

**Bristol City Football Club Limited**  
**Annual Report and Financial Statements**  
**Year Ended 31 May 2018**  
Registration number: 03230871

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# **Bristol City Football Club Limited**

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# **Bristol City Football Club Limited**

## **Company Information**

**Chairman** K W Dawe

**Directors** M A Ashton  
K W Dawe  
D J Harman  
J S Lansdown  
G T Marshall

**Company secretary** G T Marshall

**Registered office** Ashton Gate  
Bristol  
BS3 2EJ

**Solicitors** Burges Salmon LLP  
One Glass Wharf  
Bristol  
BS2 0ZX

**Bankers** Barclays Bank plc  
Bristol & North Somerset Group  
PO Box 207  
Bristol  
BS2 0ZX

**Auditors** PKF Francis Clark  
Statutory Auditor  
Ground Floor  
Blackbrook Gate 1  
Blackbrook Business Park  
Taunton  
Somerset  
TA1 2PX

# **Bristol City Football Club Limited**

## **Strategic Report**

**Year Ended 31 May 2018**

The directors present their strategic report for the year ended 31 May 2018.

### **Review of the business**

The overall company loss this year was £23.47m (2017 - £3.26m) and the total cash requirement by the Club to sustain its operations for the year was £18.68m, the funding for which was received by equity investments into the immediate parent company, Bristol City Holdings, Limited by the ultimate parent company.

At the start of this season the Club welcomed three new players, amongst them Famara Diedhiou the Club's record signing from Angers in France. Six players left the Club. Off the pitch Luke Williams joined the coaching staff from Swindon Town to take charge of our Under 23s.

Following a successful start to the season and good performances on the pitch, the Club occupied a play-off position at the end of the calendar year. But the Club's Carabao Cup run will be the highlight best remembered by supporters for many years to come. After beating three Premier League teams, the Club was drawn at home against Manchester United in the quarter-final. Together with a world wide TV audience, a capacity crowd of 26,088 at the refurbished Ashton Gate Stadium saw Korey Smith score the winning goal in the dying moments of the game to give Bristol City a famous 2-1 win.

Manchester City awaited in a two legged semi-final. The first leg tie was watched by 7,680 City supporters, a record away crowd for the Etihad Stadium. Leading at half time through a Bobby Reid penalty, Manchester City scored two second half goals to give them a slender 2-1 win going into the second leg. After another impressive team performance in front of the TV cameras and capacity attendance at Ashton Gate, Manchester City eventually won the game 3-2.

Well deserved praise was received from all quarters and reputations visibly enhanced. The Club finished the season in 11th position in the league with 67 points, an improvement on last year along with the highest average home attendances for 39 years and record season card sales.

Following the successful redevelopment of Ashton Gate Stadium, plans for our Training Ground development at Failand are at an advanced stage. This will enable the Club to bring together the first team and Under 23 squads along with the Academy. The project will deliver a new training pavilion with offices and meeting rooms, medical and physio facilities, gym, changing rooms, restaurant and laundry. The scheme features a seating area for 500 spectators alongside a show pitch as well as two further full size pitches and smaller training pitches. Planning permission was granted in September 2018.

There continues to be much media comment surrounding Safeguarding. The board has overseen and approved comprehensive Child Safeguarding and Recruitment policies which are reviewed and underpinned with regular staff training sessions.

As we look forward to the coming season with renewed optimism, the board would like to formally acknowledge the owner's continuing and generous financial support. At the same time the board thanks director Ernie Arathoon for his support and contributions to the Club over the years following his resignation in March. Finally, we would like to thank all of our loyal and hard working staff for their continued efforts during this year.

