

GLOUCESTER RUGBY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

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GLOUCESTER RUGBY LIMITED

COMPANY INFORMATION

DIRECTORS

R W J Walkinshaw
M G St Quinton
D A McKnight
D Grainger
W S Humphreys
K B Nottage
C R A Ferguson

COMPANY NUMBER

00034603

REGISTERED OFFICE

Kingsholm Stadium
Kingsholm Road
Gloucester
GL1 3AX

AUDITOR

James Cowper LLP
Chartered Accountants and Statutory Auditor
2 Chawley Park
Cumnor Hill
Oxford
Oxfordshire
OX2 9GG

BANKERS

Barclays Bank plc
18 Southgate Street
Gloucester
Gloucestershire
GL1 2DH

GLOUCESTER RUGBY LIMITED

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GLOUCESTER RUGBY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2012

The directors present their report and the financial statements for the year ended 30 June 2012

PRINCIPAL ACTIVITIES

The principal activity of the company is the provision of sporting and social entertainment

BUSINESS REVIEW

Following a return to profit in 2010/11, business performance again improved in 2011/12. The company recorded a profit before tax of £303k (compared with a profit of £10k in the previous 13 month period). On a like-for-like 12 month basis turnover improved by 8%, with the major contributors to the additional turnover being concert and bar revenue. However an increased cost base negated some of the turnover improvement, in particular concert costs were significantly higher than in the previous year due to the more ambitious nature of the 2011/12 event (which was Tom Jones, performing to a sell-out audience of 12,000 people).

Following an excellent 2010/11 season, which saw Gloucester finish third in the Premiership and win the LV=Cup, it was disappointing that the team's performance became inconsistent in 2011/12. There were significant highlights during the season – notably beating four-times European champions Toulouse at Kingsholm and local rivals Bath home and away for the second season in succession. However six consecutive defeats at the end of the season led to the resignation of the Head Coach Bryan Redpath and a ninth place finish in the Premiership.

By the year end Nigel Davies had been recruited as the new Director of Rugby and was in the process of rebuilding the coaching team in order to prepare for the 2012/13 season.

Future Developments

There have been a significant number of changes in the playing squad for the 2012/13 season. The new recruits include the high-profile signings of New Zealand scrum-half Jimmy Cowan and England number eight Ben Morgan. In total ten new players joined Gloucester from other clubs during the summer of 2012, and with exciting young players also being developed by the Gloucester Academy the 2012/13 squad has the potential to compete very strongly in the Premiership. The squad will be well supported by an expanded team of coaches and analysts.

Another significant change at Gloucester has been the resignation of Managing Director Ken Nottage after a successful thirteen-year tenure. He will remain on the Gloucester board as a non-executive director and Finance Director Chris Ferguson will perform the role of Acting Managing Director until a permanent replacement is secured.

Post Balance Sheet Events

There have been no significant post balance sheet events.

GLOUCESTER RUGBY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2012

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RESULTS

The profit for the year, after taxation, amounted to £302,635 (2011 (13 month period) - £10,100)

DIRECTORS

The directors who served during the year were

R W J Walkinshaw
M G St Quinton
D A McKnight
D Grainger
W S Humphreys
K B Nottage
C R A Ferguson

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company made charitable donations of £8,350 (2011 £10,878)

GLOUCESTER RUGBY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2012

FINANCIAL INSTRUMENTS

The company actively uses financial instruments as part of its financial risk management. Its policy is to finance working capital through borrowings at prevailing market interest rates. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures.

As the counterparties to all financial instruments are its bankers and financiers, the company is exposed to minimal credit and liquidity risks in respect of these instruments. In addition, the company is not subject to price risk from these financial instruments.

The company manages the interest rate risk associated with its borrowings through entering into a ten year callable interest rate swap with its bankers.

KEY PERFORMANCE INDICATORS

Financial

The company measures its financial performance using the following measures:

- Profitability,
- Growth in turnover,
- Total receipts per match, and
- Monitoring senior and academy squad costs

Non-financial

The company measures its non-financial performance as follows:

- Aviva Premiership league position,
- Number of wins per season,
- Progression in European Cup and Anglo Welsh Cup, and
- Match attendances

RISKS AND UNCERTAINTIES

The company generates cash from operations ahead of expenditure, and does not have a liquidity risk other than from repaying loans taken out to develop the facilities.

