

Registered number: 00034603

GLOUCESTER RUGBY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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GLOUCESTER RUGBY LIMITED

COMPANY INFORMATION

DIRECTORS

R W J Walkinshaw
M G St Quinton
D A McKnight (resigned 9 July 2013)
D Grainger
W S Humphreys (resigned 9 July 2013)
K B Nottage (resigned 31 July 2013)
C R A Ferguson (resigned 21 December 2012)
S Vaughan (appointed 17 December 2012)
A Hunt (appointed 1 August 2013)
H Morgan (appointed 1 August 2013)
H Evans (appointed 1 August 2013)

REGISTERED NUMBER

00034603

REGISTERED OFFICE

Kingsholm Stadium
Kingsholm Road
Gloucester
GL1 3AX

INDEPENDENT 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 2013

The directors present their report and the financial statements for the year ended 30 June 2013

PRINCIPAL ACTIVITIES

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

BUSINESS REVIEW

Business performance again improved in 2012/13. The company recorded a profit before tax of £305,336. Turnover increased by 3% or £323k, the major contribution to the additional turnover being improved central distribution contracts, ticketing and bar revenue. The company invested the majority of additional turnover in the playing squad, whilst also improving the support infrastructure. Stephen Vaughan joined the team as Chief Executive Officer, replacing Chris Ferguson. Stephen joins from Thomas Cook, where he oversaw the Olympic bid for the company amongst other duties.

Following an indifferent finish to the 2011/12 playing season, which saw Gloucester finish ninth, Gloucester parted company with its Head Coach Bryan Redpath, and replaced with Nigel Davies as the Director of Rugby. Nigel went about rebuilding the team which involved significant investment in playing personnel and the associated support staff. The results of which saw Gloucester finish in fifth place, and thus qualifying for the Heineken Cup in the 2013/14 season, narrowly missing out on a top 4 place. This represented a 16 point improvement in the team, which was the most of all the Premiership teams during the year. Gloucester produced some notable victories against Saracens, Harlequins, Bath and Leicester, the team will look to reproduce this form to challenge for the title in the 2013-14 season.

The team had intensified its preseason with setting up challenges to face current European Champions Toulon, and further tough tests against Munster and Llanelli, whilst repeating its high altitude training of 2011. Nigel will now take the team into his second season, which he believes will build on the last. Ken Nottage, Wayne Humphreys and David McKnight (Chairman) all stepped down as non-executive directors, being replaced with Huw Evans, Huw Morgan and Andrew Hunt, which will strengthen the Board experience and business network. Ryan Walkinshaw steps up to be Chairman with Martin St Quinton holding the Vice Chairman role.

RESULTS

The profit for the year, after taxation, amounted to £305,336 (2012 - £302,635)

DIRECTORS

The directors who served during the year were

R W J Walkinshaw
M G St Quinton
D A McKnight (resigned 9 July 2013)
D Grainger
W S Humphreys (resigned 9 July 2013)
K B Nottage (resigned 31 July 2013)
C R A Ferguson (resigned 21 December 2012)
S Vaughan (appointed 17 December 2012)

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company made charitable donations of £9,500 (2012 £8,350)

EVENTS SINCE THE END OF THE YEAR

There have been no significant post balance sheet events

GLOUCESTER RUGBY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2013

FUTURE DEVELOPMENTS

There has been significant investment off the pitch over the 2013 summer, with a new ticketing system, access control and a new corporate 1873 lounge, sponsored by Abbey Business Equipment. This continues the improvement plan in the facilities, to deliver a first class venue. The catering offering has been reviewed and Gloucester will look to offer local, new and exciting menu choices throughout the stadium over the 2013/14 season.

