

**BRISTOL ROVERS
(1883) LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2005

COMPANY NO. 4501223



BRISTOL ROVERS (1883) LIMITED

FINANCIAL STATEMENTS

For the year ended 30 June 2005

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
C V Williams
K D Spencer
M Turl
(appointed 7 August 2004)
K Stuckey
(appointed 7 November 2005)

President:

D H A Dunford
(appointed 17 December 2004)

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 2005

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BRISTOL ROVERS (1883) LIMITED

CHAIRMAN'S STATEMENT

Season 2004/05 ended on a disappointing but secure note with a welcome mid-table position, although our investment in the squad merited more; yet again proving the difficulty of obtaining success even when our investment is more than most teams at this level.

The Club did at least taste some success in the Cup competitions, notably a close contest at Norwich in the Carling Cup, and a run to the Southern Area finals of the LDV Trophy.

The income generated from these competitions helping to finance the high players wage budget, but yet again the Club struggled to match its expenditures on players with league success on the field, and our investment did not yield the required return. The Board have continued to place financial control at the top of its agenda. The loss for the year of £29,711 was struck after receipts of £625,000 were received in relation to the disruption to the car park by Westbury Homes. However these operating losses cannot continue and Managing Director Mike Turl is constantly looking for new sources of income and more control on expenditure, with some success, but we still have more to do to achieve a break-even position.

Linked to this, it is important that the Club can redevelop the Memorial Stadium in the near future to meet the needs of spectators watching professional football and rugby in comfort and safety along with addressing the needs of the local residents with regard to parking and providing social and community services. This development will also help to erase our operating losses by giving us a stadium which will be cost effective and will bring us up to standards already achieved in most towns and cities in England. The consultation and viability process is underway and I am certain that with the help of Bristol City Council we can meet the needs of both residents and supporters.

It is important that we achieve value for money through our investment in players and that we play to our potential. Following the failure to meet this criteria, the Board relieved Ian Atkins of his duties in September 2005. Kevan Broadhurst had already departed the Club and we thank him for his service, particularly for steadying the Pirate ship at the end of the previous season. Paul Trollope was subsequently appointed as first team coach with Lennie Lawrence as Director of Football. These appointments have resulted in an uplift in the team's fortunes and entertainment value, and we are finally seeing a belated return on our player investment. We all hope that these changes will result in our participation in the end of season playoffs, but if that is not the case then at least the signs for a successful campaign for 2006/07 are more positive, and we wish Paul and Lennie every success.

Our close relationship with Filton Academy is beginning to show the fruits of our labour. We are providing fantastic facilities for our young players in the Centre of Excellence and Youth Section. The first team will also be beneficiaries from the commencement of the 2006/07 season.

We expect to harvest a rich crop of talent from our U16's nurtured by our Centre of Excellence. Great things are expected from these youngsters and credit must be given to all our Centre of Excellence staff, especially Stuart Naughton. We hope to see these youngsters feature regularly in the first team in a few years time. However, it is unfortunate that we are not protected by rules and regulations with regard to poaching of our young players by other clubs, particularly the Premiership. It is important the Football League addresses this issue quickly to ensure fair play and to protect future investment in youth schemes throughout the country.

BRISTOL ROVERS (1883) LIMITED

CHAIRMAN'S STATEMENT

Continued

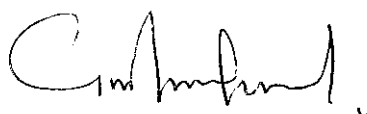
The Gas Girls also proved their worth by maintaining their Premier League status, with the backing of Filton Academy and although their name has now changed to the Bristol Academy, we still support them financially, and they still proudly wear the blue and white quarters and club badge.

Once again I must thank all our loyal fans and shareholders for their support through thick and thin, especially those who continue to support us through the Bristol Rovers Supporters Club Share Scheme, which to this date has subscribed over £500,000 to the Club in return for shares. This is a magnificent achievement and shows the depth of feeling for the Club by the fan base. This scheme is the financial backbone of the Club and will give both Supporters and the Board a platform to work with in the future.

I should like to take this opportunity to thank Jane Browne, who resigned recently, for all her support and help during her tenure as a Supporters Club nominated Director, and welcome Kim Stuckey in her place. We also welcome David Brain as Associate Director. These appointments as part of the share scheme initiative have brought a closer involvement in the running of the Company by the Supporters Club. I would also like to thank my fellow Directors for their support and commitment to the Club, both time-wise and financially.

We have lost some great friends since my last Chairman's report, not least Ray Kendall, who typified what being part of Bristol Rovers Football Club was all about. Ray has left a void at the club which will be difficult to fill.