In the event of the club being relegated the company would receive a "parachute" payment and additional income from central funds. The directors believe that this income, in addition to receipts generated from ongoing activities, would ensure the club has sufficient funding to regain Premiership status in the following season, or enable the company to make alternative contingency plans to manage its liquidity exposure.

LAND AND BUILDINGS

In 2008 the company's land and buildings were valued in excess of £20 million.

GLOUCESTER RUGBY LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2012**

PROVISION 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 that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

AUDITOR

The auditor, James Cowper 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



R W J Walkinshaw
Chairman

Date 23 November 2012

GLOUCESTER RUGBY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GLOUCESTER RUGBY LIMITED

We have audited the financial statements of Gloucester Rugby Limited for the year ended 30 June 2012, set out on pages 7 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at www.frc.org.uk/apb/scope/private.cfm.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2012 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

GLOUCESTER RUGBY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GLOUCESTER RUGBY LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, 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



Stephen Clarke ACCA (Senior Statutory Auditor)
for and on behalf of
James Cowper LLP
Chartered Accountants and Statutory Auditor
2 Chawley Park
Cumnor Hill
Oxford
Oxfordshire
OX2 9GG

Date 23 November 2012

GLOUCESTER RUGBY LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	30 June 2012 £	Period ended 30 June 2011 £
TURNOVER	1,2	11,269,895	11,315,017
Cost of sales		<u>(7,650,929)</u>	<u>(7,662,289)</u>
GROSS PROFIT		3,618,966	3,652,728
Administrative expenses		<u>(2,915,550)</u>	<u>(3,039,487)</u>
OPERATING PROFIT	3	703,416	613,241
Interest receivable and similar income		42	1,264
Interest payable and similar charges	6	<u>(400,823)</u>	<u>(604,405)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		302,635	10,100
Tax on profit on ordinary activities	7	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR	15	<u>302,635</u>	<u>10,100</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and Loss Account

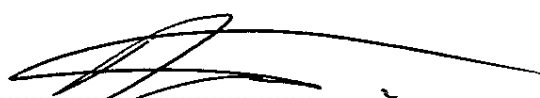
The notes on pages 10 to 19 form part of these financial statements

GLOUCESTER RUGBY LIMITED
REGISTERED NUMBER. 00034603

BALANCE SHEET
AS AT 30 JUNE 2012

	Note	£	2012 £	2011 £
FIXED ASSETS				
Tangible assets	8		9,694,791	9,716,603
CURRENT ASSETS				
Stocks	9	74,728		17,562
Debtors	10	1,676,310		1,965,883
Cash in hand		1,065,194		415,192
		<u>2,816,232</u>		<u>2,398,637</u>
CREDITORS amounts falling due within one year	11	(4,099,446)	(5,077,392)	
NET CURRENT LIABILITIES			<u>(1,283,214)</u>	<u>(2,678,755)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>8,411,577</u>	<u>7,037,848</u>
CREDITORS amounts falling due after more than one year	12		<u>(4,755,738)</u>	<u>(3,684,644)</u>
NET ASSETS			<u><u>3,655,839</u></u>	<u><u>3,353,204</u></u>
CAPITAL AND RESERVES				
Called up share capital	14		7,134,434	7,134,434
Share premium account	15		382,655	382,655
Profit and loss account	15		<u>(3,861,250)</u>	<u>(4,163,885)</u>
SHAREHOLDERS' FUNDS	16		<u><u>3,655,839</u></u>	<u><u>3,353,204</u></u>

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


.....
R W J Walkinshaw
Chairman

Date 23 November 2012

The notes on pages 10 to 19 form part of these financial statements

GLOUCESTER RUGBY LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	30 June 2012 £	Period ended 30 June 2011 £
Net cash flow from operating activities	17	1,303,813	1,105,261
Returns on investments and servicing of finance	18	(400,781)	(603,141)
Capital expenditure and financial investment	18	(333,973)	(137,852)
CASH INFLOW BEFORE FINANCING		569,059	364,268
Financing	18	80,943	393,802
INCREASE IN CASH IN THE YEAR		650,002	758,070

