

**BRISTOL ROVERS
(1883) LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2006

COMPANY NO 4501223

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BRISTOL ROVERS (1883) LIMITED

FINANCIAL STATEMENTS

For the year ended 30 June 2006

Company registration number	4501223
Registered office	The Memorial Stadium Filton Avenue Horfield Bristol BS7 0BF
Chairman	G M H Dunford
Other directors	R Craig B W Bradshaw N J Higgs R King K Masters
President	D H A Dunford
Company Secretary	A J Watola, ACA
Bankers	Barclays Bank plc HBOS plc
Solicitors	TLT Solicitors
Auditors	Grant Thornton UK LLP Registered auditors Chartered accountants

BRISTOL ROVERS (1883) LIMITED

FINANCIAL STATEMENTS

For the year ended 30 June 2006

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BRISTOL ROVERS (1883) LIMITED

CHAIRMAN'S STATEMENT

What a difference a year makes

Following the removal of Ian Atkins from office and the appointments of both Lennie Lawrence and Paul Trollope the footballing side of the business improved steadily with better performances. Apart from bringing more consistency to league performances and a good FA Cup run with an outstanding game against Derby County, they have also taken the Club to the Millenium Stadium in the Johnstone's Paint Trophy Final, and at the time of writing, we still have a faint chance of a play off position. We can all see an improvement in style of football being played and a much improved team spirit. This is due to attention to detail and good planning and better control of contractual matters, which in the longer term, will give us a long overdue return on our investment in the team for which we must thank them.

The Group has recorded a small loss for the year under review. The trading position still requires more improvement, but we are moving in the right direction. Included in these figures is a further payment for Nathan Ellington, and compensation monies received from Chelsea after they secured the services of Scott Sinclair. No doubt you will know our feelings concerning Scott's move to Chelsea after he had been with us since the age of 9 years old. The system in place denies the right of clubs to negotiate a transfer fee and allows other clubs to cherry pick the best young talent in the country for derisory amounts of compensation. This needs to change, and Bristol Rovers along with others will campaign at Football League meetings to bring about a change in the system.

Off the field there has been the much publicised Boardroom disagreements which resulted in the resignations of four directors. I do not propose to resurrect these issues, but would like to place on record our gratitude for their efforts whilst in office. Their positions have been filled by the appointments of Nick Higgs, Ken Masters and Rodney King, all of whom are making excellent contributions to the Club.

We have lost some great friends since my last Chairman's report, not least Angela Mann, a loyal servant, who is greatly missed by everyone at the Club.

We have at last achieved planning permission for a new state of the art stadium on our present site. The £35m project is scheduled to start this summer, with a planned completion date of July 2009. I should like to place on record our thanks in particular to Edward Ware and Roger Cooper for their time and commitment to the project. It has been an amazing team effort, and I would also like to thank Nick Higgs and Bill Smith for their major contributions. There is of course much work to do, not least of which is the need to find a temporary home whilst construction takes place.

Our relationship with Filton Academy is beginning to show the fruits of our labour. We have fantastic facilities for our young players in the Centre of Excellence and Youth Section. We have also appointed Kevin Hodges as Head of Youth to ensure we continue to progress in this vital area to provide players for the future. There has been a delay moving the first team on site due to South Gloucestershire Council not handing over the pitches on time. However, they will be available for this August and therefore Filton Academy will become the Club's official training ground.

BRISTOL ROVERS (1883) LIMITED

CHAIRMAN'S STATEMENT

Continued

I would like to place on record our thanks to the Supporters Club and all their members who have supported their various fund raising initiatives not least the Share Scheme, which has resulted in two full directors positions for the Supporters Club in the boardroom, whilst providing vital financial support for the Club. I would also like to thank my fellow Directors for their support and commitment to the Club, both time-wise and financially over the last twelve months.

I gave the Board six months notice last October that I wished to step down as Chairman, little did I know that my last game as Chair would be a national cup final, reached by beating Bristol City over a two-legged Southern Area Final! It is a day long overdue for us and I hope everyone connected with the Club has a wonderful time. After 21 years and various projects to build a new stadium, it is also gratifying that this objective has been achieved in my last season as Chairman. It has not been an easy road by any stretch of the imagination. When I joined the Board, along with my father Denis and Ron Craig all those years ago, we inherited an insolvent football Club with no asset value and a team budget of £125k, including national insurance contributions, and we had no option but to move from Eastville to Bath City.

We can now look forward to Bristol Rovers being one of the few Clubs in the Football League to own a state of the art Stadium, without any residue debt, and an income stream which will be the envy of many, which will push the team towards Championship football. It has all been worthwhile!