Significantly, Gloucester has managed to retain its highest profile players only losing out on the captain Jim Hamilton, who has left for Montpellier. To replace him comes in James Hudson from Newcastle, who has had a successful time with Newcastle Falcons. Joining James is Matt Kvesic, from Worcester who has been called up to the England Elite Squad over the summer and played in the test matches against Argentina in 2013. He joins the formidable back row which now includes Ben Morgan, Akapusi Qera and Sione Kalamafoni. Billy Twelvetrees also received an England call up which then saw him called up by the Lions Tour in Australia over the summer. Gloucester is proud to be announced as one of the venues for the 2015 World Cup, this will see 4 matches played over the pool stages starting 19th September 2015, with Tonga kicking off their campaign. Gloucester's business attention therefore turns to the World Cup to build on the Brand and City presence, pushing the development of the facilities, and providing a world class value to compete at the highest level.

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. The fair value of the interest rate swaps held by the company at the balance sheet date is a liability of £377,699 (2012: £509,172).

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

Mission

To be a top 4 club whilst remaining profitable and financially self-sustaining. This mission statement is broken into 4 key areas of focus: Profit/Players/Supporters/Partners.

GLOUCESTER RUGBY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2013

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

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

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 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 relevant audit information and to establish that the company's auditor is aware of that information

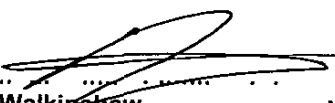
GLOUCESTER RUGBY LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2013**

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

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 2013, set out on pages 7 to 18. 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

UNQUALIFIED 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 2013 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.

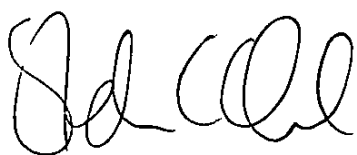
GLOUCESTER RUGBY LIMITED

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 FCCA (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

5 February 2014

GLOUCESTER RUGBY LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 £	2012 £
TURNOVER	1,2	11,592,325	11,269,895
Cost of sales		<u>(7,830,795)</u>	<u>(7,650,929)</u>
GROSS PROFIT		3,761,530	3,618,966
Administrative expenses		<u>(3,031,485)</u>	<u>(2,915,550)</u>
OPERATING PROFIT	3	730,045	703,416
Interest receivable and similar income		189	42
Interest payable and similar charges	6	<u>(424,898)</u>	<u>(400,823)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		305,336	302,635
Tax on profit on ordinary activities	7	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR	15	<u>305,336</u>	<u>302,635</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and Loss Account

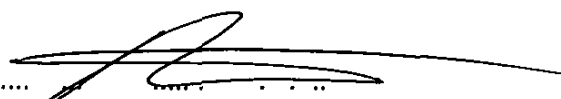
The notes on pages 10 to 18 form part of these financial statements

GLOUCESTER RUGBY LIMITED
REGISTERED NUMBER: 00034603

BALANCE SHEET
AS AT 30 JUNE 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	8		9,595,771		9,694,791
CURRENT ASSETS					
Stocks	9	36,495		74,728	
Debtors	10	2,039,383		1,676,310	
Cash in hand		683,206		1,065,194	
		<u>2,759,084</u>		<u>2,816,232</u>	
CREDITORS: amounts falling due within one year	11	<u>(4,204,569)</u>		<u>(4,099,446)</u>	
NET CURRENT LIABILITIES			<u>(1,445,485)</u>		<u>(1,283,214)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>8,150,286</u>		<u>8,411,577</u>
CREDITORS: amounts falling due after more than one year	12		<u>(4,189,111)</u>		<u>(4,755,738)</u>
NET ASSETS			<u>3,961,175</u>		<u>3,655,839</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>(3,555,914)</u>		<u>(3,861,250)</u>
SHAREHOLDERS' FUNDS	16		<u>3,961,175</u>		<u>3,655,839</u>

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

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R W J Walkinshaw
Chairman

Date

The notes on pages 10 to 18 form part of these financial statements

GLOUCESTER RUGBY LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 £	2012 £
Net cash flow from operating activities	17	843,638	1,303,813
Returns on investments and servicing of finance	18	(424,709)	(400,781)
Capital expenditure and financial investment	18	(273,306)	(333,973)
CASH INFLOW BEFORE FINANCING		145,623	569,059
Financing	18	(527,611)	80,943
(DECREASE)/INCREASE IN CASH IN THE YEAR		(381,988)	650,002

