limited

Strategic Report for the Year Ended 30 April 2018

Future developments

The club continues to explore new commercial opportunities within the United Kingdom to further leverage the ethos and standing of the club.

Investment has been made at The New Lawn stadium to meet League Two regulations and to better accommodate home and away fans on match days,. There has been additional investment in the first team, as we seek to move up another League in due course - as well as in our Academy, which began the year with a significant upgrade to Category 4 status, which will improve our ability to attract, produce and retain quality 'home grown players'.

Ecotricity Group Limited remains fully committed to the club and it's work to promote our shared sustainability agenda. On the basis of this the Directors consider it appropriate to produce the financial statements on a going concern basis.

Principal risks and uncertainties

The club's activities expose it to a variety of financial risks. The policy for each of these risks are as follows:

- **On-field performance**

Should the team be relegated from the Football League, there would be less TV, sponsorship and competition revenues. This includes the funding received for being in the English Football League. However, should the team be relegated, they would be eligible for parachute payments for the following two seasons (100% of previous year's English Football League payment in the first season following relegation and 50% in the second season). This risk is mitigated by regular reviews of performances and considered investment in training methods and playing staff to ensure the team's level does not significantly drop.

- **Price and credit risk, liquidity and cash flow risk**

Appropriate trade terms are negotiated with suppliers and customers. Management review these terms, the relationship with suppliers and customers, and manage any exposure on normal trade terms. The club prepares regular forecasts of cash flow and liquidity, and any requirements for additional funding is managed by the Group Directors.

- **Liquidity risk**

The club's liquidity position and short-term debt finance ensures that it has sufficient funds available for short-term working capital requirements and for investment in the playing squad and other capital projects. The annual cash flow is cyclical in nature with a significant portion of cash inflows being received prior to the start of the playing season. Ultimate responsibility for liquidity risk management rests with the Executive Directors of the club's immediate parent company, Ecotricity Group Limited. The Executive Directors use management information tools including budgets and cash flow forecasts to constantly monitor and manage current and future liquidity.

- **Recessionary**

Supporters may attend fewer matches owing to personal financial constraints. This risk is mitigated by regular review of attendances and initiatives to attract new supporters whilst keeping the price of football affordable.

Approved by the Board on 10 August 2018 and signed on its behalf by:



.....
Karyn Coombes

Director

Lion House, Rowcroft, Stroud, Gloucestershire, GL5 3BY

Forest Green Rovers Football Club Limited

Directors' Report for the Year Ended 30 April 2018

The Directors present their report and the financial statements for the year ended 30 April 2018.

Directors of the Company

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

Dale Vince

David Drew (resigned 9 June 2017)

Asif Rehmanwala

Trevor Saunders

Chris Wintle

Garry Peagam (resigned 6 July 2017)

Karyn Coombes (appointed 10 January 2018)

Helen Taylor (appointed 4 April 2018 and resigned 31 July 2018)

Dividends

The Directors do not recommend the payment of a dividend (2017: £Nil).

Charitable donations

During the year the Company made charitable donations of £9,051 (2017: £17,436). All of the donation in the year (2017: £17,436) were made to Sustainability in Sport which is a charity and company with a common director.

Political donations

The Company made no political donations and incurred no political expenditure during the year (2017 : £Nil).

Employees

The Company is committed to ensuring its development and the development of its employees. The Group values the differences between employees that define them as unique individuals and that diversity within the workplace is an integral part of achieving success. The Company also recognises its responsibilities to its employees.

Disclosure of information to the 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's auditor is unaware, and
- the Director has taken all the steps that ought to be taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Qualifying third party indemnity provisions

The Company has provided qualifying third party indemnity provisions in respect of the Board of Directors which were in force during the year and date of this report.

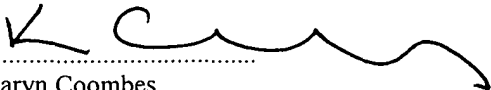
Reappointment of auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Grant Thornton UK LLP will therefore continue in office.



Forest Green Rovers Football Club Limited
Directors' Report for the Year Ended 30 April 2018

Approved by the Board on 10 August 2018 and signed on its behalf by:


.....
Karyn Coombes
Director

Lion House, Rowcroft, Stroud, Gloucestershire, GL5 3BY

Forest Green Rovers Football Club Limited

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Forest Green Rovers Football Club Limited

Independent Auditor's Report to the Members of Forest Green Rovers Football Club Limited

Opinion

We have audited the financial statements of Forest Green Rovers Football Club Limited (the 'company') for the year ended 30 April 2018 which comprise the Profit and loss account, the Statement of other comprehensive income, the Balance sheet, the Statement of changes in equity 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 company's affairs as at 30 April 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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.

