

Registration number: 00034603

GLOUCESTER RUGBY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

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GLOUCESTER RUGBY LIMITED
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GLOUCESTER RUGBY LIMITED
COMPANY INFORMATION

Directors	R W J Walkinshaw M G St Quinton D Grainger S Vaughan A Hunt H Morgan M Fairbrother
Company secretary	M Fairbrother
Registered office	Kingsholm Stadium Kingsholm Road Gloucester GL1 3AX
Bankers	Barclays Bank plc 18 Southgate Street Gloucester Gloucestershire GL1 2DH
Auditors	Hazlewoods LLP Staverton Court Staverton Cheltenham GL51 0UX

GLOUCESTER RUGBY LIMITED
STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2015

The directors present their strategic report for the year ended 30 June 2015.

Business review

It has been a year of transition for the club during the 2014/15 season. In the previous year, to improve the fortunes of the club going forward, a change of leadership and structure within the playing department was implemented. The Director of Rugby and a number of coaches departed the club, with the decision taken to appoint a new backroom team during the summer with a structure similar to the top performing clubs in Rugby. The board decided to recruit proven high quality individuals, David Humphreys as Director of Rugby, Laurie Fisher as Head Coach and further strengthened personnel in other coaching areas such as Strength and Conditioning, Academy and Analysis. Despite the same final league position as the previous season, there were a number of positives noted as the season progressed, with the impact of the new backroom team taking effect. These included an unbeaten home record in 2015 and winning the European Rugby Challenge Cup in May 2015, with a 19-13 victory over Edinburgh Rugby at Twickenham Stoop, which represented the first major honour for the club in 4 years.

The club maintained its self-sustainable financial footing with another year of profit despite the 9th placed finish and necessary extra investment in the playing department. The club was able to grow turnover by 21.3% over the previous year to a record level of £14,582,009. This was driven by both increases in centrally distributed incomes from Premiership Rugby, as well as growth in all key income streams of the business, specifically regarding new sponsorships and commercial partnerships as well as hosting two concerts during the year. The growth of income was matched by increased costs, with a 28.3% increase in cost of sales over the previous year which reflects the decision to invest in the first team squad both in terms of quality and strength in depth. Profit on ordinary activities before taxation was £286,026 for the year, although down on the previous year it reflects the fifth year of profit in a row.

The club held two very successful concerts at Kingsholm during the year, with over 26,000 people coming to see Madness and Elton John, with the latter being the highest profile concert held at the stadium to date. Going forward, it is the intention to seek similar calibre acts to appear at the stadium to maximise commercial opportunities for the club, and also to develop the reputation of Kingsholm as a stadium venue for top music acts embarking on their UK stadium tours.

The club was also able to continue to reduce its long term debt by a further £622k (18%). Direct debit payments have been extended for season ticket holders and members at an interest free rate, and over a period of up to 12 months to spread the cost of their memberships. This has resulted in a reduced year end cash position, but has helped to maintain a consistent level of season ticket holders, as well as a steady and consistent cashflow during the year. The net cash outflow during the year of £419,178 was driven by these factors along with the land purchase of the former Cooper Cowan car site next door to Kingsholm, which affords the club a larger stadium footprint for future development as well as match day experiences for supporters. This strategic land purchase was funded through normal working capital.

Future Developments

Following the record level of investment in the 2014/15 Squad and Support Staff, there has been further investment, both to develop the Squad and Support Staff structure for the 2015/16 season. Players including Willi Heinz, Tom Marshall, Paul Doran-Jones, Jeremy Thrush, Joe Latta and Paddy McAllister all adding to the strength and experience of the squad.

In September 2015, the club welcomed the world to Kingsholm through its staging of four Rugby World Cup matches as well as a warm up match between Japan and Georgia. Over 60,000 people attended these events and the tournament, and notably the involvement of the club in hosting these matches, has received very strong press both domestically and internationally. During the tournament itself, the club had seven of its players involved competing for five different countries.