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 30 JUNE 2013**

	2013 £	2012 £
(Decrease)/Increase in cash in the year	(381,988)	650,002
Cash outflow from decrease in debt and lease financing	527,611	(80,943)
MOVEMENT IN NET DEBT IN THE YEAR	145,623	569,059
Net debt at 1 July 2012	(4,016,565)	(4,585,624)
NET DEBT AT 30 JUNE 2013	(3,870,942)	(4,016,565)

The notes on pages 10 to 18 form part of these financial statements

GLOUCESTER RUGBY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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 £305,336 (2012 £302,635) during the period and generated a net cash inflow for the period before financing of £145,623 (2012 £569,059). At the year end the company had net current liabilities of £1,445,485 (2012 £1,283,214). 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 2013

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

2 TURNOVER

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

All turnover arose within the United Kingdom

3 OPERATING PROFIT

The operating profit is stated after charging

	2013 £	2012 £
Depreciation of tangible fixed assets		
- owned by the company	372,326	353,569
Auditor's remuneration	9,786	8,583
Operating lease rentals		
- plant and machinery	19,373	31,045

GLOUCESTER RUGBY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

4 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2013 £	2012 £
Wages and salaries	5,775,854	5,326,241
Social security costs	626,033	625,475
	<u>6,401,887</u>	<u>5,951,716</u>

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

	2013 No	2012 No
Sports and rugby players	65	62
Administration, commercial and match day staff	162	161
	<u>227</u>	<u>223</u>

5 DIRECTORS' REMUNERATION

	2013 £	2012 £
Remuneration	<u>217,897</u>	<u>281,284</u>

The highest paid director received remuneration of £81,564 (2012 - £176,694)

6 INTEREST PAYABLE

	2013 £	2012 £
On bank loans and overdrafts	412,423	389,648
On finance leases and hire purchase contracts	12,475	11,175
	<u>424,898</u>	<u>400,823</u>

GLOUCESTER RUGBY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

7 TAXATION

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2012 - lower than) the standard rate of corporation tax in the UK of 24% (2012 - 26%). The differences are explained below

	2013 £	2012 £
Profit on ordinary activities before tax	<u>305,336</u>	<u>302,635</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 - 26%)	73,281	78,685
Effects of		
Capital allowances for period in excess of depreciation	9,949	(107,275)
Utilisation of tax losses	(83,230)	-
Unrelieved tax losses	-	28,590
	<u>-</u>	<u>-</u>
Current tax charge for the year (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 £4,693,911 (2012 - £4,937,025) 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

8 TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Furniture, fittings and equipment £	Total £
Cost				
At 1 July 2012	10,771,904	66,119	753,680	11,591,703
Additions	135,543	-	137,763	273,306
At 30 June 2013	<u>10,907,447</u>	<u>66,119</u>	<u>891,443</u>	<u>11,865,009</u>
Depreciation				
At 1 July 2012	1,434,544	57,618	404,750	1,896,912
Charge for the year	269,593	3,733	99,000	372,326
At 30 June 2013	<u>1,704,137</u>	<u>61,351</u>	<u>503,750</u>	<u>2,269,238</u>
Net book value				
At 30 June 2013	<u>9,203,310</u>	<u>4,768</u>	<u>387,693</u>	<u>9,595,771</u>
At 30 June 2012	<u>9,337,360</u>	<u>8,501</u>	<u>348,930</u>	<u>9,694,791</u>

GLOUCESTER RUGBY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

8 TANGIBLE FIXED ASSETS (continued)

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

	2013 £	2012 £
Motor vehicles	-	2,872
Furniture, fittings and equipment	105,243	125,220
	<u>105,243</u>	<u>128,092</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 (2012 - £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

9. STOCKS

	2013 £	2012 £
Stock	<u>36,495</u>	<u>74,728</u>

10 DEBTORS

	2013 £	2012 £
Due after more than one year		
Deferred tax asset (see note 13)	579,000	579,000
Due within one year		
Trade debtors	746,440	569,563
Other debtors	31,144	37,447
Prepayments and accrued income	682,799	490,300
	<u>2,039,383</u>	<u>1,676,310</u>