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 30 JUNE 2012**

	30 June 2012 £	Period ended 30 June 2011 £
Increase in cash in the year	650,002	758,070
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(80,943)	1,606,198
MOVEMENT IN NET DEBT IN THE YEAR	569,059	2,364,268
Net debt at 1 July 2011	(4,585,624)	(6,949,892)
NET DEBT AT 30 JUNE 2012	(4,016,565)	(4,585,624)

The notes on pages 10 to 19 form part of these financial statements

GLOUCESTER RUGBY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

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

Fundamental accounting concept

The directors have considered the basis of preparation of the financial statements of the company on a going concern basis

The company made a profit of £302,635 (2011 £10,100) during the period and generated a net cash inflow for the period before financing of £569,059 (2011 £364,268). At the year end the company had net current liabilities of £1,283,214 (2011 £2,678,756). The company has prepared detailed budgets and cash flow forecasts for the period to 30 June 2016. These forecasts show that the company will be able to operate within the level of its current debt facilities and with the continuing support of its bankers and shareholders. The directors therefore believe that the company has sufficient resources to continue its activities for the foreseeable future and as such, consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements

Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Freehold buildings & ground improvements	-	2-15% straight line
Motor vehicles	-	20% straight line
Fixtures, fittings & equipment	-	15-33% straight line

As permitted by FRS 15 'Tangible Fixed Assets', the company has opted to capitalise the finance costs in respect of the borrowing incurred on the development of the South Stand up until the time that construction was completed

Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

GLOUCESTER RUGBY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

1. ACCOUNTING POLICIES (continued)

Operating leases

Rentals under operating leases are charged to the Profit and Loss Account 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 period until the date the rent is expected to be adjusted to the prevailing market rate

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

Derivatives

The company utilises interest rate swaps to manage interest rate risk volatility on its bank loans and borrowings. The company is not required to apply FRS26 Financial Instruments Recognition and Measurement and as such, interest rate swaps are not revalued to their fair value or shown in the company's balance sheet at the period end

The fair value of the interest rate swaps held by the company at the balance sheet date is £(509,172)

2. TURNOVER

The whole of the turnover is attributable to the continuing principal activities of the company

All turnover arose within the United Kingdom

GLOUCESTER RUGBY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

3 OPERATING PROFIT

The operating profit is stated after charging

	30 June 2012 £	Period ended 30 June 2011 £
Depreciation of tangible fixed assets		
- owned by the company	353,569	370,638
Auditor's remuneration	8,583	9,079
Operating lease rentals		
- plant and machinery	31,045	38,337
	<u>31,045</u>	<u>38,337</u>

4 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	30 June 2012 £	Period ended 30 June 2011 £
Wages and salaries	5,326,241	5,764,607
Social security costs	625,475	610,599
	<u>5,951,716</u>	<u>6,375,206</u>

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

	30 June 2012 No.	Period ended 30 June 2011 No
Sports and rugby players	62	57
Administration, commercial and match day staff	161	156
	<u>223</u>	<u>213</u>

5 DIRECTORS' REMUNERATION

	30 June 2012 £	Period ended 30 June 2011 £
Emoluments	281,284	311,860

The highest paid director received remuneration of £176,694 (2011 - £173,396)

GLOUCESTER RUGBY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

6. INTEREST PAYABLE

	30 June 2012 £	Period ended 30 June 2011 £
On bank loans and overdrafts	389,648	559,081
On finance leases and hire purchase contracts	11,175	45,324
	<u>400,823</u>	<u>604,405</u>

7. TAXATION

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 26% (2011 - 20%) The differences are explained below

	30 June 2012 £	Period ended 30 June 2011 £
Profit on ordinary activities before tax	<u>302,635</u>	<u>10,100</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 - 20%)	78,685	2,020
Effects of		
Capital allowances for period in excess of depreciation	(107,275)	(41,514)
Unrelieved tax losses	28,590	39,494
Current tax charge for the year/period (see note above)	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