G M H Dunford



Chairman

27 March 2006

BRISTOL ROVERS (1883) LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 30 June 2005.

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, minority interests and dividends amounting to £29,711 (2004: loss of £464,818).

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 2005 and at 30 June 2004 (or at date of appointment if later) were as follows:

	Ordinary 10p shares 2005	Ordinary 10p shares 2004
R Craig	200,080	225,080
G M H Dunford	202,090	227,090
G M H Dunford Trust	170,000	170,000
B W Bradshaw	251,580	251,580
C V Williams	180,000	180,000
K D Spencer	190,000	180,000
J Browne (as joint trustee of Bristol Rovers Supporters Club)	39,280	38,280
J Browne (as joint trustee of Bristol Rovers Supporters Club Share Scheme)	74,600	41,000
M Turl	200,000	-

M Turl was appointed on 7 August 2004.

On 17 December 2004 D H A Dunford resigned from the Board.

On 7 November 2005 J Browne resigned from the Board and K Stuckey was appointed to the Board.

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:

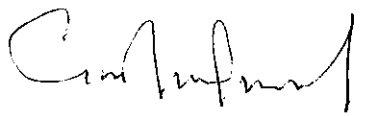
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

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

27 March 2006

**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 2005 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 United Kingdom auditing standards.

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. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the group 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 transactions with the group is not disclosed.

We read other information contained in the annual report, and consider whether it is consistent with the audited financial statements. This information comprises only the directors' report and the chairman's statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom auditing standards 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 group's circumstances, consistently applied and adequately disclosed.

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

Basis of opinion (continued)

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.

Fundamental uncertainty - going concern

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the basis of preparation.

The financial statements have been prepared under the going concern basis, the validity of which depends on the directors successfully implementing their plans to reduce costs and raise further funds from non-operating sources. The financial statements do not include any adjustments that would result from a failure to achieve these objectives. Details of the circumstances relating to this fundamental uncertainty are described in Note 1 to the financial statements. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 30 June 2005 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton UK LLP

**GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

BRISTOL

27 March 2006

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 group are set out below and are unchanged from the previous year.

BASIS OF CONSOLIDATION

The group financial statements consolidate those of the company and of its subsidiary undertakings drawn up to 30 June 2005. 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 including any subsequent agreed extensions. 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.

BRISTOL ROVERS (1883) LIMITED

PRINCIPAL ACCOUNTING POLICIES

Continued

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 2005

	Note	2005 £	2004 £
Turnover	2	3,838,103	3,414,189
Operating expenditure	3	<u>(4,329,899)</u>	<u>(4,242,131)</u>
		(491,796)	(827,942)
Donations from support organisations		<u>30,350</u>	<u>52,335</u>
Operating loss before amortisation of players		(461,446)	(775,607)
Amortisation of players		<u>(46,759)</u>	<u>(39,341)</u>
Operating loss		(508,205)	(814,948)
Profit on sale of players		1,000	498,000
Exceptional income	2	<u>625,000</u>	<u>-</u>
Profit/(loss) on ordinary activities before interest		117,795	(316,948)
Net interest	4	<u>(108,656)</u>	<u>(91,280)</u>
Profit/(loss) on ordinary activities before taxation	2	9,139	(408,228)
Tax on profit/(loss) on ordinary activities	6	<u>-</u>	<u>-</u>
Profit/(loss) on ordinary activities after taxation		9,139	(408,228)
Minority interests		<u>(16,148)</u>	<u>(16,858)</u>
Loss for the financial year	20	(7,009)	(425,086)
Dividends			
- Non-equity		<u>(22,702)</u>	<u>(39,732)</u>
Transfer from reserves		<u>(29,711)</u>	<u>(464,818)</u>

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

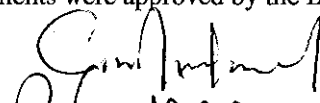
The accompanying accounting policies and notes form an integral part of these financial statements.