The club has also announced in April 2015 the intention of the directors to look for potential investment in the club through a share sale. At the date of signing these accounts there are a number of positive talks continuing with potential interested parties.

GLOUCESTER RUGBY LIMITED
STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2015

..... **CONTINUED**

Results

The pre-tax profit for the year amounted to £286,026 (2014 - £512,380)

Key Performance indicators

Financial

The company measures its financial performance using the following measures

- Profitability
- Growth in turnover
- Cashflow performance
- 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 and points per season;
- Progression of European Cup and Anglo-Welsh Cup; and
- Match attendance

Mission

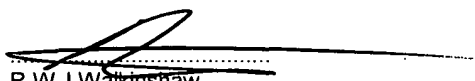
To be a top 4 club whilst remaining profitable and financially self-sustaining. The mission statement is broken into four key areas of focus Profit/Players/Supporters/Partners.

Principal 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 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.

Approved by the Board on 21/12/15.... and signed on its behalf by:


R W J Walkinshaw
Director

GLOUCESTER RUGBY LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2015

The directors present their report and the financial statements for the year ended 30 June 2015.

Directors of the company

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

R W J Walkinshaw

M G St Quinton

D Grainger

S Vaughan

A Hunt

H Morgan

H Evans (resigned 05 August 2014)

J C M Parker - Company secretary and director (appointed 01 July 2014 and resigned 08 April 2015)

M Fairbrother - Company secretary and director (appointed 08 April 2015)


Disclosure of information to the auditor

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Medium sized company provisions

This report has been prepared in accordance with the special provisions relating to medium-sized companies within Part 15 of the Companies Act 2006.

Approved by the Board on 24/12/15 and signed on its behalf by:


.....
R W J Walkinshaw
Director

GLOUCESTER RUGBY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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

We have audited the financial statements of Gloucester Rugby Limited for the year ended 30 June 2015, set out on pages 8 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 Statement of Directors' Responsibilities (set out on page 5), 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report and the Strategic Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the 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 2015 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 and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS 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.

.....
David Williams (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditors

Staverton Court
Staverton
Cheltenham
GL51 0UX

Date: 21/12/2015

GLOUCESTER RUGBY LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 £	2014 £
Turnover		14,582,009	12,023,466
Cost of sales		(10,371,299)	(8,086,158)
Gross profit		4,210,710	3,937,308
Administrative expenses		(3,619,667)	(3,069,504)
Operating profit	2	591,043	867,804
Other interest receivable and similar income		43	125
Interest payable and similar charges	5	(305,060)	(355,549)
Profit on ordinary activities before taxation		286,026	512,380
Tax on profit on ordinary activities	6	(107,136)	(265,888)
Profit for the financial year	13	178,890	246,492

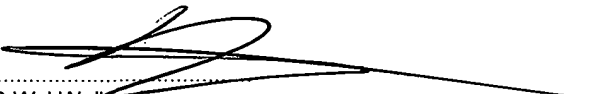
Turnover and operating profit derive wholly from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

GLOUCESTER RUGBY LIMITED
(REGISTRATION NUMBER: 00034603)
BALANCE SHEET
AS AT 30 JUNE 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible fixed assets	7	9,820,662	9,629,474
Current assets			
Stocks	8	48,861	23,670
Debtors	9	2,196,225	1,965,252
Cash at bank and in hand		66,108	485,286
		2,311,194	2,474,208
Creditors: Amounts falling due within one year	10	(4,887,742)	(4,335,600)
Net current liabilities		(2,576,548)	(1,861,392)
Total assets less current liabilities		7,244,114	7,768,082
Creditors: Amounts falling due after more than one year	11	(2,857,557)	(3,560,415)
Net assets		4,386,557	4,207,667
Capital and reserves			
Called up share capital	12	7,134,434	7,134,434
Share premium account	13	382,655	382,655
Profit and loss account	13	(3,130,532)	(3,309,422)
Shareholders' funds	14	4,386,557	4,207,667