Thank you for your support



G M H Dunford

Chairman

26 March 2007

BRISTOL ROVERS (1883) LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 30 June 2006

Principal activities

The principal activities of the group are that of a professional football league club and the operation of a sports stadium

Business review

The Chairman's statement includes a review of the development of the business during the year, its position at the year end and likely future developments

There was a loss for the year after taxation amounting to £12,968
(2005 loss of £29,711)

Financial risk management objectives and policies

The group uses various financial instruments, these include loans, cash, preference shares, ordinary shares and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the group's operations. The main risks arising from the group's financial instruments are cash flow interest rate risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Interest rate risk

The group finances its operations through a mixture of bank borrowings, preference and ordinary shares. The group's exposure to interest fluctuations on its borrowings is managed through fixing the term of its loans.

Liquidity risk

The group seeks to manage the liquidity risk with regular monitoring of cash flow forecasts to ensure that sufficient liquidity is available to meet the group's foreseeable needs.

BRISTOL ROVERS (1883) LIMITED

REPORT OF THE DIRECTORS

Directors

The directors in office at the end of the year are set out below

The interests of the directors and their families in the shares of the company as at 30 June 2006 and at 30 June 2005 (or at date of appointment if later) were as follows

	Ordinary 10p shares 2006	Ordinary 10p shares 2005
R Craig	200,080	200,080
G M H Dunford	202,090	202,090
G M H Dunford Trust	170,000	170,000
B W Bradshaw	251,580	251,580
N J Higgs	150,000	50,000

J Browne resigned from the Board on 7 November 2005

N J Higgs was appointed to the Board on 16 June 2006

K Stuckey was appointed to the Board on 7 November 2005 and resigned on 15 June 2006

M Turl resigned from the Board on 30 May 2006

K D Spencer resigned from the Board on 7 June 2006

C V Williams resigned from the Board on 9 June 2006

R King was appointed to the Board on 13 October 2006

K Masters was appointed to the Board on 4 December 2006

Directors' responsibilities for the financial statements

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for maintaining proper accounting records, for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities

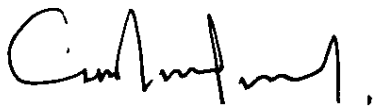
In so far as the directors are aware

- there is no relevant audit information of which the group's auditors are unaware,
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985

ON BEHALF OF THE BOARD



G M H Dunford
Chairman

26 March 2007

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BRISTOL ROVERS (1883) LIMITED**

We have audited the financial statements of Bristol Rovers (1883) Limited for the year ended 30 June 2006 which comprise the principal accounting policies, the consolidated profit and loss account, the balance sheets, the consolidated cash flow statement and notes 1 to 29. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 auditors

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BRISTOL ROVERS (1883) LIMITED**

Emphasis of matter - going concern

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern

The group incurred a net loss of £12,968 during the year ended 30 June 2006 and, at that date, the group's total liabilities exceeded its total assets by £938,983. These conditions, along with other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group was unable to continue as a going concern

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company and the group as at 30 June 2006 and of the loss of the group for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985,
- the information given in the Report of the Directors is consistent with the financial statements for the year ended 30 June 2006

Grant Thornton UK LLP
GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

BRISTOL

26 March 2007

BRISTOL ROVERS (1883) LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention (see note 1)

The principal accounting policies of the company are set out below. The policies have remained unchanged from the previous year apart from the adoption of FRS 25 'IAS 32) Financial Instruments Presentation and Disclosure'. These changes are described in more detail below.

CHANGE IN ACCOUNTING POLICY

In preparing the financial statements for the current year the company has adopted the following Financial Reporting Standard

- the presentation requirements of FRS 25 'IAS 32) Financial Instruments Presentation and Disclosure'

The adoption of FRS 25 has resulted in a change in accounting policy in respect of preference share capital. The preference share capital of the company and its subsidiaries is now classified as a liability in accordance with FRS 25. Previously the company's preference share capital was classified as equity and the subsidiaries' preference share capital which was not held by the company was classified as minority interest. The amount of these liabilities is disclosed separately on the face of the balance sheet. The dividends paid in the current and prior year have been classified as finance charge on shares classed as financial liabilities and disclosed in note 4. Previously the dividends were disclosed separately on the face of the profit and loss account, dividends paid by the company were classed as non-equity dividends and dividends paid by subsidiaries were classed as minority interests. The effect on the current year has been to create a creditor due within one year of £712,000, a creditor due in more than one year of £nil and a finance charge on shares classed as financial liabilities of £58,701. The effect of the prior year adjustment is set out in note 8.

BASIS OF CONSOLIDATION

The group financial statements consolidate those of the company and of its subsidiary undertakings drawn up to 30 June 2006. Profits or losses on intra-group transactions are eliminated in full. On acquisition of a subsidiary, all of the subsidiary's assets and liabilities which exist at the date of acquisition are recorded at their fair value reflecting their condition at that date.

Goodwill arising on consolidation, representing the excess of the fair value of the consideration given over the fair values of the identifiable net assets acquired, is capitalised and is amortised on a straight line basis over its estimated useful economic life.