BRISTOL ROVERS (1883) LIMITED

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2005

	Note	2005	2004
		£	£
Fixed assets			
Intangible assets	8	49,087	69,671
Tangible assets	9	2,727,017	2,771,511
Investments	10	1	1
		<u>2,776,105</u>	<u>2,841,183</u>
Current assets			
Stocks	11	18,463	16,504
Debtors	12	219,224	568,709
Cash at bank and in hand	13	531,133	399,768
		<u>768,820</u>	<u>984,981</u>
Creditors: amounts falling due within one year	14	<u>(2,430,506)</u>	<u>(2,859,364)</u>
Net current liabilities		<u>(1,661,686)</u>	<u>(1,874,383)</u>
Total assets less current liabilities		<u>1,114,419</u>	<u>966,800</u>
Creditors: amounts falling due after more than one year	15	(1,500,435)	(1,586,305)
Provisions for liabilities and charges	17	-	-
		<u>(386,016)</u>	<u>(619,505)</u>
Capital and reserves			
Called up share capital	18	748,977	722,616
Share premium account	19	468,387	211,548
Profit and loss account	19	(2,574,954)	(2,525,243)
Capital reserve	19	801,574	781,574
		<u>(556,016)</u>	<u>(809,505)</u>
Shareholders' funds	20	(556,016)	(809,505)
Minority interests			
- Non-equity		170,000	190,000
		<u>(386,016)</u>	<u>(619,505)</u>
Equity shareholders' funds		(1,134,516)	(1,388,005)
Non-equity shareholders' funds		578,500	578,500
		<u>(556,016)</u>	<u>(809,505)</u>

The financial statements were approved by the Board of Directors on 27 March 2006.

G M H Dunford  Director

R Craig  Director

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

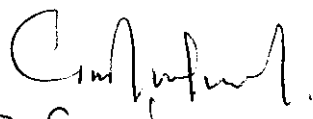
BRISTOL ROVERS (1883) LIMITED

BALANCE SHEET AT 30 JUNE 2005

	Note	£	2005 £	2004 £
Fixed assets				
Tangible assets	9		3,402,994	3,381,183
Investments	10		725,364	725,364
Current assets			4,128,358	4,106,547
Stocks	11	18,463		16,504
Debtors	12	772,696		480,343
Cash at bank and in hand	13	6,507		6,430
		797,666		503,277
Creditors: amounts falling due within one year	14	(1,736,617)		(2,194,546)
Net current liabilities			(938,951)	(1,691,269)
Total assets less current liabilities			3,189,407	2,415,278
Creditors: amounts falling due after more than one year	15		(1,381,026)	(1,401,173)
			1,808,381	1,014,105
Capital and reserves				
Called up share capital	18		748,977	722,616
Share premium account	19		468,387	211,548
Profit and loss account	19		591,017	79,941
Shareholders' funds			1,808,381	1,014,105

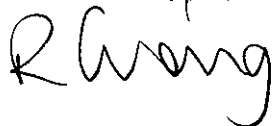
The financial statements were approved by the Board of Directors on 27 March 2006.

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 2005

			2005	2004
	Note	£	£	£
Net cash inflow/(outflow) from operating activities	21		167,818	(223,161)
Returns on investments and servicing of finance				
Interest received		13,340		2,959
Interest paid		(121,996)		(94,239)
Preference share dividends		(22,702)		(39,732)
Non-equity dividends to minority shareholders		<u>(16,148)</u>		<u>(16,858)</u>
Net cash outflow from returns on investments and servicing of finance			(147,506)	(147,870)
			20,312	(371,031)
Capital expenditure and financial investment				
Purchase of tangible fixed assets		(35,482)		(7,554)
Proceeds on sale of fixed assets		100		-
Purchase of players		(26,175)		(15,500)
Sale of players		1,000		498,000
Purchase of investments		<u>-</u>		<u>(1)</u>
Net cash (outflow)/inflow from capital expenditure and financial investment			(60,557)	474,945
			(40,245)	103,914
Financing				
Issue of shares		283,200		185,400
Repurchase of preference shares		-		(6,600)
Repurchase of minority interest preference shares		(20,000)		(360,000)
Repayment of borrowing		(139,384)		(32,204)
Receipts from borrowing (Brewery loan)		-		500,000
Capital element of finance lease rentals		<u>-</u>		<u>(304)</u>
Net cash inflow from financing			123,816	286,292
Increase in cash	22		83,571	390,206

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 2005

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, minority interests and dividends of £29,711. The profit attributable to the company was £511,076. 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 £2,469,690. The subsidiary has no bank overdraft facilities and further operating losses are indicated for the year ending 30 June 2006.

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 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	2005 £	2004 £
Football receipts	1,790,912	1,522,735
Other receipts	<u>2,047,191</u>	<u>1,891,454</u>
	<u>3,838,103</u>	<u>3,414,189</u>

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

	2005 £	2004 £
Auditors' remuneration:		
Audit services	12,700	13,000
Depreciation and amortisation:		
Other intangible assets	46,759	39,341
Tangible fixed assets, owned	79,276	101,341
Operating lease rentals:		
Land and buildings	13,355	37,500
Other	11,381	11,381
Grants credited	<u>(119,891)</u>	<u>(71,679)</u>

Included in the results for the 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 2005