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 company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

Forest Green Rovers Football Club Limited

Independent Auditor's Report to the Members of Forest Green Rovers Football Club Limited

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

We have nothing to report in this regard.

Opinions 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 has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 7, 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Forest Green Rovers Football Club Limited

**Independent Auditor's Report to the Members of Forest Green Rovers Football Club
Limited**



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Tim Lincoln BA ACA (Senior Statutory Auditor)
for and on behalf of Grant Thornton UK LLP, Statutory Auditor
Chartered Accountants
2 Glass Wharf
Bristol
BS2 0EL

10 August 2018

Forest Green Rovers Football Club Limited

Profit and Loss Account for the Year Ended 30 April 2018

	Note	2018 £	2017 £
Turnover	3	4,923,647	2,024,577
Cost of sales		<u>(3,537,700)</u>	<u>(2,872,620)</u>
Gross profit/(loss)		1,385,947	(848,043)
Administrative expenses		(1,082,391)	(1,403,068)
Other operating income		<u>104,587</u>	<u>96,135</u>
Operating profit/(loss)		408,143	(2,154,976)
Interest payable and similar expenses	5	<u>-</u>	<u>(87)</u>
Profit/(loss) before taxation		408,143	(2,155,063)
Taxation	9	<u>14,504</u>	<u>(3,288)</u>
Profit/(loss) for the financial year		<u>422,647</u>	<u>(2,158,351)</u>

The notes on pages 14 to 28 form an integral part of these financial statements.

Forest Green Rovers Football Club Limited

Statement of Other Comprehensive Income for the Year Ended 30 April 2018

	Note	2018 £	2017 £
Profit/(loss) for the year		422,647	(2,158,351)
Income tax on other comprehensive income	9	(9,397)	14,539
Other comprehensive income for the year, net of income tax.		(9,397)	14,539
Total comprehensive income for the year		413,250	(2,143,812)

The notes on pages 14 to 28 form an integral part of these financial statements.

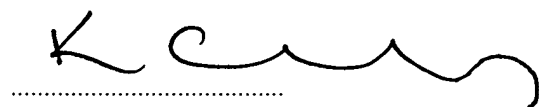
Forest Green Rovers Football Club Limited

(Registration number: 06748691)

Balance Sheet as at 30 April 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	10	101,458	82,167
Tangible assets	11	2,709,936	2,666,377
Investments	12	2,450,000	2,450,000
		<u>5,261,394</u>	<u>5,198,544</u>
Current assets			
Stocks	13	13,084	30,715
Debtors	14	2,781,658	2,353,867
Cash at bank and in hand	15	1,912	55,226
		<u>2,796,654</u>	<u>2,439,808</u>
Creditors: Amounts falling due within one year	16	<u>(6,888,547)</u>	<u>(7,526,994)</u>
Net current liabilities		<u>(4,091,893)</u>	<u>(5,087,186)</u>
Total assets less current liabilities		1,169,501	111,358
Provisions for liabilities	17	<u>(99,592)</u>	<u>(104,699)</u>
Net assets		<u>1,069,909</u>	<u>6,659</u>
Capital and reserves			
Called up share capital	19	13,027,040	12,377,040
Revaluation reserve		808,067	847,888
Profit and loss account		<u>(12,765,198)</u>	<u>(13,218,269)</u>
Total equity		<u>1,069,909</u>	<u>6,659</u>

Approved and authorised by the Board on 10 August 2018 and signed on its behalf by:



Karyn Coombes

Director

Lion House, Rowcroft, Stroud, Gloucestershire, GL5 3BY.

Forest Green Rovers Football Club Limited

Statement of Changes in Equity for the Year Ended 30 April 2018

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 May 2017	12,377,040	847,888	(13,218,269)	6,659
Profit for the year	-	-	422,647	422,647
Other comprehensive income	-	(9,397)	-	(9,397)
New share capital subscribed	650,000	-	-	650,000
Transfers from revaluation reserve	-	(30,424)	30,424	-
At 30 April 2018	13,027,040	808,067	(12,765,198)	1,069,909

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £
At 1 May 2016	10,276,940	857,117	(11,083,686)	50,371
Loss for the year	-	-	(2,158,351)	(2,158,351)
Other comprehensive income	-	14,539	-	14,539
New share capital subscribed	2,100,100	-	-	2,100,100
Transfers from revaluation reserve	-	(23,768)	23,768	-
At 30 April 2017	12,377,040	847,888	(13,218,269)	6,659

The notes on pages 14 to 28 form an integral part of these financial statements.