TURNOVER

Turnover is the total amount receivable by the group for goods supplied and services provided excluding VAT and trade discounts.

DEPRECIATION

Depreciation is calculated to write down the cost or valuation less the estimated residual value of all tangible fixed assets, other than freehold land and buildings, by equal annual instalments over their expected useful lives. The rates generally applicable are:

Motor vehicles	- 20% to 33%
Plant and machinery	- 10% to 20%
Computer equipment	- 33%
Freehold improvements	- 5% to 33%

No depreciation is provided on freehold properties as it is the group's policy to maintain these assets in a continual state of sound repair. The useful economic lives of these assets are thus so long and residual values so high that any depreciation would not be material. Residual values are based on prices prevailing at the date of acquisition or subsequent valuation. Provision is made in the profit and loss account for any permanent diminution in value.

INTANGIBLE FIXED ASSETS

The group capitalises as an intangible asset the element of a player's transfer fee which relates to his registration together with associated costs and amortises that element over the period of his contract. No provision is made for the value of players developed within the group.

STOCKS

Stocks are stated at the lower of cost and net realisable value.

DEFERRED TAXATION

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

LEASED ASSETS

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of the leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

EMPLOYEES' CONTRACTS

Provision is made for all liabilities in respect of employees' contracts signed before the balance sheet date

GRANTS

Grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account by equal annual instalments over the expected useful lives of the relevant assets

Grants of a revenue nature are credited to the profit and loss account in the same period as the related expenditure

CONTRIBUTIONS TO PENSION SCHEME

Defined Contribution Scheme

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period

BRISTOL ROVERS (1883) LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

For the year ended 30 June 2006

	Note	2006 £	2005 (restated) £
Turnover	2	3,664,956	3,838,103
Operating expenditure	3	<u>(3,923,182)</u>	<u>(4,329,899)</u>
		(258,226)	(491,796)
Donations from support organisations		<u>38,000</u>	<u>30,350</u>
Operating loss before amortisation of players		(220,226)	(461,446)
Amortisation of players		<u>(55,946)</u>	<u>(46,759)</u>
Operating loss		(276,172)	(508,205)
Profit on sale of players		288,000	1,000
Compensation for loss of youth player		200,000	-
Exceptional income	2	<u>-</u>	<u>625,000</u>
Profit on ordinary activities before interest		211,828	117,795
Net interest	4	<u>(224,796)</u>	<u>(147,506)</u>
Loss on ordinary activities before taxation	2	(12,968)	(29,711)
Tax on loss on ordinary activities	6	<u>-</u>	<u>-</u>
Loss on ordinary activities after taxation		<u>(12,968)</u>	<u>(29,711)</u>

There were no recognised gains or losses other than the loss for the financial year

All operations are classed as continuing

The accompanying accounting policies and notes form an integral part of these financial statements

BRISTOL ROVERS (1883) LIMITED

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2006

	Note	2006	2005 (restated)
		£	£
Fixed assets			
Intangible assets	9	42,696	49,087
Tangible assets	10	2,492,140	2,727,017
Investments	11	1	1
		<u>2,534,837</u>	<u>2,776,105</u>
Current assets			
Stocks	12	12,553	18,463
Debtors	13	226,968	219,224
Cash at bank and in hand	14	248,046	531,133
		<u>487,567</u>	<u>768,820</u>
Creditors: amounts falling due within one year			
Shares classed as financial liabilities	15	(712,000)	(748,500)
Other	15	(1,905,536)	(2,430,506)
		<u>(2,617,536)</u>	<u>(3,179,006)</u>
Net current liabilities		<u>(2,129,969)</u>	<u>(2,410,186)</u>
Total assets less current liabilities		<u>404,868</u>	<u>365,919</u>
Creditors:			
amounts falling due after more than one year	16	<u>(1,343,851)</u>	<u>(1,500,435)</u>
		<u>(938,983)</u>	<u>(1,134,516)</u>
Capital and reserves			
Called up share capital	18	183,640	170,477
Share premium account	19	663,725	468,387
Profit and loss account	19	(2,674,422)	(2,574,954)
Capital reserve	19	888,074	801,574
Shareholders' funds	20	<u>(938,983)</u>	<u>(1,134,516)</u>

The financial statements were approved by the Board of Directors on 26 March 2007

G M H Dunford

Director

R Craig

Director

The accompanying accounting policies and notes form an integral part of these financial statements

