

Bristol City Football Club Limited

**Annual Report and Financial Statements
Year Ended 31 May 2017**

Registration number: 03230871

Bristol City Football Club Limited

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Bristol City Football Club Limited

Company Information

Directors	D J Harman K W Dawe E A Arathoon J S Lansdown M A Ashton
Company secretary	D J Harman
Registered office	Ashton Road 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 2017

The Directors present their strategic report for the year ended 31 May 2017.

Review of the business

The overall company loss this year was £3.26m (2016 £13.20m) and the total cash requirement by the Club to sustain its operations for the year was £14.84m, the funding for which was received by an increased equity investment into the immediate parent company, Bristol City Holdings, Limited by the ultimate parent company.

During this period there has been a necessary but heavy reliance on loan player recruitment and in addition we have begun to see inflated player salary costs as a result of continuing parachute payments to clubs relegated from the Premier League. Increased club spending on players by new overseas owners has also fuelled higher player costs across the Championship.

Following a successful start to the 2016/17 season which saw the Club occupying a play-off position in the league before Christmas, there followed a continuing run of poor results which saw the Club fall into the relegation zone by March with just 34 points from 35 games played.

Accordingly, the Board met to discuss the team's performance and to consider an appropriate course of action. During this meeting there was unanimous support for Lee Johnson to continue in his Head Coach role and it was also agreed to bring forward a planned review of the Coaching staff structure for immediate consideration. The restructure was undertaken and over the following weeks the team's results improved and the Club finished the season in 17th position in the league table.

In preparation for the 2017/18 season, Chief Operating Officer, Mark Ashton commenced a full review of the Football Department structure including the Training Ground facilities, Scouting, Player Performance and Sports Science areas. Together with Lee Johnson, Mark also entered into significant player trading in what was a very busy summer transfer window.

During this reporting period progress continued across all areas of the board's "five pillars" strategy - financial control and prudence; player recruitment and identification; academy and youth development; modern facilities and community engagement.

Following its successful redevelopment, Ashton Gate Stadium hosted a full programme of football and rugby fixtures and as a result of the enhanced facilities increased football, rugby and non-match day commercial revenue streams are being generated.

There has been much media comment surrounding various Safeguarding threads and investigations from the FA, EFL and more recently the Independent Sheldon Review into historic sex abuse allegations. Where necessary, the Club has helped with these investigations and has reviewed its Safeguarding and Recruitment policies which have been approved and adopted by the Board.

As we look forward to the remainder of the coming season with renewed optimism, the board would like to formally acknowledge the owner's continuing and generous financial support and to thank all our loyal and hard working staff for their continued efforts during this year.

Bristol City Football Club Limited

Strategic Report

Year Ended 31 May 2017

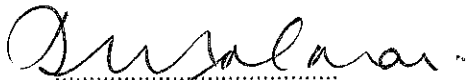
The Company's key financial and other performance indicators during the year were as follows:

- i) Average league attendance - 19,256 (2016 - 15,575)
- ii) Final league position - 17th in the Championship, meaning that the 2017/18 season will be spent in the Championship
- i) Total gate revenue up £1,172,644 (30%) (2016 - up £174,728 (5%))
- ii) Central distributions from broadcasting, the Football League and solidarity payments up £2,129,196 (48%) (2016 - up £3,793,751 (390%))

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 2/11/17 and signed on its behalf by:



D J Harmán
Company secretary

Bristol City Football Club Limited

Directors' Report

Year Ended 31 May 2017

The Directors present their report and the financial statements for the year ended 31 May 2017.

Directors of the Company

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

D J Harman

K W Dawe

E A Arathoon

J S Lansdown

M A Ashton

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.

Disclosure of information to the auditors

Each Director has taken 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 2/11/17 and signed on its behalf by:



D J Harman
Company secretary

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

We have audited the financial statements of Bristol City Football Club Limited for the year ended 31 May 2017, set out on pages 8 to 27. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 to the financial statements.