Approved by the Board and authorised for issue on 21/12/15 and signed on its behalf by:


 R W J Walkinshaw
 Director

GLOUCESTER RUGBY LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

Reconciliation of operating profit to net cash flow from operating activities

	2015 £	2014 £
Operating profit	591,043	867,804
Depreciation, amortisation and impairment charges	442,709	399,059
Profit on disposal of fixed assets	(889)	-
(Increase)/decrease in stocks	(25,191)	12,825
Increase in debtors	(338,109)	(191,757)
Increase in creditors	442,157	59,378
Net cash inflow from operating activities	<u>1,111,720</u>	<u>1,147,309</u>

Cash flow statement

	2015 £	2014 £
Net cash inflow from operating activities	<u>1,111,720</u>	<u>1,147,309</u>
Returns on investments and servicing of finance		
Interest received	43	125
HP and finance lease interest	(4,293)	(7,882)
Interest paid	<u>(300,767)</u>	<u>(347,667)</u>
	<u>(305,017)</u>	<u>(355,424)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(649,025)</u>	<u>(414,860)</u>
Net cash inflow before management of liquid resources and financing	<u>157,678</u>	<u>377,025</u>
Financing		
Repayment of loans and borrowings	(550,417)	(536,231)
Repayment of capital element of finance leases and HP contracts	<u>(26,439)</u>	<u>(38,714)</u>
	<u>(576,856)</u>	<u>(574,945)</u>
Decrease in cash	<u>(419,178)</u>	<u>(197,920)</u>

Reconciliation of net cash flow to movement in net debt

	Note	2015 £	2014 £
Decrease in cash		(419,178)	(197,920)
Cash outflow from repayment of loans		550,417	536,231
Cash outflow from repayment of capital element of finance leases and hire purchase contracts		26,439	38,714
Change in net debt resulting from cash flows	16	<u>157,678</u>	<u>377,025</u>
Cancellation of finance lease		13,131	-
New finance leases		-	(17,902)
Movement in net debt	16	<u>170,809</u>	<u>359,123</u>
Net debt at 1 July	16	<u>(3,511,819)</u>	<u>(3,870,942)</u>
Net debt at 30 June	16	<u>(3,341,010)</u>	<u>(3,511,819)</u>

GLOUCESTER RUGBY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention.

Going concern

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

The company made a pre tax profit of £286,026 (2014 - £512,380) during the period and generated a net cash inflow for the period, before financing, of £157,678 (2014 - £377,025). At the year end the company had net current liabilities of £2,576,548 (2014 - £1,861,392). The company has prepared detailed budgets and cash flow forecasts for the period to 30 June 2018. 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:

Asset class	Depreciation method and rate
Freehold building and ground improvements	2-15% straight line
Motor Vehicles	20% straight line
Fixtures, fittings and equipment	15-33% straight line

Stock

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

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

GLOUCESTER RUGBY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract and represent a constant proportion of the balance of capital repayments outstanding.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Derivatives

The company utilises interest rate swaps to manage interest rate risk volatility on its bank and loan borrowings. The company is not required to apply FRS 26 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 Operating profit

Operating profit is stated after charging:

	2015 £	2014 £
Operating leases - plant and machinery	20,741	17,188
Operating leases - other assets	33,696	25,980
Auditor's remuneration - The audit of the company's annual accounts	15,500	12,420
Profit on sale of tangible fixed assets	(889)	-
Depreciation of owned assets	<u>442,709</u>	<u>399,059</u>

GLOUCESTER RUGBY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

3 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2015 No.	2014 No.
Administration and support	214	176
Other departments	70	72
	<u>284</u>	<u>248</u>

The aggregate payroll costs were as follows:

	2015 £	2014 £
Wages and salaries	7,647,773	6,176,967
Social security costs	773,672	768,771
	<u>8,421,445</u>	<u>6,945,738</u>

4 Directors' remuneration

The directors' remuneration for the year was as follows:

	2015 £	2014 £
Remuneration (including benefits in kind)	<u>267,959</u>	<u>184,499</u>

In respect of the highest paid director:

	2015 £	2014 £
Remuneration	<u>153,513</u>	<u>140,697</u>

5 Interest payable and similar charges

	2015 £	2014 £
Interest on bank borrowings	300,767	347,667
Finance charges	4,293	7,882
	<u>305,060</u>	<u>355,549</u>

GLOUCESTER RUGBY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

6 Taxation

Tax on profit on ordinary activities

	2015 £	2014 £
Deferred tax		
Origination and reversal of timing differences	107,136	140,894
Deferred tax adjustment relating to previous years	-	56,893
Effect of changes in tax rates	-	68,101
Total deferred tax	<u>107,136</u>	<u>265,888</u>

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20.75% (2014 - 22.5%).

The differences are reconciled below:

	2015 £	2014 £
Profit on ordinary activities before taxation	<u>286,026</u>	<u>512,380</u>
Corporation tax at standard rate	59,350	115,286
Capital allowances for the period in excess of depreciation	(29,535)	(77,622)
Other short term timing differences	365	(345)
Fixed asset differences	41,853	42,344
Expenses not deductible for tax purposes	8,300	858
Utilisation of tax losses	(81,984)	(80,549)
Other permanent differences	<u>1,651</u>	<u>28</u>
Total current tax	<u>-</u>	<u>-</u>

GLOUCESTER RUGBY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

Factors that may affect future tax charges

The company has tax losses at the year end of £3,888,908 (2014 - £4,296,300) 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.

7 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation				
At 1 July 2014	11,099,473	1,114,277	84,021	12,297,771
Additions	441,577	200,448	7,000	649,025
Disposals	-	(2,886)	(17,902)	(20,788)
At 30 June 2015	<u>11,541,050</u>	<u>1,311,839</u>	<u>73,119</u>	<u>12,926,008</u>
Depreciation				
At 1 July 2014	1,993,723	610,378	64,196	2,668,297
Charge for the year	302,221	132,800	7,688	442,709
Eliminated on disposals	-	-	(5,660)	(5,660)
At 30 June 2015	<u>2,295,944</u>	<u>743,178</u>	<u>66,224</u>	<u>3,105,346</u>
Net book value				
At 30 June 2015	<u>9,245,106</u>	<u>568,661</u>	<u>6,895</u>	<u>9,820,662</u>
At 30 June 2014	<u>9,105,750</u>	<u>503,899</u>	<u>19,825</u>	<u>9,629,474</u>

Included in land and buildings is freehold land at a cost of £842,000 (2014 - £480,000) which is not depreciated.

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

Leased assets

Included within the net book value of tangible fixed assets is £47,621 (2014 - £103,175) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £8,836 (2014 - £19,972).

8 Stocks

	2015 £	2014 £
Stocks	<u>48,861</u>	<u>23,670</u>

GLOUCESTER RUGBY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

9 Debtors

	2015 £	2014 £
Trade debtors	1,022,111	823,799
Other debtors	91,645	18,270
Deferred tax	205,976	313,112
Prepayments and accrued income	876,493	810,071
	<u>2,196,225</u>	<u>1,965,252</u>

Deferred tax

The movement in the deferred tax asset in the year is as follows:

	£
At 1 July 2014	313,112
Deferred tax charged to the profit and loss account	<u>(107,136)</u>
At 30 June 2015	<u>205,976</u>

Analysis of deferred tax

	2015 £	2014 £
Difference between accumulated depreciation and amortisation and capital allowances	(577,308)	(548,842)
Other timing differences	3,043	2,694
Tax losses available	<u>780,241</u>	<u>859,260</u>
	<u>205,976</u>	<u>313,112</u>

GLOUCESTER RUGBY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

10 Creditors: Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	1,037,779	700,145
Bank loans	623,401	552,075
Obligations under finance lease and hire purchase contracts	16,321	29,753
Other taxes and social security	995,128	983,592
Other creditors	38,621	42,089
Accruals and deferred income	2,176,492	2,027,946
	<u>4,887,742</u>	<u>4,335,600</u>

Obligations under finance leases and hire purchase contracts are secured over the assets to which they relate.