# **Bristol City Football Club Limited**

## **Strategic Report**

### **Year Ended 31 May 2018**

The company's key financial and other performance indicators during the year were as follows:

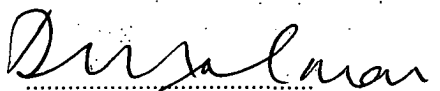
- (i) Average league attendance - 20,953 (2017 - 19,256)
- (ii) Final league position - 11th (2017 - 17th) in the Championship, meaning that the 2018/19 season will be spent in the Championship
- (iii) Total gate revenue up £1,625,818 (32%) (2017 - up £1,172,644 (30%))
- (iv) Central distributions from broadcasting, the Football League and solidarity payments up £908,900 (13%) (2017 - up £2,129,196 (48%))

As described above, the company has generated a loss of £23.47m (2017 - £3.26m) which was within the expectations of the Board reflecting the ongoing investment into the operations of the club and includes the impact of a net loss on player trading of £7.5m (2017 - net profit on player trading of £8.5m). These losses have increased the net liabilities as at 31 May 2018 to £60.5m (2017 - £37.0m). As described in Note 2 to the financial statements the directors are satisfied with both the going concern status of the company and the valuation of the key assets and liabilities included within the balance sheet.

#### **Principal risks and uncertainties**

The principal risk to the company is the availability of finance to fund the continuing losses. The continuing financial support of Pula Sport Limited and the ultimate controlling parties, Mrs & Mrs S P Lansdown, is critical as explained in the going concern accounting policy.

Approved by the Board on 23 October 2018 and signed on its behalf by:



D J Harman  
Director

# **Bristol City Football Club Limited**

## **Directors' Report**

**Year Ended 31 May 2018**

The directors present their report and the financial statements for the year ended 31 May 2018.

### **Directors of the company**

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

E A Arathoon (resigned 5 March 2018)

M A Ashton

K W Dawe - Chairman

D J Harman

J S Lansdown

The following director was appointed after the year end:

G T Marshall (appointed 1 September 2018)

### **Principal activity**

The principal activity of the company is the running of a professional football club.

### **Financial instruments**

#### ***Objectives and policies***

The directors have reviewed the financial risk management objectives and policies of the company. They do not believe there to be significant risks in this area. The company does not enter into any hedging instruments as there are not believed to be any material exposures. It does not enter into any financial instruments for speculative purposes.

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

Appropriate trade terms are negotiated with suppliers and customers. Management reviews these terms, the relationship with suppliers and customers and manages any exposure on normal trade terms. The company prepares regular forecasts of cash flow and liquidity and any requirement for additional funding is managed by the directors on a needs basis.

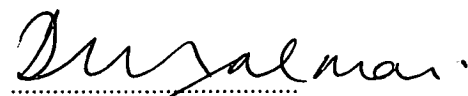
### **Future developments**

The company has taken advantage of Section 414C (11) of the Companies Act 2006 and included details of future developments in the Strategic Report.

### **Disclosure of information to the auditors**

Each director has taken all 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 of which they know the auditors are unaware.

Approved by the Board on 23 October 2018 and signed on its behalf by:



D J Harman  
Director

## **Bristol City Football Club Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

# **Bristol City Football Club Limited**

## **Independent Auditor's Report to the Members of Bristol City Football Club Limited**

### **Opinion**

We have audited the financial statements of Bristol City Football Club Limited (the 'company') for the year ended 31 May 2018, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

### **Other information**

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

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

We have nothing to report in this regard.



# **Bristol City Football Club Limited**

## **Independent Auditor's Report to the Members of Bristol City Football Club Limited**

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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.

### **Responsibilities of directors**

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

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

## Bristol City Football Club Limited

### Independent Auditor's Report to the Members of Bristol City Football Club Limited

#### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Nicholas Farrant BA MSc FCA (Senior Statutory Auditor)  
PKF Francis Clark, Statutory Auditor

Ground Floor  
Blackbrook Gate 1  
Blackbrook Business Park  
Taunton  
Somerset  
TA1 2PX