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 Annual 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 31 May 2017 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

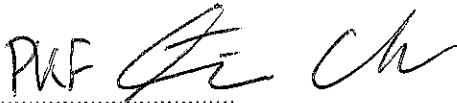
Bristol City Football Club Limited

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



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

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

Date: 7th November 2017

Bristol City Football Club Limited

Profit and Loss Account

Year Ended 31 May 2017

	Note	2017 £	2016 £								
Turnover	3	14,293,531	10,349,426								
Employee benefits expense		(17,895,605)	(15,436,725)								
Depreciation and amortisation expense		(5,438,260)	(2,275,483)								
Other expenses		<u>(8,079,523)</u>	<u>(6,035,408)</u>								
Operating loss	4	(17,119,857)	(13,398,190)								
Profit on disposal of players' contracts		<u>13,603,739</u>	<u>81,358</u>								
Loss before interest and taxation		(3,516,118)	(13,316,832)								
<table> <tbody> <tr> <td>Loss excluding player trading</td> <td></td> <td>(11,988,751)</td> <td>(11,413,548)</td> </tr> <tr> <td>Player trading*</td> <td></td> <td>8,472,633</td> <td>(1,903,284)</td> </tr> </tbody> </table>				Loss excluding player trading		(11,988,751)	(11,413,548)	Player trading*		8,472,633	(1,903,284)
Loss excluding player trading		(11,988,751)	(11,413,548)								
Player trading*		8,472,633	(1,903,284)								
Other interest receivable and similar income	8	50,872	-								
Interest payable and similar charges	9	<u>(24,267)</u>	<u>(18,268)</u>								
Loss before tax		(3,489,513)	(13,335,100)								
Taxation	10	<u>225,348</u>	<u>131,087</u>								
Loss for the year		<u>(3,264,165)</u>	<u>(13,204,013)</u>								

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

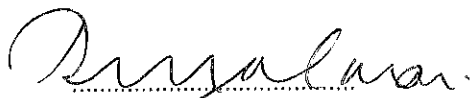
Bristol City Football Club Limited

Balance Sheet

31 May 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	11	9,509,741	3,966,338
Tangible assets	12	<u>1,559,965</u>	<u>1,640,979</u>
		<u>11,069,706</u>	<u>5,607,317</u>
Current assets			
Stocks	13	52,219	161,874
Debtors	14	12,423,795	1,783,893
Cash at bank and in hand		<u>28,235</u>	<u>23,507</u>
		12,504,249	1,969,274
Creditors: Amounts falling due within one year	16	<u>(57,560,995)</u>	<u>(39,380,690)</u>
Net current liabilities		<u>(45,056,746)</u>	<u>(37,411,416)</u>
Total assets less current liabilities		(33,987,040)	(31,804,099)
Creditors: Amounts falling due in more than one year	16	(333,792)	-
Deferred income	18	<u>(2,669,983)</u>	<u>(1,922,551)</u>
Net liabilities		<u>(36,990,815)</u>	<u>(33,726,650)</u>
Capital and reserves			
Called up share capital	21	58,521,588	58,521,588
Profit and loss account		<u>(95,512,403)</u>	<u>(92,248,238)</u>
Shareholders' deficit		<u>(36,990,815)</u>	<u>(33,726,650)</u>

Approved and authorised by the Board on 2/11/17 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 2017

	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>

	Share capital £	Profit and loss account £	Total £
At 1 June 2015	58,521,588	(79,044,225)	(20,522,637)
Loss for the year	-	(13,204,013)	(13,204,013)
At 31 May 2016	<u>58,521,588</u>	<u>(92,248,238)</u>	<u>(33,726,650)</u>

Bristol City Football Club Limited

Notes to the Financial Statements

Year Ended 31 May 2017

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 Road
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'. There are no material departures from FRS 102.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

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.

Name of parent of group

These financial statements are consolidated in the financial statements of Bristol City Holdings Limited.

The financial statements of Bristol City Holdings Limited may be obtained from Companies House.