Forest Green Rovers Football Club Limited

Notes to the Financial Statements for the Year Ended 30 April 2018

1 General information

The Company is a private company limited by share capital incorporated in the UK. The presentation currency of these financial statements is sterling.

Exemption from preparing group accounts

The financial statements contain information about Forest Green Rovers Football Club Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Ecotricity Group Limited, a company incorporated in England and Wales.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except for certain tangible fixed assets which are measured in accordance with the revaluation model.

Name of parent of group

These financial statements are consolidated in the financial statements of the Company's ultimate parent undertaking, Ecotricity Group Limited.

The financial statements of Ecotricity Group Limited may be obtained from Lion House, Rowcroft, Stroud, Gloucestershire, GL5 3BY.

In these financial statements, the company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to the end of the period;
- Cash flow statement and related notes; and
- Key management personnel compensation..

Forest Green Rovers Football Club Limited

Notes to the Financial Statements for the Year Ended 30 April 2018

2 Accounting policies (continued)

Going concern

Notwithstanding net current liabilities of £4,091,893, the Directors have prepared the financial statements on a going concern basis which is considered to be appropriate for the following reasons. The majority of current liabilities are owed to fellow Group companies and Group management have no intention of calling in these debts. The Directors have reviewed the cash flow forecasts of the Group and in particular the Directors note that the Group's trading cashflow performance since the balance sheet date is in line with these forecasts. Taking account of potential variances in trading performance, the Directors are satisfied that the Group will generate sufficient cash flows to allow the Company to meet its liabilities as they fall due for payment for at least the next 12 months.

Turnover

Turnover comprises match receipts, executive box rentals, sponsorships, commercial and other income arising from the ordinary activities of the Company and excludes transfer fees receivable which are recognised in other operating income. Turnover is shown net of value added tax.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and the service has been delivered. Hence gate receipts are recognised when the match occurs and revenue from season tickets, corporate box tenures, the gym and sponsorships are recognised over the period to which they relate. Merchandising revenues are recognised when the rights and responsibilities of the goods have been transferred from the Company. Income from services provided at the stadium are recognised when the event takes place. Revenue relating to the sale of a player who has developed through the ranks of the Club is recognised within Turnover upon completion of the sale. Profits relating to the sale of a player who was previously purchased by the club are recognised as a gain within administration expenses.

Interest receivable and charges payable

Interest income and interest payable are recognised in the profit and loss as they accrue on funds invested or borrowed, using the effective interest method.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining tax allowances have been met; and difference relating to investments in subsidiaries, associates and joint ventures to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Forest Green Rovers Football Club Limited

Notes to the Financial Statements for the Year Ended 30 April 2018

2 Accounting Policies (continued)

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities and other future taxable profits.

Tangible assets

Tangible assets are stated at cost less accumulated depreciation and any impairment losses except for assets within land and buildings which are stated at fair value less any subsequent accumulated depreciation and accumulated impairment losses. Gains on revaluation are recognised in other comprehensive income and accumulated in the revaluation reserve. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease previously recognised in profit or loss.

Losses arising on revaluation are recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity, in respect of that asset. Any excess is recognised in profit or loss.

At the end of each financial period, the Company assesses whether tangible fixed assets are impaired.

Depreciation

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits. The Company also assesses at each reporting date whether tangible fixed assets are impaired.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

<i>Asset class</i>	<i>Depreciation method and rate</i>
Land and buildings	50 years
Plant and machinery	4 - 10 years
Fixtures and fittings	3 - 5 years
Motor vehicles	5 years

Intangible assets

Significant transfer fees for players purchased from other football teams are stated at cost less accumulated amortisation and any impairment losses.

Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

<i>Asset class</i>	<i>Amortisation method and rate</i>
Player registrations	The length of the player's contract

Forest Green Rovers Football Club Limited

Notes to the Financial Statements for the Year Ended 30 April 2018

2 Accounting policies (continued)

Investments in subsidiaries

These are separate financial statements of the Company. Investments in subsidiaries are carried at cost less impairment.