GLOUCESTER RUGBY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

11 CREDITORS·
Amounts falling due within one year

	2013 £	2012 £
Bank loans	516,519	484,052
Net obligations under finance leases and hire purchase contracts	34,909	37,867
Trade creditors	520,797	585,563
Other taxation and social security	859,706	807,428
Other creditors	38,612	17,152
Accruals and deferred income	2,234,026	2,167,384
	<u>4,204,569</u>	<u>4,099,446</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

12 CREDITORS·
Amounts falling due after more than one year

	2013 £	2012 £
Bank loans	3,947,558	4,466,836
Net obligations under finance leases and hire purchase contracts	55,162	93,004
Accruals and deferred income	186,391	195,898
	<u>4,189,111</u>	<u>4,755,738</u>

Creditors include amounts not wholly repayable within 5 years as follows

	2013 £	2012 £
Repayable by instalments	<u>1,804,365</u>	<u>2,087,345</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 £2,517,404 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 £1,804,365 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

	2013 £	2012 £
Between one and five years	<u>55,162</u>	<u>93,004</u>

GLOUCESTER RUGBY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

13 DEFERRED TAX ASSET

	2013 £	2012 £
At beginning and end of year	<u>579,000</u>	<u>579,000</u>

The deferred tax asset is made up as follows

	2013 £	2012 £
Tax losses carried forward	<u>579,000</u>	<u>579,000</u>

14 SHARE CAPITAL

	2013 £	2012 £
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 2012	382,655	(3,861,250)
Profit for the financial year		305,336
At 30 June 2013	<u>382,655</u>	<u>(3,555,914)</u>

16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Opening shareholders' funds	3,655,839	3,353,204
Profit for the financial year	305,336	302,635
Closing shareholders' funds	<u>3,961,175</u>	<u>3,655,839</u>

GLOUCESTER RUGBY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

17 NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £	2012 £
Operating profit	730,045	703,416
Depreciation of tangible fixed assets	372,326	353,569
Loss on disposal of tangible fixed assets	-	2,216
Decrease/(increase) in stocks	38,233	(57,166)
(Increase)/decrease in debtors	(363,073)	289,573
Increase in creditors	66,107	12,205
Net cash inflow from operating activities	843,638	1,303,813

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

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	189	42
Interest paid	(412,423)	(389,648)
Hire purchase interest	(12,475)	(11,175)
Net cash outflow from returns on investments and servicing of finance	(424,709)	(400,781)
	2013 £	2012 £
Capital expenditure and financial investment		
Sale of intangible fixed assets	-	1,000
Purchase of tangible fixed assets	(273,306)	(334,973)
Net cash outflow from capital expenditure	(273,306)	(333,973)
	2013 £	2012 £
Financing		
New secured loans	-	3,000,000
Repayment of loans	(486,811)	(2,885,927)
Repayment of finance leases	(40,800)	(33,130)
Net cash (outflow)/inflow from financing	(527,611)	80,943

GLOUCESTER RUGBY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

19 ANALYSIS OF CHANGES IN NET DEBT

	1 July 2012 £	Cash flow £	Other non-cash changes £	30 June 2013 £
Cash at bank and in hand	1,065,194	(381,988)	-	683,206
Debt.				
Debts due within one year	(521,919)	527,611	(557,120)	(551,428)
Debts falling due after more than one year	(4,559,840)	-	557,120	(4,002,720)
Net debt	(4,016,565)	145,623	-	(3,870,942)

20 OPERATING LEASE COMMITMENTS

At 30 June 2013 the company had annual commitments under non-cancellable operating leases as follows

	2013 £	2012 £
Expiry date:		
Within 1 year	21,811	21,811
Between 2 and 5 years	180,000	180,690

21 RELATED PARTY TRANSACTIONS

The company made sales of £285 (2012 £6,621) to Walkinshaw Performance Limited, of which R W J Walkinshaw, a director of the company, is also a director. At the balance sheet date £NIL (2012 £1,000) was owed by Walkinshaw Performance Limited.

22 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.