Bristol City Football Club Limited

Notes to the Financial Statements

Year Ended 31 May 2017

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 2017/18 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.

Turnover

Turnover represents the total amount receivable from broadcasting revenues, ticket sales, central funding, merchandise sales, sponsorship and advertising and other football related income, stated net of value added tax. 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.

Bristol City Football Club Limited

Notes to the Financial Statements

Year Ended 31 May 2017

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 current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

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.

The group 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 2017

Key sources of estimation uncertainty

In the application of the group'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 estimates, aside from the going concern assessment described above, that have a significant effect on the amounts recognised in the financial statements are described below:

Freehold 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 group as to whether an indicator of impairment has occurred. The carrying amount at the year end is £1,300,581 (2016 - £1,451,816).

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 £9,430,137 (2016 - £3,966,338).

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.

Signing-on fees are charged evenly to the profit and loss account over the period of the player's contract.

Bristol City Football Club Limited

Notes to the Financial Statements

Year Ended 31 May 2017

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. Any excess of net book value of a player's contract over its net realisable value is taken to the profit and loss account as and when it arises.

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:

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

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.

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:

Asset class	Depreciation method and rate
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

Stocks

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Leases

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

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. The amount charged in the profit and loss account represents the contributions paid in respect of the accounting period.

Bristol City Football Club Limited

Notes to the Financial Statements

Year Ended 31 May 2017

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;
- Bank loans; 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 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.

Bank loans and 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:

	2017	2016
	£	£
Sale of goods	681,751	585,674
Rendering of services	1,993,804	1,435,271
Ticket sales	5,019,776	3,859,477
Football League income	6,598,200	4,469,004
	<u>14,293,531</u>	<u>10,349,426</u>

Bristol City Football Club Limited

Notes to the Financial Statements

Year Ended 31 May 2017

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

	2017	2016
	£	£
Matchday revenue	2,079,485	1,193,719
Season tickets	2,940,291	2,665,758
Broadcasting revenue	241,500	287,864
Football League pool	2,298,200	2,169,004
Solidarity payment	4,300,000	2,300,000
Other football related income	867,512	772,751
Other commercial and retail income	1,566,543	960,330
	<u>14,293,531</u>	<u>10,349,426</u>

4 Operating loss

Arrived at after charging:

	2017	2016
	£	£
Depreciation expense	307,001	290,841
Amortisation expense	5,131,259	1,984,642
Loss on disposal of property, plant and equipment	<u>3,498</u>	<u>-</u>

5 Staff costs

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

	2017	2016
	£	£
Wages and salaries	15,957,410	13,975,708
Social security costs	1,843,226	1,329,501
Pension costs, defined contribution scheme	94,969	131,516
	<u>17,895,605</u>	<u>15,436,725</u>

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

	2017	2016
	No.	No.
Office and management staff	98	88
Players	64	50
	<u>162</u>	<u>138</u>

Bristol City Football Club Limited

Notes to the Financial Statements

Year Ended 31 May 2017

6 Directors' remuneration

The directors' remuneration for the year was as follows:

	2017 £	2016 £
Remuneration	364,390	361,470
Contributions paid to money purchase schemes	55,816	41,416
	<u>420,206</u>	<u>402,886</u>

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

	2017 No.	2016 No.
Accruing benefits under money purchase pension scheme	<u>3</u>	<u>3</u>

In respect of the highest paid director:

	2017 £	2016 £
Remuneration	304,071	112,005
Company contributions to money purchase pension schemes	<u>736</u>	<u>-</u>

7 Auditors' remuneration

	2017 £	2016 £
Audit of the financial statements	<u>12,000</u>	<u>10,500</u>

8 Other interest receivable and similar income

	2017 £	2016 £
Other finance income	<u>50,872</u>	<u>-</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.