At the end of each financial period, the Company assesses whether investments are impaired.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss, except to the extent that they reverse any previously recognised valuation increase accumulated in equity in respect of that asset; any excess is recognised in profit and loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

At the end of each financial period, the Company assesses whether tangible fixed assets are impaired.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks and other costs in bringing them to their existing location and condition.

Forest Green Rovers Football Club Limited

Notes to the Financial Statements for the Year Ended 30 April 2018

2 Accounting policies (continued)

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Share capital

Ordinary shares are classified as equity as they include no contractual obligations upon the Company. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension scheme

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which the services are rendered by employees.

Forest Green Rovers Football Club Limited

Notes to the Financial Statements for the Year Ended 30 April 2018

3 Turnover

Turnover consists of sales wholly in the United Kingdom arising on the following continuing activities:

	2018 £	2017 £
Matchday revenue	1,014,356	657,240
Advertising and sponsorship	2,426,993	961,514
Other football revenue	1,245,808	198,021
Other revenue	136,490	107,802
Dividends received	100,000	100,000
	<u>4,923,647</u>	<u>2,024,577</u>

4 Expenses

Included in profit/(loss) are the following:

	2018 £	2017 £
Depreciation expense	117,864	125,944
Amortisation expense	48,917	17,833
(Profit)/loss on disposal of intangible assets	<u>(417,409)</u>	<u>20</u>

5 Interest payable and similar charges

	2018 £	2017 £
Interest on bank loans	<u>-</u>	<u>87</u>

6 Staff costs

The aggregate payroll costs were as follows:

	2018 £	2017 £
Wages and salaries	3,080,685	2,104,082
Social security costs	278,625	257,718
Pension costs, defined contribution scheme	<u>59,683</u>	<u>46,657</u>
	<u>3,418,993</u>	<u>2,408,457</u>

The average number of persons employed by the Company was as follows:

	2018 No.	2017 No.
Administration and support	70	38
Football management and playing staff	<u>40</u>	<u>38</u>
	<u>110</u>	<u>76</u>

Forest Green Rovers Football Club Limited

Notes to the Financial Statements for the Year Ended 30 April 2018

7 Directors' remuneration

The remuneration of Directors was borne by the ultimate parent company Ecotricity Group Limited in both years, and amounts attributable to qualifying services provided to the Company are approximately £28,833 (2017: £15,925).

8 Auditor's remuneration

	2018 £	2017 £
Audit of the financial statements	8,970	7,695

Amounts receivable by the Company's auditor and their associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed for the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Ecotricity Group Limited.

9 Taxation

Total tax expense recognised in the profit and loss, other comprehensive income and equity:

	2018 £	2017 £
Current taxation		
UK corporation tax	-	-
Total current income tax	-	-
Deferred taxation		
Origination and reversal of timing differences	(5,107)	(11,251)
Total tax (credit) / charge	(5,107)	(11,251)

	2018			2017		
	Current tax £	Deferred tax £	Total tax £	Current tax £	Deferred tax £	Total tax £
Taxation						
Recognised in profit and loss account	-	(14,504)	(14,504)	-	3,288	3,288
Recognised in other comprehensive income	-	9,397	9,397	-	(14,539)	(14,539)
	-	(5,107)	(5,107)	-	(11,251)	(11,251)

Forest Green Rovers Football Club Limited

Notes to the Financial Statements for the Year Ended 30 April 2018

9 Taxation (continued)

Factors affecting current tax charge for the year

The tax on loss for the year is lower than the standard rate of corporation tax in the UK (2017 - lower than the standard rate of corporation tax in the UK) of 19% (2017 - 19.92%).

The differences are reconciled below:

	2018 £	2017 £
Profit/(loss) before tax	408,143	(2,155,063)
Tax using the UK corporation tax rate of 19% (2017: 19.92%)	77,547	(429,241)
Effect of revenues exempt from taxation	(19,000)	-
Expenses not deductible for tax purposes	2,400	374
Utilisation of tax losses	-	408,052
Reduction in tax rate on deferred tax balances	(9,126)	(58)
Tax increase (decrease) from other short-term timing differences	1,682	-
Tax increase (decrease) from effect of rollover relief on profit on disposal of fixed assets	(77,335)	(5,559)
(Under) provided in prior years	(5,341)	-
Deferred tax on asset revaluations	(9,397)	14,539
Other tax effects for reconciliation between accounting profit and tax expense (income)	24,066	15,181
Total tax (credit)/charge	(14,504)	3,288

Factors that may affect future tax charges

From 1 April 2015, the main rate of corporation tax was reduced to 20%. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 30 April 2018 has been calculated based on these rates.