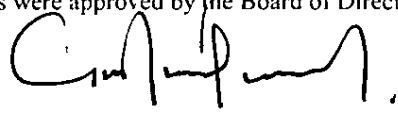
BRISTOL ROVERS (1883) LIMITED

BALANCE SHEET AT 30 JUNE 2006

	Note	2006	2005
			(restated)
		£	£
Fixed assets			
Tangible assets	10	3,162,104	3,402,994
Investments	11	725,364	725,364
		3,887,468	4,128,358
Current assets			
Stocks	12	-	18,463
Debtors	13	374,594	772,696
Cash at bank and in hand	14	25,133	6,507
		399,727	797,666
Creditors: amounts falling due within one year			
Shares classed as financial liabilities	15	(542,000)	(578,500)
Other	15	(1,435,747)	(1,736,617)
		(1,977,747)	(2,315,117)
Net current liabilities		(1,578,020)	(1,517,451)
Total assets less current liabilities		2,309,448	2,610,907
Creditors:			
amounts falling due after more than one year	16	(868,249)	(1,381,026)
		1,441,199	1,229,881
Capital and reserves			
Called up share capital	18	183,640	170,477
Share premium account	19	663,725	468,387
Profit and loss account	19	507,334	591,017
Capital reserve	19	86,500	-
Shareholders' funds		1,441,199	1,229,881

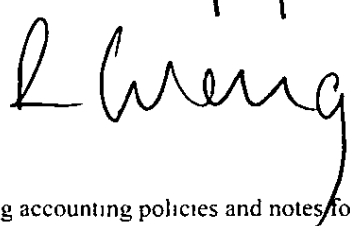
The financial statements were approved by the Board of Directors on 26 March 2007

G M H Dunford



Director

R Craig



Director

The accompanying accounting policies and notes form an integral part of these financial statements

BRISTOL ROVERS (1883) LIMITED**CONSOLIDATED CASHFLOW STATEMENT**

For the year ended 30 June 2006

	Note	£	2006 £	2005 £
Net cash (outflow)/inflow from operating activities	21		(718,292)	167,818
Returns on investments and servicing of finance				
Interest received		12,074		13,340
Interest paid		(178,169)		(121,996)
Finance charge on shares classed as financial liabilities		<u>(56,144)</u>		<u>(38,850)</u>
Net cash outflow from returns on investments and servicing of finance			(222,239)	(147,506)
			(940,531)	20,312
Capital expenditure and financial investment				
Purchase of tangible fixed assets		(12,295)		(35,482)
Proceeds on sale of fixed assets		300,000		100
Purchase of players and agents' fees		(121,556)		(26,175)
Sale of players		360,000		1,000
Compensation for loss of youth player		<u>200,000</u>		<u>-</u>
Net cash inflow/(outflow) from capital expenditure and financial investment			726,149	(60,557)
			(214,382)	(40,245)
Financing				
Issue of shares		258,501		283,200
Repurchase of shares classed as financial liabilities		(86,500)		(20,000)
Repayment of borrowing		(597,977)		(139,384)
Receipts from borrowing (Brewery loan)		<u>480,000</u>		<u>-</u>
Net cash inflow from financing			54,024	123,816
(Decrease)/increase in cash	22		(160,358)	83,571

The accompanying accounting policies and notes form an integral part of these financial statements

BRISTOL ROVERS (1883) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2006

1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared on the going concern basis which assumes that the company and its subsidiaries will continue in operational existence for the foreseeable future

During the year, the group made a loss after taxation of £12,968

The profit attributable to the company was £2,817 At the balance sheet date the balance sheet of the subsidiary company, Bristol Rovers Football Club Limited, showed that current liabilities exceeded current assets by £2,111,048 The subsidiary has no bank overdraft facilities and further operating losses are indicated for the year ending 30 June 2007

The directors continue to implement a series of measures to reduce costs and as in previous years, expect to realise further funds from non-operating sources The directors consider that on this basis it is appropriate to prepare the financial statements on the going concern basis The validity of the going concern assumption depends on the group's ability to reduce its cost base and realise such further funds The financial statements do not include any adjustments that would result from a failure to achieve sufficient cost reductions and raise the necessary further funds

2 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and loss before taxation are attributable to the running of a professional football league club and the operation of a sports stadium

	2006 £	2005 £
Football receipts	1,684,630	1,790,912
Other receipts	<u>1,980,326</u>	<u>2,047,191</u>
	<u><u>3,664,956</u></u>	<u><u>3,838,103</u></u>

The profit/(loss) on ordinary activities is stated after

	2006 £	2005 £
Auditors' remuneration		
Audit services	11,650	12,700
Depreciation and amortisation		
Other intangible assets	55,947	46,759
Tangible fixed assets, owned	39,829	79,276
Operating lease rentals		
Land and buildings	-	13,355
Other	9,908	11,381
Grants credited	<u>(110,295)</u>	<u>(119,891)</u>

Included in the results for the prior year is £625,000 in relation to the disruption to the car park by Westbury Homes This represents exceptional income and is separately disclosed on the face of the consolidated profit and loss account

BRISTOL ROVERS (1883) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Continued