9 Interest payable and similar charges

	2017 £	2016 £
Interest on bank overdrafts and borrowings	<u>24,267</u>	<u>18,268</u>

Bristol City Football Club Limited

Notes to the Financial Statements

Year Ended 31 May 2017

10 Taxation

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

	2017 £	2016 £
Current taxation		
UK corporation tax	<u>(225,348)</u>	<u>(131,087)</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2016 - higher than the standard rate of corporation tax in the UK) of 19.83% (2016 - 20%).

The differences are reconciled below:

	2017 £	2016 £
Loss before tax	<u>(3,489,513)</u>	<u>(13,335,100)</u>
Corporation tax at standard rate	(692,075)	(2,667,020)
Expenses not deductible for tax purposes	2,623	2,866
Effect of change in accounting standards	-	(65,001)
Fixed asset differences	38,527	41,565
Unrelieved tax losses carried forward	<u>425,577</u>	<u>2,556,503</u>
Total tax credit	<u>(225,348)</u>	<u>(131,087)</u>

Deferred tax

There are £85,703,000 of unused tax losses (2016 - £83,694,000) 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 2017

11 Intangible assets

	Players' contracts £	Software assets £	Total £
Cost or valuation			
At 1 June 2016	6,906,393	-	6,906,393
Additions acquired separately	13,648,280	79,757	13,728,037
Disposals	(5,496,830)	-	(5,496,830)
At 31 May 2017	<u>15,057,843</u>	<u>79,757</u>	<u>15,137,600</u>
Amortisation			
At 1 June 2016	2,940,055	-	2,940,055
Amortisation charge	4,442,356	153	4,442,509
Amortisation eliminated on disposals	(2,443,455)	-	(2,443,455)
Impairment	688,750	-	688,750
At 31 May 2017	<u>5,627,706</u>	<u>153</u>	<u>5,627,859</u>
Carrying amount			
At 31 May 2017	<u>9,430,137</u>	<u>79,604</u>	<u>9,509,741</u>
At 31 May 2016	<u>3,966,338</u>	<u>-</u>	<u>3,966,338</u>

Bristol City Football Club Limited

Notes to the Financial Statements

Year Ended 31 May 2017

12 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Plant and equipment £	Total £
Cost or valuation					
At 1 June 2016	2,144,109	142,967	174,047	111,774	2,572,897
Additions	70,005	117,938	-	41,542	229,485
Disposals	(1,650)	-	-	(3,995)	(5,645)
At 31 May 2017	2,212,464	260,905	174,047	149,321	2,796,737
Depreciation					
At 1 June 2016	692,293	57,577	125,407	56,641	931,918
Charge for the year	219,590	46,611	22,188	18,612	307,001
Eliminated on disposal	-	-	-	(2,147)	(2,147)
At 31 May 2017	911,883	104,188	147,595	73,106	1,236,772
Carrying amount					
At 31 May 2017	1,300,581	156,717	26,452	76,215	1,559,965
At 31 May 2016	1,451,816	85,390	48,640	55,133	1,640,979

Bristol City Football Club Limited

Notes to the Financial Statements

Year Ended 31 May 2017

Included within the net book value of land and buildings above is £318,767 (2016 - £309,109) in respect of freehold land and buildings, £981,814 (2016 - £1,142,707) in respect of long leasehold land and buildings and £Nil (2016 - £Nil) in respect of short leasehold land and buildings.

Included within land and buildings is land with a cost of £263,209 (2016 - £263,209) which is not depreciated.

13 Stocks

	2017	2016
	£	£
Stock of consumables	-	404
Goods for resale	52,219	161,470
	<u>52,219</u>	<u>161,874</u>

The cost of stocks recognised as an expense in the year amounted to £427,836 (2016 - £299,296).

14 Debtors

	2017	2016
	£	£
Trade debtors	106,432	142,090
Amounts owed by group undertakings	1,397,549	143,383
Other debtors	-	364,243
Amounts receivable in respect of transfer fees	10,092,269	250,000
Prepayments	827,545	884,177
Total current trade and other debtors	<u>12,423,795</u>	<u>1,783,893</u>

Details of trade and other debtors

£4,138,102 (2016 - £Nil) of amounts receivable in respect of transfer fees is classified as non current.