Forest Green Rovers Football Club Limited

Notes to the Financial Statements for the Year Ended 30 April 2018

10 Intangible assets

	Player registrations £	Total £
Cost		
At 1 May 2017	100,000	100,000
Additions	95,000	95,000
Disposals	(55,000)	(55,000)
At 30 April 2018	140,000	140,000
Amortisation		
At 1 May 2017	17,833	17,833
Amortisation charge	48,917	48,917
Amortisation eliminated on disposals	(28,208)	(28,208)
At 30 April 2018	38,542	38,542
Carrying amount		
At 30 April 2018	101,458	101,458
At 30 April 2017	82,167	82,167
The aggregate amount of research and development expenditure recognised as an expense during the period is £Nil (2017 - £Nil).		

Forest Green Rovers Football Club Limited

Notes to the Financial Statements for the Year Ended 30 April 2018

11 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Plant, machinery and motor vehicles £	Assets under construction £	Total £
Cost or valuation					
At 1 May 2017	2,643,923	151,529	396,101	4,368	3,195,921
Additions	55,274	54,768	35,750	20,000	165,792
Disposals	-	-	(1,536)	(4,368)	(5,904)
At 30 April 2018	2,699,197	206,297	430,315	20,000	3,355,809
Depreciation					
At 1 May 2017	99,307	129,444	300,793	-	529,544
Charge for the year	69,273	12,075	36,517	-	117,865
Eliminated on disposal	-	-	(1,536)	-	(1,536)
At 30 April 2018	168,580	141,519	335,774	-	645,873
Carrying amount					
At 30 April 2018	2,530,617	64,778	94,541	20,000	2,709,936
At 30 April 2017	2,544,616	22,085	95,308	4,368	2,666,377

Historic cost

The following information relates to tangible fixed assets carried on the basis of revaluations in accordance with FRS 102.

	2018 £	2017 £
At valuation	2,600,000	2,600,000
Aggregate depreciation thereon	(135,135)	(70,270)
Net book value	2,464,865	2,529,730
Historical cost of revalued assets	1,722,034	1,722,034
Aggregate depreciation thereon	(234,621)	(200,584)
Historical cost net book value	1,487,413	1,521,450

Land & Buildings were revalued on 31 March 2016 based on a valuation performed by Andrew Watton Property Consultants at that date. The valuation is based on the open market valuation of the stadium as a business property that is linked to the football ground but is not necessarily reliant on that fact due to its flexible functionality.

External valuations by specialists are performed with sufficient frequency to ensure that the carrying value does not differ materially from the fair value at the end of the reporting period. Internally the Directors review the asset for any indication of a material change in the value on an annual basis.

Forest Green Rovers Football Club Limited

Notes to the Financial Statements for the Year Ended 30 April 2018

12 Investments in subsidiaries

	Investments in subsidiaries £
Cost	
At 1 May 2017	<u>2,450,000</u>
At 30 April 2018	<u>2,450,000</u>

On 8 April 2016, the Company acquired all of the Ordinary share capital of Forest Green Sun Company limited (formerly SunEdison Residential 1 Limited) for £2,450,000.

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Reigstered address	Class of shares held	Proportion of voting rights and shares held	
			2018	2017
Subsidiary undertakings				
Forest Green Sun Company Limited	Lion House, Rowcroft, Stroud, Gloucestershire, GL5 3BY	Ordinary shares	100%	100%

The principal activity of Forest Green Sun Company Limited is the production and supply of solar powered electricity.

13 Stocks

	2018 £	2017 £
Goods for resale	<u>13,084</u>	<u>30,715</u>

The cost of stocks recognised as an expense in the year amounted to £Nil (2017: £122,116).

Impairment of stocks

The amount of impairment loss included in profit or loss is £4,047 (2017: £803).