23 October 2018

# Bristol City Football Club Limited

## Profit and Loss Account

Year Ended 31 May 2018

	Note	2018 £	2017 £
<b>Turnover</b>	3	17,109,965	14,293,531
Employee benefits expense		(23,083,565)	(17,895,605)
Depreciation and amortisation expense		(8,069,032)	(5,438,260)
Other expenses		<u>(9,753,678)</u>	<u>(8,079,523)</u>
<b>Operating loss</b>	4	(23,796,310)	(17,119,857)
Profit on disposal of players' contracts		<u>296,625</u>	<u>13,603,739</u>
<b>Loss before interest and taxation</b>		(23,499,685)	(3,516,118)
Loss excluding player trading		(16,039,154)	(11,988,751)
Player trading*		<u>(7,460,531)</u>	<u>8,472,633</u>
Other interest receivable and similar income	8	51,064	50,872
Interest payable and similar charges	9	<u>(33,781)</u>	<u>(24,267)</u>
<b>Loss before tax</b>		(23,482,402)	(3,489,513)
Taxation	10	<u>16,783</u>	<u>225,348</u>
<b>Loss for the year</b>		<u><u>(23,465,619)</u></u>	<u><u>(3,264,165)</u></u>

\*Player trading comprises amortisation and impairment of players' contracts and the profit/loss on disposal of players' contracts.

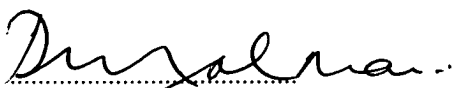
# Bristol City Football Club Limited

## Balance Sheet

31 May 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	11	12,229,710	9,509,741
Tangible assets	12	<u>1,690,442</u>	<u>1,559,965</u>
		<u>13,920,152</u>	<u>11,069,706</u>
<b>Current assets</b>			
Stocks		1,035	52,219
Debtors	13	7,975,213	12,423,795
Cash at bank and in hand		<u>38,884</u>	<u>28,235</u>
		8,015,132	12,504,249
<b>Creditors: Amounts falling due within one year</b>	15	<u>(77,831,195)</u>	<u>(57,560,995)</u>
<b>Net current liabilities</b>		<u>(69,816,063)</u>	<u>(45,056,746)</u>
<b>Total assets less current liabilities</b>		(55,895,911)	(33,987,040)
<b>Creditors: Amounts falling due in more than one year</b>	15	(1,100,000)	(333,792)
<b>Deferred income</b>	17	<u>(3,460,523)</u>	<u>(2,669,983)</u>
<b>Net liabilities</b>		<u>(60,456,434)</u>	<u>(36,990,815)</u>
<b>Capital and reserves</b>			
Called up share capital	20	58,521,588	58,521,588
Profit and loss account		<u>(118,978,022)</u>	<u>(95,512,403)</u>
Shareholders' deficit		<u>(60,456,434)</u>	<u>(36,990,815)</u>

Approved and authorised by the Board on 23 October 2018 and signed on its behalf by:



D J Harman  
Director

Company Registration Number: 03230871

# Bristol City Football Club Limited

## Statement of Changes in Equity

Year Ended 31 May 2018

	Share capital £	Profit and loss account £	Total £
At 1 June 2017	58,521,588	(95,512,403)	(36,990,815)
Loss for the year	-	(23,465,619)	(23,465,619)
At 31 May 2018	<u>58,521,588</u>	<u>(118,978,022)</u>	<u>(60,456,434)</u>

	Share capital £	Profit and loss account £	Total £
At 1 June 2016	58,521,588	(92,248,238)	(33,726,650)
Loss for the year	-	(3,264,165)	(3,264,165)
At 31 May 2017	<u>58,521,588</u>	<u>(95,512,403)</u>	<u>(36,990,815)</u>

# **Bristol City Football Club Limited**

## **Notes to the Financial Statements**

**Year Ended 31 May 2018**

### **1 General information**

The company is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office is:

Ashton Gate  
Bristol  
BS3 2EJ

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

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

#### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and the Companies Act 2006. There are no material departures from FRS 102.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention.