For the year ended 30 June 2006

3 OPERATING EXPENDITURE

	2006	2005
	£	£
Products purchased for resale	387,156	352,351
Players and staff costs	2,486,314	2,746,009
Match and ground expenses	726,477	913,485
Administrative expenses	323,235	318,054
	<u>3,923,182</u>	<u>4,329,899</u>

4 NET INTEREST

	2006	2005
	£	(restated) £
Interest on loans and overdrafts	178,169	121,996
Other interest receivable and similar income	(12,074)	(13,340)
Finance charge on shares classed as financial liabilities	58,701	38,850
	<u>224,796</u>	<u>147,506</u>

5 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows

	2006	2005
	£	£
Wages and salaries	2,277,024	2,510,065
Social security costs	201,356	224,488
Other pension costs	7,934	11,456
	<u>2,486,314</u>	<u>2,746,009</u>

The average number of employees of the group during the year was as follows

	2006	2005
	Number	Number
Playing staff	26	31
Management and administration staff	22	27
Commercial staff	3	3
Centre of Excellence	12	19
Bar/catering staff	28	6
	<u>91</u>	<u>86</u>

The directors received no remuneration for their services in the year (2005 £nil)

BRISTOL ROVERS (1883) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Continued

For the year ended 30 June 2006

6 TAX ON LOSS ON ORDINARY ACTIVITIES

The tax charge represents

	2006	2005
	£	£
Corporation tax @ 19% (2005 19%)	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>

Unrelieved tax losses of £2,196,616 (2005 £2,173,887) remain available to offset against future taxable trading profits

Factors affecting the tax charge for the period

	2006	2005
	£	£
Loss on ordinary activities before tax	<u>(12,968)</u>	<u>(29,711)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax at 19% (2005 19%)	(2,464)	(5,645)
Expenses not deductible for tax purposes	7,655	11,637
Capital allowances for the period more than depreciation	(12,264)	7,533
Non taxable income	(6,270)	(62,700)
Movement in provisions	(925)	360
Income in nil band	-	(950)
Increase in tax losses	11,896	52,448
Additional deductions for tax purposes	(4,476)	(10,065)
Deduction not allowable for tax purposes	11,153	7,382
Consolidation adjustment	(4,305)	-
Current tax charge for period	<u>-</u>	<u>-</u>

7 PROFIT FOR THE FINANCIAL YEAR

The parent company has taken advantage of section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The group loss for the year includes a profit of £2,817 (2005 £511,076) which is dealt with in the financial statements of the company.

BRISTOL ROVERS (1883) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Continued

For the year ended 30 June 2006

8 PRIOR YEAR ADJUSTMENT**FRS 25**

In the prior year, redeemable preference shares with a nominal value of £578,500 were disclosed as preference share capital in the consolidated and company balance sheets and redeemable preference shares of £170,000 were disclosed as minority interests. The presentation of these shares as a financial liability under FRS 25 constitutes a change of accounting policy and the comparative figures have therefore been restated. This year has resulted in the recognition of a creditor due within one year of £712,000 in the consolidated balance sheet, a creditor due within one year of £542,000 in the company balance sheet, a creditor due in more than one year of £nil in the consolidated and company balance sheets and a finance charge on shares classed as financial liabilities of £58,701.

9 INTANGIBLE FIXED ASSETS**The group**

	Goodwill on consolidation	Players	Total
	£	£	£
Cost			
At 1 July 2005	38,069	123,675	161,744
Additions	-	49,556	49,556
Disposals	-	(1,000)	(1,000)
At 30 June 2006	<u>38,069</u>	<u>172,231</u>	<u>210,300</u>
Amortisation			
At 1 July 2005	38,069	74,588	112,657
Provided in the year	-	55,947	55,947
Disposals	-	(1,000)	(1,000)
At 30 June 2006	<u>38,069</u>	<u>129,535</u>	<u>167,604</u>
Net book amount at 30 June 2006	<u>-</u>	<u>42,696</u>	<u>42,696</u>
Net book amount at 30 June 2005	<u>-</u>	<u>49,087</u>	<u>49,087</u>

Goodwill on consolidation has been written off in the year of acquisition as, in the directors' opinion this accurately reflects its useful economic life.

BRISTOL ROVERS (1883) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Continued

For the year ended 30 June 2006

10 TANGIBLE FIXED ASSETS**The group**

	Plant, equipment & motor vehicles	Fixtures & fittings	Freehold property and improvements	Total
	£	£	£	£
Cost				
At 1 July 2005	625,216	3,318	2,890,515	3,519,049
Additions	-	-	12,295	12,295
Disposals	-	-	(207,343)	(207,343)
At 30 June 2006	<u>625,216</u>	<u>3,318</u>	<u>2,695,467</u>	<u>3,324,001</u>
Depreciation				
At 1 July 2005	543,925	3,318	244,789	792,032
Provided in the year	14,243	-	25,586	39,829
At 30 June 2006	<u>558,168</u>	<u>3,318</u>	<u>270,375</u>	<u>831,861</u>
Net book amount at 30 June 2006	<u><u>67,048</u></u>	<u><u>-</u></u>	<u><u>2,425,092</u></u>	<u><u>2,492,140</u></u>
Net book amount at 30 June 2005	<u><u>81,291</u></u>	<u><u>-</u></u>	<u><u>2,645,726</u></u>	<u><u>2,727,017</u></u>