The company has tax losses at the year end date of £4,937,025 (2011 - £5,142,880) that are available indefinitely for offset against future taxable profits. A deferred tax asset has been included in the accounts in respect of these losses

GLOUCESTER RUGBY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

8. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Furniture, fittings and equipment £	Total £
Cost				
At 1 July 2011	10,684,287	66,119	511,112	11,261,518
Additions	87,617	-	247,356	334,973
Disposals	-	-	(4,788)	(4,788)
At 30 June 2012	<u>10,771,904</u>	<u>66,119</u>	<u>753,680</u>	<u>11,591,703</u>
Depreciation				
At 1 July 2011	1,166,027	53,877	325,011	1,544,915
Charge for the year	268,517	3,741	81,311	353,569
On disposals	-	-	(1,572)	(1,572)
At 30 June 2012	<u>1,434,544</u>	<u>57,618</u>	<u>404,750</u>	<u>1,896,912</u>
Net book value				
At 30 June 2012	<u>9,337,360</u>	<u>8,501</u>	<u>348,930</u>	<u>9,694,791</u>
At 30 June 2011	<u>9,518,260</u>	<u>12,242</u>	<u>186,101</u>	<u>9,716,603</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2012 £	2011 £
Land and buildings	-	929,551
Motor vehicles	2,872	7,017
Furniture, fittings and equipment	125,220	17,206
	<u>128,092</u>	<u>953,774</u>

Several of the hire purchase agreements were fully repaid in the year under review and the assets have been reclassified from being held under hire purchase to being owned by the company

The classification of assets and depreciation as previously reported have been reviewed and have been reclassified to more accurately reflect the nature of the assets

Included in land and buildings is freehold land at a cost of £480,000 (2011 - £480,000) which is not depreciated

The cost of the freehold land and buildings includes capitalised finance costs of £404,766 of which an amount of £nil was capitalised during the year

GLOUCESTER RUGBY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

9 STOCKS

	2012 £	2011 £
Stock	<u>74,728</u>	<u>17,562</u>

10. DEBTORS

	2012 £	2011 £
Due after more than one year		
Deferred tax asset (see note 13)	579,000	579,000
Due within one year		
Trade debtors	569,563	808,789
Other debtors	37,447	56,264
Prepayments and accrued income	490,300	521,830
	<u>1,676,310</u>	<u>1,965,883</u>

11 CREDITORS

Amounts falling due within one year

	2012 £	2011 £
Bank loans	484,052	1,160,142
Net obligations under finance leases and hire purchase contracts	37,867	156,030
Trade creditors	585,563	649,916
Social security and other taxes	807,428	906,724
Other creditors	17,152	20,367
Accruals and deferred income	2,167,384	2,184,213
	<u>4,099,446</u>	<u>5,077,392</u>

Obligations under finance leases and hire purchase contracts are secured over the assets concerned

Details of the security over the bank loans and overdraft are disclosed in note 12 to the financial statements

GLOUCESTER RUGBY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

12. CREDITORS

Amounts falling due after more than one year

	2012 £	2011 £
Bank loans	4,466,836	3,676,673
Net obligations under finance leases and hire purchase contracts	93,004	7,971
Accruals and deferred income	195,898	-
	<u>4,755,738</u>	<u>3,684,644</u>

Creditors include amounts not wholly repayable within 5 years as follows

	2012 £	2011 £
Repayable by instalments	<u>2,087,345</u>	<u>2,004,451</u>

Bank loans included above and in note 12 includes a loan repayable in part after more than five years being a bank loan of £2,863,543 repayable in instalments over 7 years, bearing interest at 7.8%, secured by way of a legal charge over the freehold property of the company, a first ranking fixed charge over the P shares and a deed of priority to ensure that the Security ranks as a first priority Security interest over the P shares

The bank overdraft is secured by way of a fixed charge over the freehold property of the company and certain assets subject to finance leases

The remaining amount shown within bank loans of £2,087,345 is secured by way of a charge over distribution rights, a second fixed charge over the freehold property of the company

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	2012 £	2011 £
Between one and five years	<u>93,004</u>	<u>7,971</u>