#### **Summary of disclosure exemptions**

The company has taken advantage of the exemptions available under FRS 102 in respect of financial instruments, presentation of a cash flow statement and disclosure of key management personnel remuneration. The results of the company are included within the consolidated financial statements of Bristol City Holdings Limited, copies of which can be obtained from Companies House.

#### **Going concern**

In accordance with their responsibilities, the directors have considered the appropriateness of the going concern basis for the preparation of the financial statements.

The company is currently loss-making and has net current liabilities and net liabilities. In order to continue in operational existence as a going concern and meet its liabilities as they fall due, the company is dependent on securing additional finance. Such finance comes from the group's parent company, Pula Sport Limited, a company owned and controlled by Mr & Mrs S P Lansdown, in funding working capital. Pula Sport Limited invests in the group via equity injections which confirms the long term commitment that they and Mr & Mrs S P Lansdown have to the company and the group. Pula Sport Limited has confirmed its ongoing support for the company and group.

The directors are confident that taking into account the commitment by Pula Sport Limited that the company and the group will have sufficient working capital until the end of the 2018/19 season and beyond for the foreseeable future, being not less than 12 months from the date of approval of these financial statements.

Accordingly, the directors consider it appropriate to prepare these financial statements on a going concern basis.

# **Bristol City Football Club Limited**

## **Notes to the Financial Statements**

**Year Ended 31 May 2018**

### **Key accounting judgements and sources of estimation uncertainty**

In the application of the company's accounting policies management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The key judgement which has a significant effect on the financial statements is in respect of going concern, as described in the accounting policy above.

The key estimates that have a significant effect on the amounts recognised in the financial statements are described below:

#### **Land and buildings**

Properties are carried at cost, less accumulated depreciation and any subsequent accumulated impairment loss. This requires an estimation in the depreciation rates used as well as assessment of the ongoing economic contribution of the assets of the company as to whether an indicator of impairment has occurred. The carrying amount at the year end is £1,106,696 (2017 - £1,300,581).

#### **Player contracts**

The costs associated with acquiring players' registrations, or extending their contracts, is carried at cost, less accumulated amortisation and accumulated impairment losses. The carrying value of players' contracts is reviewed for impairment in light of post year end performance, injuries and the sales value achieved for any players sold to other clubs. This review requires significant estimation by management. The carrying amount at the year end is £12,148,485 (2017 - £9,430,137).

#### **Turnover**

Turnover comprises the fair value of the consideration received or receivable for broadcasting revenues, ticket sales, central funding, merchandise sales, sponsorship and advertising and other football related income. Turnover is shown net of value added tax, returns, rebates and discounts. Income from broadcasting, match days and those elements of commercial activities relating to matches is recognised when the related matches are played; income from advance ticket sales, including season tickets, is deferred accordingly. Other commercial income is recognised on a receivable basis.

Cup ticket revenue is shown net of the gate share payable to the away team. The gate share payable in the current year amounted to £588,922 (2017 - £48,732).

#### **Tax**

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The company passes some of its tax losses to fellow group companies via group relief. It receives payment for these losses at the average rate of tax for the financial period in which the losses are relieved.

# Bristol City Football Club Limited

## Notes to the Financial Statements

### Year Ended 31 May 2018

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax assets in respect of tax losses carried forward are not recognised as they do not meet the recognition criteria set out in FRS 102 given there is no certainty as to when the losses will be utilised.

#### **Players' contracts and transfer fees**

The costs associated with acquiring players' registrations or extending their contracts are capitalised as intangible assets and amortised, in equal instalments, over the period of the respective players' contracts. Where a contract is renegotiated prior to the expiry of its original term, the net book value at that time, and any new costs relating to the contract extension, are amortised over the remaining revised contract life.

Under the conditions of certain transfer agreements or contract renegotiations, further fees will be payable in the event of the players concerned making a certain number of first-team appearances or on the occurrence of certain other specified future events. Liabilities in respect of these additional transfer fees are accounted for, as provisions, when it becomes probable that the number of appearances will be achieved or the specified future events will occur.