BRISTOL ROVERS (1883) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Continued

For the year ended 30 June 2006

10 TANGIBLE FIXED ASSETS (CONTINUED)**The company**

	Plant and equipment £	Freehold properties £	Fixtures and fittings £	Total £
Cost				
At 1 July 2005	465,069	3,331,131	3,318	3,799,518
Additions	-	-	-	-
Disposals	-	(229,999)	-	(229,999)
At 30 June 2006	<u>465,069</u>	<u>3,101,132</u>	<u>3,318</u>	<u>3,569,519</u>
Depreciation				
At 1 July 2005	393,206	-	3,318	396,524
Provided in the year	10,891	-	-	10,891
At 30 June 2006	<u>404,097</u>	<u>-</u>	<u>3,318</u>	<u>407,415</u>
Net book amount at 30 June 2006	<u>60,972</u>	<u>3,101,132</u>	<u>-</u>	<u>3,162,104</u>
Net book amount at 30 June 2005	<u>71,863</u>	<u>3,331,131</u>	<u>-</u>	<u>3,402,994</u>

BRISTOL ROVERS (1883) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Continued

For the year ended 30 June 2006

11 FIXED ASSET INVESTMENTS**The group**

	£
Cost and net book amount at 1 July 2005 and at 30 June 2006	<u><u>1</u></u>

At 30 June 2006 the group held 33% of the equity of South Gloucestershire Arenas Limited, set up for the development of a mixed use sports stadium. At 30 June 2006 the aggregate capital and reserves of South Gloucestershire Arenas Limited was £3 (2005 £3)

The company

	Shares in subsidiary undertakings £
Cost	
At 1 July 2005 and at 30 June 2006	<u>725,364</u>
Amounts written off	
At 1 July 2005 and at 30 June 2006	-
Net book amount at 30 June 2006 and at 30 June 2005	<u><u>725,364</u></u>

At 30 June 2006 the company held 20% or more of the equity of the following

Subsidiary undertakings	Nature of business	Class of capital held	Proportion held
Bristol Rovers Football Club Limited	Professional football league club and the operation of a sports stadium	Ordinary shares	100%
The Memorial Stadium Company Limited	Sports stadium leasing & catering facilities provision (now dormant)	Ordinary shares	100%

The Memorial Stadium Company Limited's shares are held by Bristol Rovers Football Club Limited

BRISTOL ROVERS (1883) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Continued

For the year ended 30 June 2006

12 STOCKS

	The group		The company	
	2006	2005	2006	2005
	£	£	£	£
Goods for resale	<u>12,553</u>	<u>18,463</u>	<u>-</u>	<u>18,463</u>

13 DEBTORS

	The group		The company	
	2006	2005	2006	2005
	£	£	£	£
Trade debtors	146,476	118,079	30,992	38,511
Amounts due from group undertakings	-	-	343,602	729,381
Other debtors	44,320	65,030	-	742
Prepayments and accrued income	<u>36,172</u>	<u>36,115</u>	<u>-</u>	<u>4,062</u>
	<u>226,968</u>	<u>219,224</u>	<u>374,594</u>	<u>772,696</u>

14 CASH AT BANK AND IN HAND

	The group		The company	
	2006	2005	2006	2005
	£	£	£	£
Cash and bank	74,993	271,162	25,133	6,507
Capital improvement fund	<u>173,053</u>	<u>259,971</u>	<u>-</u>	<u>-</u>
	<u>248,046</u>	<u>531,133</u>	<u>25,133</u>	<u>6,507</u>

The capital improvement fund represents monies held by a subsidiary company which are grants that must be applied to stadium improvements, as designated under the planning consent granted by Bristol City Council in respect of the car park development on 18 January 1999

BRISTOL ROVERS (1883) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Continued

For the year ended 30 June 2006

15 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	The group 2005 <i>(restated)</i>	2006	The company 2005 <i>(restated)</i>
	£	£	£	£
Bank loans and overdraft	119,417	182,438	119,417	182,406
Brewery loan	45,000	50,000	-	50,000
Unsecured directors' loans	245,761	272,299	245,761	160,516
Payments received in advance	545,975	592,189	-	-
Trade creditors	60,600	86,199	69	13,916
Social security and other taxes	187,101	183,297	13,138	63,191
Transfer fees payable	-	12,500	-	-
Amounts due to group undertakings	-	-	775,714	791,046
Loans from related parties	219,001	177,107	219,001	131,933
Other creditors	315,153	488,762	-	287,113
Accruals and deferred income	152,009	317,919	60,992	10,423
Other deferred income grants	12,962	67,796	1,655	46,073
Shares classed as financial liabilities	712,000	748,500	542,000	578,500
Finance charge due on shares classed as financial liabilities	2,557	-	-	-
	<u>2,617,536</u>	<u>3,179,006</u>	<u>1,977,747</u>	<u>2,315,117</u>