Bristol City Football Club Limited

Notes to the Financial Statements

Year Ended 31 May 2017

15 Cash and cash equivalents

	2017 £	2016 £
Cash on hand	19,933	23,507
Cash at bank	8,302	-
	<u>28,235</u>	<u>23,507</u>
Bank overdrafts	<u>(3,613,718)</u>	<u>(3,579,238)</u>
Cash and cash equivalents in statement of cash flows	<u>(3,585,483)</u>	<u>(3,555,731)</u>

16 Creditors

	Note	2017 £	2016 £
Due within one year			
Loans and borrowings	17	3,613,718	3,579,238
Trade creditors		673,347	735,875
Amounts due to group undertakings	24	46,681,004	31,684,405
Social security and other taxes		826,663	547,883
Amounts payable in respect of transfer fees		4,501,021	1,525,565
Accrued expenses		1,265,242	1,307,724
		<u>57,560,995</u>	<u>39,380,690</u>
Due after one year			
Amounts payable in respect of transfer fees		<u>333,792</u>	<u>-</u>

17 Loans and borrowings

	2017 £	2016 £
Current loans and borrowings		
Bank overdrafts	<u>3,613,718</u>	<u>3,579,238</u>

Bank borrowings

The bank overdraft is denominated in sterling with a nominal interest rate of 1.75% plus base rate (0.25% at the year end), and is repayable on demand. The carrying amount at year end is £3,613,718 (2016 - £3,579,238).

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).

Bristol City Football Club Limited

Notes to the Financial Statements

Year Ended 31 May 2017

18 Deferred income

	2017 £
Balance brought forward	1,922,551
Released to profit during the year	(1,922,551)
Received during the year	<u>2,669,983</u>
Balance carried forward	<u>2,669,983</u>

The deferred income balance consists of football season ticket income in respect of the 2017/18 season.

19 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2017 £	2016 £
Not later than one year	90,186	178,884
Later than one year and not later than five years	<u>155,394</u>	<u>72,500</u>
	<u>245,580</u>	<u>251,384</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £206,673 (2016 - £208,363).

20 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 £94,969 (2016 - £131,516).

Bristol City Football Club Limited

Notes to the Financial Statements

Year Ended 31 May 2017

21 Share capital

Allotted, called up and fully paid shares

	No.	2017 £	No.	2016 £
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.

22 Contingent liabilities

Contractual liabilities under players' contracts may be payable of £140,097 (2016 - £Nil) at various stages in the future contingent on the relevant players meeting certain performance conditions.

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 expenditure from these transfers, taking into account the applicable levies and excluding value added tax was approximately £9,465,771 (2016 - receipt of £194,885). These transfers will be accounted for in the year ended 31 May 2018.

The company is also due to receive £Nil (2016 - £4,310,750) in respect of sell on clauses for players disposed of in previous years.

Bristol City Football Club Limited

Notes to the Financial Statements

Year Ended 31 May 2017

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
	£
2017	
Expenditure recharged to related parties	18,642
Income collected by related parties	5,939,202
Group relief receivable	<u>225,348</u>
	<u>6,183,192</u>
Amounts receivable from related parties	<u>1,296,747</u>
	Other related parties
	£
2016	
Expenditure recharged to related parties	7,260
Income collected by related parties	4,196,971
Group relief receivable	<u>131,087</u>
	<u>4,335,318</u>
Amounts receivable from related parties	<u>140,700</u>

Bristol City Football Club Limited

Notes to the Financial Statements

Year Ended 31 May 2017

Expenditure with and payables to related parties

	Other related parties
	£
2017	
Purchases from related parties	1,248,142
	<u>1,248,142</u>
Amounts payable to related parties	<u>107,293</u>
	Other related parties
	£
2016	
Purchases from related parties	2,008,117
	<u>2,008,117</u>
Amounts payable to related parties	<u>222,847</u>

25 Parent and ultimate parent undertaking

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

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.