Details of the security over the bank loans and overdraft are disclosed in note 11 to the financial statements.

11 Creditors: Amounts falling due after more than one year

	2015	2014
	£	£
Bank loans	2,754,028	3,375,771
Obligations under finance lease and hire purchase contracts	13,368	39,506
Accruals and deferred income	90,161	145,138
	<u>2,857,557</u>	<u>3,560,415</u>

Bank loans included above and in note 10 includes a loan, 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 £1,638,801 is secured by way of a charge over distribution rights and a second fixed charge over the freehold property of the company.

Obligations under finance leases and HP contracts

Amounts repayable:

	2015	2014
	£	£
In one year or less on demand	16,321	29,753
Between two and five years	13,368	39,506
	<u>29,689</u>	<u>69,259</u>

GLOUCESTER RUGBY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

12 Share capital

Allotted, called up and fully paid shares

	2015		2014	
	No.	£	No.	£
Ordinary shares of £1 each	5,467,767	5,467,767	5,467,767	5,467,767
Preference shares of £1 each	1,666,667	1,666,667	1,666,667	1,666,667
	<u>7,134,434</u>	<u>7,134,434</u>	<u>7,134,434</u>	<u>7,134,434</u>

13 Reserves

	Share premium account £	Profit and loss account £	Total £
At 1 July 2014	382,655	(3,309,422)	(2,926,767)
Profit for the year	-	178,890	178,890
At 30 June 2015	<u>382,655</u>	<u>(3,130,532)</u>	<u>(2,747,877)</u>

14 Reconciliation of movement in shareholders' funds

	2015 £	2014 £
Profit attributable to the members of the company	178,890	246,492
Net addition to shareholders' funds	178,890	246,492
Shareholders' funds at 1 July	4,207,667	3,961,175
Shareholders' funds at 30 June	<u>4,386,557</u>	<u>4,207,667</u>

15 Commitments

Operating lease commitments

As at 30 June 2015 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2015 £	2014 £
Land and buildings		
Within two and five years	<u>180,000</u>	<u>180,000</u>
Other		
Within one year	1,680	3,130
Within two and five years	<u>8,780</u>	<u>11,300</u>
	<u>10,460</u>	<u>14,430</u>

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16 Analysis of net debt

	At 1 July 2014 £	Cash flow £	Other non-cash changes £	At 30 June 2015 £
Cash at bank and in hand	485,286	(419,178)	-	66,108
Debt due within one year	(552,075)	550,417	(621,743)	(623,401)
Debt due after more than one year	(3,375,771)	-	621,743	(2,754,028)
Finance leases and hire purchase contracts	(69,259)	26,439	13,131	(29,689)
Net debt	<u>(3,511,819)</u>	<u>157,678</u>	<u>13,131</u>	<u>(3,341,010)</u>

Other non-cash changes relate to the cancellation of a hire purchase agreement and the reallocation of debt due within one year.

17 Related party transactions

Gloucester Rugby Community Foundation CIC
(a company limited by guarantee in which S Vaughan is a director)

During the year the company made sales to Gloucester Rugby Community Foundation CIC of £122,118 (2014 - £52,261) and purchases of £38,769 (2014 - £2,000). At the balance sheet date the amount due to Gloucester Rugby Community Foundation CIC was £18,875 (2014 - £2,000) and the amount due from Gloucester Rugby Community Foundation CIC was £37,210 (2014 - £16,812).

C52 Limited
(a company in which H Morgan is a director)

During the year the company made purchases from C52 Limited of £10,000 (2014 - nil). At the balance sheet date the amount owed to C52 Limited was £833 (2014 - nil).

18 Control

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