Provision is made for any impairment and player registrations are written down when the carrying amount exceeds the amount recoverable through use or sale.

#### **Profit on disposal of players' contracts**

Profits or losses arising on the disposal of players' contracts are credited or charged to the profit and loss account in the year in which the player is sold. They are calculated as the difference arising between the transfer fees received and the net book value of the contracts at the time of this disposal.

#### **Intangible assets**

Intangible assets are stated in the balance sheet at cost, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

#### **Amortisation**

Amortisation is provided on intangible assets so as to write off the cost of the asset over their estimated useful life as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Players' contracts	Over the term of the contract
Software	4 years straight line



# **Bristol City Football Club Limited**

## **Notes to the Financial Statements**

**Year Ended 31 May 2018**

### **Tangible assets**

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Assets under construction represents the development of the training ground. Depreciation is not charged on assets under construction. Upon formal completion of each stage of the development the cost of assets will be transferred to the freehold buildings category.

### **Depreciation**

Depreciation is provided on tangible fixed assets, other than freehold land and assets under construction, so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic lives as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Leasehold land & buildings	Over the lease term
Freehold buildings	10 years straight line
Plant and machinery	7 years straight line
Fixtures and fittings	5 years straight line
Motor vehicles	4 years straight line

### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

### **Defined contribution pension obligation**

The company operates a defined contribution pension scheme to which it contributes for members. The company also contributes to some employee's personal pension plans. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

# Bristol City Football Club Limited

## Notes to the Financial Statements

Year Ended 31 May 2018

### Financial instruments

#### *Classification*

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Short term intra-group debtors and creditors;
- Debtors and creditors in relation to transfer fees; and
- Cash and bank balances.

All financial instruments are classified as basic.

#### *Recognition and measurement*

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Short term trade, intra-group, transfer fee and other debtors and creditors and cash and bank balances are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Long term transfer fees payable and receivable are initially measured at transaction price, including transactions costs and are subsequently measured at amortised cost.

### 3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2018	2017
	£	£
Sale of goods	189,083	681,751
Rendering of services	3,378,688	1,993,804
Ticket sales	6,645,594	5,019,776
Football League income	6,896,600	6,598,200
	<u>17,109,965</u>	<u>14,293,531</u>

# Bristol City Football Club Limited

## Notes to the Financial Statements

Year Ended 31 May 2018

The analysis of the company's turnover for the year by class of business is as follows:

	2018 £	2017 £
Matchday revenue	3,428,880	2,079,485
Season tickets	3,216,714	2,940,291
Broadcasting revenue	852,000	241,500
Football League pool	2,396,600	2,298,200
Solidarity payment	4,500,000	4,300,000
Other football related income	1,198,471	867,512
Other commercial and retail income	1,517,300	1,566,543
	<u>17,109,965</u>	<u>14,293,531</u>

### 4 Operating loss

Arrived at after charging:

	2018 £	2017 £
Depreciation expense	288,059	307,001
Amortisation expense	7,780,973	5,131,259
Foreign exchange (gains)/losses	(14,939)	15,609
Loss on disposal of property, plant and equipment	<u>1,324</u>	<u>3,498</u>

### 5 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2018 £	2017 £
Wages and salaries	20,592,538	15,957,410
Social security costs	2,369,094	1,843,226
Pension costs, defined contribution scheme	<u>121,933</u>	<u>94,969</u>
	<u>23,083,565</u>	<u>17,895,605</u>

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

	2018 No.	2017 No.
Office, coaching and management staff	110	98
Players	<u>72</u>	<u>64</u>
	<u>182</u>	<u>162</u>

# Bristol City Football Club Limited

## Notes to the Financial Statements

Year Ended 31 May 2018

### 6 Directors' remuneration

The directors' remuneration for the year was as follows:

	2018 £	2017 £
Remuneration	510,526	364,390
Contributions paid to money purchase pension schemes	36,807	55,816
	<u>547,333</u>	<u>420,206</u>

During the year the number of directors who were receiving benefits was as follows:

	2018 No.	2017 No.
Accruing benefits under money purchase pension scheme	<u>3</u>	<u>3</u>

In respect of the highest paid director:

	2018 £	2017 £
Remuneration	436,876	304,071
Contributions paid to money purchase pension schemes	<u>1,576</u>	<u>736</u>

### 7 Auditors' remuneration

	2018 £	2017 £
Audit of the financial statements	<u>12,000</u>	<u>12,000</u>

### 8 Other interest receivable and similar income

	2018 £	2017 £
Other finance income	<u>51,064</u>	<u>50,872</u>

Certain agreements for the sale of players' contracts include an element of deferred consideration. The deferred element of the consideration has, where a financial asset has been recognised, been discounted to its present value at the date of the contract, using a market rate of interest for a debt instrument of a similar amount and duration. Other finance income represents the unwinding of this discount to the period end.

# Bristol City Football Club Limited

## Notes to the Financial Statements

Year Ended 31 May 2018

### 9 Interest payable and similar expenses

	2018 £	2017 £
Interest on bank overdrafts and borrowings	27,110	24,267
Interest expense on other finance liabilities	6,671	-
	<u>33,781</u>	<u>24,267</u>

### 10 Taxation

Tax charged/(credited) in the profit and loss account

	2018 £	2017 £
<b>Current taxation</b>		
UK corporation tax	<u>(16,783)</u>	<u>(225,348)</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2017 - higher than the standard rate of corporation tax in the UK) of 19% (2017 - 19.83%).

The differences are reconciled below:

	2018 £	2017 £
Loss before tax	<u>(23,482,402)</u>	<u>(3,489,513)</u>
Corporation tax at standard rate	(4,461,656)	(692,075)
Expenses not deductible for tax purposes	47,049	41,153
Adjustments to deferred tax in respect of changes in tax rates	462,928	896,843
Effect of group relief	-	21,721
Deferred tax not recognised	<u>3,934,896</u>	<u>(492,990)</u>
Total tax credit	<u>(16,783)</u>	<u>(225,348)</u>

### Deferred tax

There are £108,600,000 of unused tax losses (2017 - £85,600,000) for which no deferred tax asset is recognised in the Balance Sheet.

# Bristol City Football Club Limited

## Notes to the Financial Statements

Year Ended 31 May 2018

### 11 Intangible assets

	Players' contracts £	Computer software £	Total £
<b>Cost or valuation</b>			
At 1 June 2017	15,057,843	79,757	15,137,600
Additions acquired separately	11,985,356	25,438	12,010,794
Disposals	(3,199,087)	-	(3,199,087)
At 31 May 2018	23,844,112	105,195	23,949,307
<b>Amortisation</b>			
At 1 June 2017	5,627,706	153	5,627,859
Amortisation charge	6,789,450	23,817	6,813,267
Amortisation eliminated on disposals	(1,689,235)	-	(1,689,235)
Impairment	967,706	-	967,706
At 31 May 2018	11,695,627	23,970	11,719,597
<b>Carrying amount</b>			
At 31 May 2018	12,148,485	81,225	12,229,710
At 31 May 2017	9,430,137	79,604	9,509,741