Forest Green Rovers Football Club Limited

Notes to the Financial Statements for the Year Ended 30 April 2018

14 Debtors

	2018 £	2017 £
Due within one year		
Trade debtors	510,396	149,200
Amounts owed by group undertakings	2,201,969	2,095,312
Other debtors	8,253	4,100
Prepayments and accrued income	61,040	105,255
	<u>2,781,658</u>	<u>2,353,867</u>

15 Cash and cash equivalents

	2018 £	2017 £
Cash at bank	<u>1,912</u>	<u>55,226</u>

16 Creditors

	2018 £	2017 £
Due within one year		
Trade creditors	22,453	98,545
Amounts owed to group undertakings	6,103,243	7,043,167
Social security and other taxes	640,213	231,132
Other payables	13,275	29,223
Accrued expenses and deferred income	109,363	124,927
	<u>6,888,547</u>	<u>7,526,994</u>

Forest Green Rovers Football Club Limited

Notes to the Financial Statements for the Year Ended 30 April 2018

17 Deferred tax

	Deferred tax £	
At 1 May 2017		104,699
Charged to profit and loss account		(14,504)
Credited to other comprehensive income		<u>9,397</u>
At 30 April 2018		<u>99,592</u>
Analysis of deferred tax liability		
	2018 £	2017 £
Accelerated capital allowances	99,592	104,699

18 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £59,682 (2017: £46,657). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

19 Capital and reserves

Share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary shares of £10 each	1,302,704	13,027,040	1,237,704	12,377,040

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

On 30 April 2018 the Company issued 65,000 £10 ordinary shares at par to Ecotricity Group Limited, the Company's ultimate parent company.

Revaluation reserve

Where tangible fixed assets are revalued the cumulative increase in the fair value of the property at the date of revaluation in excess of any previous impairment losses is recognised in the revaluation reserve.

Forest Green Rovers Football Club Limited

Notes to the Financial Statements for the Year Ended 30 April 2018

20 Related party transactions

The Company has taken advantage of the exemption contained in FRS 102.33 and has not disclosed transactions or balance with wholly owned subsidiaries which form part of the Group.

Summary of transactions with other related parties

The Company received income of £3,841 (2017: £6,378) for services provided from the Green Britain Foundation, a charity of which one of the directors is also a director of the Company. There were no outstanding balances with the entity at year end.

During the year the Company made charitable donations of £9,051 (2017: £17,436) to Sustainability in Sport which is a charity and company with a common director.

Summary of transactions with not wholly owned Group companies

	Recharges to		Costs incurred	
	2018	2017	2018	2017
	£	£	£	£
Parent company	2,318,612	827,683	400,741	239,092
Other Group undertakings	-	137,391	56,898	52,333
	<u>2,318,612</u>	<u>965,074</u>	<u>457,639</u>	<u>291,425</u>

	Debtors outstanding		Creditors outstanding	
	2018	2017	2018	2017
	£	£	£	£
Parent company	2,001,969	1,995,312	-	-
Other Group undertakings	200,000	100,000	6,103,243	7,043,167
	<u>2,201,969</u>	<u>2,095,312</u>	<u>6,103,243</u>	<u>7,043,167</u>

Forest Green Rovers Football Club Limited

Notes to the Financial Statements for the Year Ended 30 April 2018

21 Accounting estimates and judgements

In the application of the Company's accounting policies, which are described in Note 2, the directors are required to make judgements, estimates and assumptions about carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

• Investments

The investment in subsidiary is reviewed each year for impairment. The assessment takes into account the forecasted discounted future cash flow and compares it to the carrying value in the Company's accounts. It assumes that the assets' generation is consistent and the price for the generation is consistent with the signed contract with the customer, allowing for expected rates of inflation. Costs are assumed to be consistent with the costs incurred by similar assets elsewhere within the wider Group. The discount rate is assumed to be the minimum rate of return that the Group expects on similar investments. See Note 12 for the carrying value of the assets at 30 April 2018.

• Revalued asset valuation

The stadium, held within land and buildings, is revalued as frequently as required to not produce a material difference between the fair value and the carrying value. As the asset has a specific function, an external expert is used to ensure that an accurate judgement is taken on the valuation. The valuation is based on the open market valuation of the stadium as a business property that is linked to the football ground but is not necessarily reliant on that fact due to its flexible functionality. The valuation assumes that there is both a willing seller and prudent buyer with neither party having a special interest in the property. See Note 11 for the carrying value of the revalued assets at 30 April 2018 following the latest revaluation as at 31 March 2016.

22 Ultimate parent undertaking and controlling party

The Company's immediate and ultimate parent undertaking is Ecotricity Group Limited, a company incorporated in England and Wales. The ultimate controlling party of the Company is D Vince, the only shareholder of Ecotricity Group Limited.

The largest Group in which the results of the Company are consolidated is that headed by Ecotricity Group Limited. No other financial statements include the results of the Company. Consolidated financial statements may be obtained from Lion House, Rowcroft, Stroud, Gloucestershire, GL5 3BY.