The bank loans and overdrafts of the group are secured by fixed and floating charges over the assets of the group and a fixed charge over the freehold property of the group

The Brewery loan is secured by a fixed charge over the property of the company

Loans from related parties includes £150,000 which is secured on proceeds from specific non-trading transactions

Other creditors (group) includes £173,053 (2005 £259,971) relating to the capital improvement fund (see note 14)

Shares classed as financial liabilities (group) includes £170,000 (2005 £170,000) redeemable preference shares in The Memorial Stadium Company Limited which carry an entitlement to a fixed cumulative dividend at a rate of 9% per annum

BRISTOL ROVERS (1883) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Continued

For the year ended 30 June 2006

16 CREDITORS. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2006	The group 2005 <i>(restated)</i>	2006	The company 2005 <i>(restated)</i>
	£	£	£	£
Bank loan	825,485	985,193	825,485	985,193
Brewery loan	367,500	395,833	-	395,833
Deferred income grants	150,866	119,409	42,764	-
Shares classed as financial liabilities	-	-	-	-
	<u>1,343,851</u>	<u>1,500,435</u>	<u>868,249</u>	<u>1,381,026</u>

The bank and Brewery loans are secured as disclosed under note 15

The bank loan is repayable in equal quarterly instalments and bears interest at a rate of 2.5% above LIBOR

The Brewery loan is repayable in equal monthly instalments and bears interest at a rate of 0.75% below base rate

17 BORROWINGS

Borrowings are repayable as follows	2006	The group 2005	2006	The company 2005
	£	£	£	£
Within one year				
Bank and other borrowings	410,178	504,737	365,178	392,922
After one and within two years				
Bank and other borrowings	164,417	169,417	119,417	169,417
After two and within five years				
Bank and other borrowings	493,251	508,251	358,251	508,251
After five years				
Bank and other borrowings	<u>535,317</u>	<u>703,358</u>	<u>347,817</u>	<u>703,358</u>
	<u>1,603,163</u>	<u>1,885,763</u>	<u>1,190,663</u>	<u>1,773,948</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2006

18 SHARE CAPITAL

	2006 £	2005 £
Authorised		
2,500,000 (2005 2,500,000) ordinary shares of 10p each	250,000	250,000
500,000 'A' preference shares of £1 each	500,000	500,000
500,000 'B' preference shares of £1 each	500,000	500,000
500,000 'C' preference shares of £1 each	500,000	500,000
	<u>1,750,000</u>	<u>1,750,000</u>
Allotted, called up and fully paid		
Equity		
1,836,400 ordinary shares of 10p each	<u>183,640</u>	<u>170,477</u>
Shares classed as financial liabilities		
291,000 'A' preference shares of £1 each	291,000	332,500
41,000 'B' preference shares of £1 each	41,000	41,000
210 000 'C' preference shares of £1 each	<u>210,000</u>	<u>205,000</u>
	<u>542,000</u>	<u>578,500</u>

Allotments during the year

During the year the company issued 100,000 ordinary shares at a premium of £0 40

During the year the company issued 31,600 ordinary shares at a premium of £4 90

During the year the company issued 25 ordinary shares at a premium of £19 90

Preference shares

A B and C preference shares carry an entitlement to a fixed cumulative dividend at 3%, 2 5% and 2% above the base rate respectively A, B and C preference shares may be redeemed on or after the 3rd, 2nd and 1st anniversaries of issue respectively Holders of preference shares have no entitlement to vote Preference shareholders have the right, on a winding-up, to receive repayment of capital in priority to ordinary shareholders

BRISTOL ROVERS (1883) LIMITED

Continued

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2006

19 SHARE PREMIUM ACCOUNT AND RESERVES

The group	Share premium account £	Capital reserve £	Profit and loss account £
At 1 July 2005	468,387	801,574	(2,574,954)
Retained loss for the year	-	-	(12,968)
Redemption of preference shares	-	86,500	(86,500)
Premium on allotment during the year	<u>195,338</u>	-	-
At 30 June 2006	<u>663,725</u>	<u>888,074</u>	<u>(2,674,422)</u>

The company	Share premium account £	Capital reserve £	Profit and loss account £
At 1 July 2005	468,387	-	591,017
Retained profit for the year	-	-	2,817
Redemption of preference shares	-	86,500	(86,500)
Premium on allotment during the year	<u>195,338</u>	-	-
At 30 June 2006	<u>663,725</u>	<u>86,500</u>	<u>507,334</u>