# **Bristol City Football Club Limited**

## Notes to the Financial Statements

Year Ended 31 May 2018

### **12 Tangible assets**

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Assets under construction £	Plant and equipment £	Total £
<b>Cost or valuation</b>						
At 1 June 2017	2,212,464	260,905	174,047	-	149,321	2,796,737
Additions	-	114,023	-	208,916	96,921	419,860
Disposals	-	-	-	-	(3,115)	(3,115)
At 31 May 2018	<u>2,212,464</u>	<u>374,928</u>	<u>174,047</u>	<u>208,916</u>	<u>243,127</u>	<u>3,213,482</u>
<b>Depreciation</b>						
At 1 June 2017	911,883	104,188	147,595	-	73,106	1,236,772
Charge for the year	193,885	55,806	10,581	-	27,787	288,059
Eliminated on disposal	-	-	-	-	(1,791)	(1,791)
At 31 May 2018	<u>1,105,768</u>	<u>159,994</u>	<u>158,176</u>	<u>-</u>	<u>99,102</u>	<u>1,523,040</u>
<b>Carrying amount</b>						
At 31 May 2018	<u>1,106,696</u>	<u>214,934</u>	<u>15,871</u>	<u>208,916</u>	<u>144,025</u>	<u>1,690,442</u>
At 31 May 2017	<u>1,300,581</u>	<u>156,717</u>	<u>26,452</u>	<u>-</u>	<u>76,215</u>	<u>1,559,965</u>

# Bristol City Football Club Limited

## Notes to the Financial Statements

### Year Ended 31 May 2018

Included within the net book value of land and buildings above is £951,861 (2017 - £1,094,135) in respect of freehold land and buildings and £154,835 (2017 - £206,446) in respect of long leasehold land and buildings.

Included within land and buildings is freehold land with a cost of £263,209 (2017 - £263,209) which is not depreciated.

#### 13 Debtors

	2018 £	2017 £
Trade debtors	48,445	106,432
Amounts owed by group undertakings	1,416,487	1,397,549
Other debtors	589,158	-
Amounts receivable in respect of transfer fees	4,689,167	10,092,269
Prepayments	1,231,956	827,545
Total current trade and other debtors	<u>7,975,213</u>	<u>12,423,795</u>

#### Details of trade and other debtors

£375,000 (2017 - £4,138,102) of amounts receivable in respect of transfer fees is classified as non current.

#### 14 Cash and cash equivalents

	2018 £	2017 £
Cash on hand	17,546	19,933
Cash at bank	<u>21,338</u>	<u>8,302</u>
	38,884	28,235
Bank overdrafts	<u>(3,665,158)</u>	<u>(3,613,718)</u>
Cash and cash equivalents	<u>(3,626,274)</u>	<u>(3,585,483)</u>



# Bristol City Football Club Limited

## Notes to the Financial Statements

Year Ended 31 May 2018

### 15 Creditors

	Note	2018 £	2017 £
<b>Due within one year</b>			
Loans and borrowings	16	3,665,158	3,613,718
Trade creditors		945,628	673,347
Amounts due to group undertakings		65,270,394	46,681,004
Social security and other taxes		1,036,459	826,663
Amounts payable in respect of transfer fees		5,128,029	4,501,021
Accrued expenses		1,785,527	1,265,242
		<u>77,831,195</u>	<u>57,560,995</u>
<b>Due after one year</b>			
Amounts payable in respect of transfer fees		<u>1,100,000</u>	<u>333,792</u>

### 16 Loans and borrowings

	2018 £	2017 £
<b>Current loans and borrowings</b>		
Bank overdrafts	<u>3,665,158</u>	<u>3,613,718</u>

#### Bank borrowings

The bank overdraft is denominated in sterling with a nominal interest rate of 1.75% plus base rate (0.5% at the year end), and is repayable on demand. The carrying amount at year end is £3,665,158 (2017 - £3,613,718).

The bank overdraft is secured by a limited guarantee given by S P Lansdown of £4,500,000 and an unlimited guarantee given by Ashton Gate Limited (fellow subsidiary).

### 17 Deferred income

	2018 £
At 1 June 2017	2,669,983
Released to profit during the year	(2,669,983)
Received during the year	<u>3,460,523</u>
At 31 May 2018	<u>3,460,523</u>

The deferred income balance consists of football season ticket income in respect of the 2018/19 season.