13 DEFERRED TAX ASSET

	2012 £	2011 £
At beginning and end of year/period	<u>579,000</u>	<u>579,000</u>

The deferred tax asset is made up as follows

	2012 £	2011 £
Tax losses carried forward	<u>579,000</u>	<u>579,000</u>

The company has not recognised a further deferred tax asset of £138,910 as it is unclear when the tax losses associated with this asset will be utilised

GLOUCESTER RUGBY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

14. SHARE CAPITAL

	2012 £	2011 £
Allotted, called up and fully paid		
5,467,767 Ordinary shares shares of £1 each	5,467,767	5,467,767
1,666,667 Preference shares shares of £1 each	1,666,667	1,666,667
	<u>7,134,434</u>	<u>7,134,434</u>

15 RESERVES

	Share premium account £	Profit and loss account £
At 1 July 2011	382,655	(4,163,885)
Profit for the year		302,635
	<u>382,655</u>	<u>(3,861,250)</u>
At 30 June 2012		

16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Opening shareholders' funds	3,353,204	1,343,104
Profit for the year/period	302,635	10,100
Shares issued during the year/period	-	2,000,000
	<u>3,655,839</u>	<u>3,353,204</u>
Closing shareholders' funds		

17 NET CASH FLOW FROM OPERATING ACTIVITIES

	30 June 2012 £	Period ended 30 June 2011 £
Operating profit	703,416	613,241
Depreciation of tangible fixed assets	353,569	370,638
Loss on disposal of tangible fixed assets	2,216	-
Increase in stocks	(57,166)	(8,922)
Decrease/(increase) in debtors	289,573	(293,827)
Increase in creditors	12,205	480,531
Decrease in amounts owed to group undertakings	-	(56,400)
	<u>1,303,813</u>	<u>1,105,261</u>
Net cash inflow from operating activities		

GLOUCESTER RUGBY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

18 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	30 June 2012 £	Period ended 30 June 2011 £
Returns on investments and servicing of finance		
Interest received	42	1,264
Interest paid	(389,648)	(559,081)
Hire purchase interest	(11,175)	(45,324)
Net cash outflow from returns on investments and servicing of finance	<u>(400,781)</u>	<u>(603,141)</u>
	30 June 2012 £	Period ended 30 June 2011 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(334,973)	(137,852)
Sale of tangible fixed assets	1,000	-
Net cash outflow from capital expenditure	<u>(333,973)</u>	<u>(137,852)</u>
	30 June 2012 £	Period ended 30 June 2011 £
Financing		
Issue of ordinary shares	-	2,000,000
New secured loans	3,000,000	-
Repayment of loans	(2,885,927)	(993,096)
Repayment of other loans	-	(271,744)
Repayment of finance leases	(33,130)	(341,358)
Net cash inflow from financing	<u>80,943</u>	<u>393,802</u>

19 ANALYSIS OF CHANGES IN NET DEBT

	1 July 2011 £	Cash flow £	Other non-cash changes £	30 June 2012 £
Cash at bank and in hand	415,192	650,002	-	1,065,194
Debt.				
Debts due within one year	(1,316,172)	(80,943)	875,196	(521,919)
Debts falling due after more than one year	(3,684,644)	-	(875,196)	(4,559,840)
Net debt	<u>(4,585,624)</u>	<u>569,059</u>	<u>-</u>	<u>(4,016,565)</u>

GLOUCESTER RUGBY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

20 CAPITAL COMMITMENTS

At 30 June 2012 the company had capital commitments as follows

	2012 £	2011 £
Contracted for but not provided in these financial statements	-	140,000

21 OPERATING LEASE COMMITMENTS

At 30 June 2012 the company had annual commitments under non-cancellable operating leases as follows

	2012 £	2011 £
Expiry date.		
Within 1 year	21,811	50,485
Between 2 and 5 years	180,690	-

22 RELATED PARTY TRANSACTIONS

The company made sales of £6,621 (2011 £3,375) to Walkinshaw Performance Limited, of which R W J Walkinshaw, a director of the company, is also a director. At the balance sheet date £1,000 (2011 £250) was owed by Walkinshaw Performance Limited.

23 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The directors regard Try Investments Limited, a company registered in England, as the ultimate parent undertaking and controlling party.