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006 £	2005 (restated) £
Loss for the financial year	(12,968)	(29,711)
Issue of shares	208,501	283,200
Shareholders' funds at 1 July 2005 <i>(restated)</i>	<u>(1,134,516)</u>	<u>(1,388,005)</u>
Shareholders' funds at 30 June 2006	<u>(938,983)</u>	<u>(1,134,516)</u>

BRISTOL ROVERS (1883) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Continued

For the year ended 30 June 2006

21 NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2006 £	2005 £
Operating loss	(276,172)	(508,205)
Depreciation charges	39,829	79,276
(Profit)/loss on sale of tangible fixed assets	(92,657)	600
Amortisation of grants	(23,377)	(54,628)
Amortisation and impairment of players	55,947	46,759
Exceptional income	-	625,000
Decrease/(increase) in stock	5,910	(1,959)
(Increase)/decrease in debtors	(7,744)	349,485
Decrease in creditors	(420,028)	(368,510)
Net cash (outflow)/inflow from operating activities	(718,292)	167,818

22 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2006 £	2005 (restated) £
(Decrease)/increase in cash in the year	(160,358)	83,571
Cash inflow from increase in debt financing	151,920	201,789
Movement in net debt in the year	(8,438)	285,360
Net debt at 1 July 2005 (restated)	(2,280,237)	(2,565,597)
Net debt at 30 June 2006	(2,288,675)	(2,280,237)

23 ANALYSIS OF CHANGES IN NET DEBT

	At 1 July 2005 (restated) £	Cash flow £	Non-cash items £	At 30 June 2006 £
Cash at bank and in hand	531,133	(283,087)	-	248,046
Overdrafts	(122,729)	122,729	-	-
Debt	408,404 (2,688,641)	(160,358) 154,477	- (2,557)	248,046 (2,536,721)
Total	(2,280,237)	(5,881)	(2,557)	(2,288,675)

For the year ended 30 June 2006

24 CAPITAL COMMITMENTS

The group and the company had no capital commitments at 30 June 2006 or 30 June 2005

25 CONTINGENT ASSETS AND LIABILITIES

The group may receive, under transfer agreements, further amounts for players already sold dependent on whether these players are sold on again for a profit. No reliable estimate can be made on the likelihood of these players being transferred or their potential transfer values.

The group and the company have, under transfer agreements, a liability to pay additional sums dependent on players' attainment and any subsequent transfer value. No provision has been made in these accounts for such liabilities and no reliable estimates can be made of any subsequent transfer values.

26 PENSIONS

The group operates a defined contribution pension scheme for the benefit of employees. The assets of the scheme are administered by trustees in a fund independent from those of the group.

The group has in the past contributed to The Football League Limited Pension and Life Assurance Scheme, a defined contribution pension scheme operated on behalf of all league clubs.

BRISTOL ROVERS (1883) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Continued

For the year ended 30 June 2006

27 LEASING COMMITMENTS

Operating lease payments amounting to £9,909 (2005 £12,336) are due within one year
The leases to which these amounts relate expire as follows

The group

	2006		2005	
	Land and buildings	Other £	Land and buildings	Other £
In one year or less	-	937	-	7,867
Between one and five years	-	8,972	-	4,469
	-	9,909	-	12,336

The company

	2006		2005	
	Land and buildings	Other £	Land and buildings	Other £
In one year or less	-	937	-	6,662
Between one and five years	-	4,169	-	4,469
	-	5,106	-	11,131

28 RELATED PARTIES AND TRANSACTIONS WITH DIRECTORS

Barrs Court Limited is the owner of The Beeches which is used to provide accommodation and conference facilities for meetings and other club related matters. G M H Dunford is a director of this company. During the year £3,036 (2005 £21,645) was charged to the group in respect of these services. During the year sales of £4,432 (2005 £13,225) were made to Barrs Court Limited. At the year end a balance of £nil (2005 £12,300) was owed to Barrs Court Limited.

During the year the group made purchases of £18,750 (2005 £15,000) from Deltavon Limited, a company of which G M H Dunford is a director. At the year end the company owed a balance of £nil (2005 £nil) to Deltavon Limited.

The group was loaned £219,001 (2005 £177,107) by Deltavon Limited.

For the year ended 30 June 2006

28 RELATED PARTIES AND TRANSACTIONS WITH DIRECTORS (continued)

During the year a property was sold to Strathmore Road Properties Limited, a company owned by Messrs M Turl and C V Williams. The property, with a net book value of £207,343, was sold for £300,000. At the time of the transaction both individuals were directors of Bristol Rovers (1883) Limited.

In the prior year an amount of £50,000 was held in relation to another potential property sale to B Bradshaw, also a director. This sale did not take place and the loan was converted into preference shares.

There are no other material related party transactions in the year.

29 CONTROLLING RELATED PARTIES

The directors consider that there is no single controlling related party.