# Bristol City Football Club Limited

## Notes to the Financial Statements

Year Ended 31 May 2018

### 18 Obligations under leases and hire purchase contracts

#### Operating leases

The total of future minimum lease payments is as follows:

	2018 £	2017 £
Not later than one year	286,571	90,186
Later than one year and not later than five years	338,744	155,394
	<u>625,315</u>	<u>245,580</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £294,259 (2017 - £206,673).

### 19 Pension schemes

#### Defined contribution pension scheme

The company operates a defined contribution pension scheme and also contributes to certain employees' personal pension plans. The pension cost charge for the year represents total contributions payable and amounted to £121,933 (2017 - £94,969).

### 20 Share capital

#### Allotted, called up and fully paid shares

	No.	2018 £	No.	2017 £
Ordinary shares of £1 each	<u>58,521,588</u>	<u>58,521,588</u>	<u>58,521,588</u>	<u>58,521,588</u>

#### Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

The right to one vote per share held at general meetings.

### 21 Contingent assets

Contractual assets under contracts for the sale of players are expected to become receivable of £1,000,000 (2017 - £Nil) at various stages in the future contingent on the relevant players meeting certain performance conditions.

### 22 Contingent liabilities

Contractual liabilities under players' contracts may be payable of £287,500 (2017 - £140,097) at various stages in the future contingent on the relevant players meeting certain performance conditions.

# Bristol City Football Club Limited

## Notes to the Financial Statements

Year Ended 31 May 2018

### 23 Non adjusting events after the financial period

Since the end of the financial year the company has contracted for the purchase and sale of various players. The net cash income from these transfers, taking into account the applicable levies and excluding value added tax, was approximately £13,013,093 (2017 - expenditure of £9,465,771). These transfers will be accounted for in the year ended 31 May 2019.

The company is also due to receive £605,000 (2017 - £Nil) (excluding the contingent asset described in Note 21) in respect of sell on clauses for players disposed of in previous years.

### 24 Related party transactions

#### Summary of transactions with other related parties

Fellow (non wholly owned) subsidiaries

During the year, the company recharged match day and other expenditure to its fellow subsidiaries. It received income in respect of ticket sales and sponsorship collected by its fellow subsidiaries. The company recognised receivables in respect of tax losses group relieved to fellow subsidiaries. The company made merchandise, management charges and other purchases from its fellow subsidiaries.

#### Income and receivables from related parties

	Other related parties £
<b>2018</b>	
Expenditure recharged to related parties	33,307
Income collected by related parties	8,017,495
Group relief receivable	16,783
	<u>8,067,585</u>
Amounts receivable from related parties	<u>1,416,487</u>
	Other related parties £
<b>2017</b>	
Expenditure recharged to related parties	18,642
Income collected by related parties	5,939,202
Group relief receivable	225,348
	<u>6,183,192</u>
Amounts receivable from related parties	<u>1,296,747</u>

# **Bristol City Football Club Limited**

## **Notes to the Financial Statements**

**Year Ended 31 May 2018**

### **Expenditure with and payables to related parties**

	<b>Other related parties</b>
	<b>£</b>
<b>2018</b>	
Purchases from related parties	1,830,545
	<u>1,830,545</u>
Amounts payable to related parties	<u>623,074</u>
	<b>Other related parties</b>
	<b>£</b>
<b>2017</b>	
Purchases from related parties	1,248,142
	<u>1,248,142</u>
Amounts payable to related parties	<u>107,293</u>

### **25 Parent and ultimate parent undertaking**

The company's immediate parent is Bristol City Holdings Limited, incorporated in England & Wales.

The intermediate parent is Pula Sport Limited, incorporated in Guernsey.

The ultimate parent is Pula Limited, incorporated in Guernsey.

The most senior parent entity producing publicly available financial statements is Bristol City Holdings Limited. These financial statements are available upon request from its registered office at Ashton Gate, Bristol, BS3 2EJ.

The ultimate controlling parties are Mr & Mrs S P Lansdown by virtue of their majority shareholding in Pula Limited, the ultimate parent company.