3 OPERATING EXPENDITURE

	2005	2004
	£	£
Products purchased for resale	352,351	303,753
Players and staff costs	2,746,009	2,652,489
Match and ground expenses	951,412	1,052,086
Administrative expenses	280,127	233,803
	<u>4,329,899</u>	<u>4,242,131</u>

4 NET INTEREST

	2005	2004
	£	£
On loans and overdrafts	121,996	94,239
Other interest receivable and similar income	(13,340)	(2,959)
	<u>108,656</u>	<u>91,280</u>

5 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2005	2004
	£	£
Wages and salaries	2,510,065	2,414,669
Social security costs	224,488	198,774
Other pension costs	11,456	39,046
	<u>2,746,009</u>	<u>2,652,489</u>

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

	2005	2004
	Number	Number
Playing staff	31	32
Management and administration staff	27	30
Commercial staff	3	3
YTS training staff	19	22
Bar/catering staff	6	7
	<u>86</u>	<u>94</u>

The directors received no remuneration for their services in the year (2004: £nil).

BRISTOL ROVERS (1883) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Continued

For the year ended 30 June 2005

6 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

The tax charge/(credit) represents:

	2005	2004
	£	£
Corporation tax @ 19% (2004: 19%)	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>

Unrelieved tax losses of £2,173,887 (2004: £1,877,000) remain available to offset against future taxable trading profits.

Factors affecting the tax charge for the period:

	2005	2004
	£	£
Profit/(loss) on ordinary activities before tax	<u>9,139</u>	<u>(408,228)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax at 19% (2004: 19%)	1,737	(77,563)
Expenses not deductible for tax purposes	11,637	9,224
Capital allowances for the period less than depreciation	7,533	9,725
Non taxable income	(62,700)	-
Movement in provisions	360	-
Income in nil band	(950)	-
Deferred income taxable	-	57,000
Increase in tax losses	52,448	18,655
Additional deductions for tax purposes	<u>(10,065)</u>	<u>(17,041)</u>
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 £533,778 (2004: 113,442) 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 2005

8 INTANGIBLE FIXED ASSETS**The group**

	Goodwill on consolidation £	Players £	Total £
Cost			
At 1 July 2004	38,069	105,000	143,069
Additions	-	26,175	26,175
Disposals	-	(7,500)	(7,500)
	<u>38,069</u>	<u>123,675</u>	<u>161,744</u>
At 30 June 2005			
Amortisation			
At 1 July 2004	38,069	35,329	73,398
Provided in the year	-	46,759	46,759
Disposals	-	(7,500)	(7,500)
	<u>38,069</u>	<u>74,588</u>	<u>112,657</u>
At 30 June 2005			
Net book amount at 30 June 2005	<u>-</u>	<u>49,087</u>	<u>49,087</u>
Net book amount at 30 June 2004	<u>-</u>	<u>69,671</u>	<u>69,671</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 2005

9 TANGIBLE FIXED ASSETS

The group

	Plant, equipment & motor vehicles £	Fixtures & fittings £	Freehold property and improvements £	Total £
Cost				
At 1 July 2004	636,569	3,318	2,859,602	3,499,489
Additions	4,569	-	30,913	35,482
Disposals	(15,922)	-	-	(15,922)
At 30 June 2005	<u>625,216</u>	<u>3,318</u>	<u>2,890,515</u>	<u>3,519,049</u>
Depreciation				
At 1 July 2004	537,997	3,318	186,663	727,978
Provided in the year	21,150	-	58,126	79,276
Eliminated on disposals	(15,222)	-	-	(15,222)
At 30 June 2005	<u>543,925</u>	<u>3,318</u>	<u>244,789</u>	<u>792,032</u>
Net book amount at 30 June 2005	<u>81,291</u>	<u>-</u>	<u>2,645,726</u>	<u>2,727,017</u>
Net book amount at 30 June 2004	<u>98,572</u>	<u>-</u>	<u>2,672,939</u>	<u>2,771,511</u>

For the year ended 30 June 2005

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

	Plant and equipment	Freehold properties	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 July 2004	460,500	3,300,218	3,318	3,764,036
Additions	4,569	30,913	-	35,482
At 30 June 2005	<u>465,069</u>	<u>3,331,131</u>	<u>3,318</u>	<u>3,799,518</u>
Depreciation				
At 1 July 2004	379,535	-	3,318	382,853
Provided in the year	13,671	-	-	13,671
At 30 June 2005	<u>393,206</u>	<u>-</u>	<u>3,318</u>	<u>396,524</u>
Net book amount at 30 June 2005	<u>71,863</u>	<u>3,331,131</u>	<u>-</u>	<u>3,402,994</u>
Net book amount at 30 June 2004	<u><u>80,965</u></u>	<u><u>3,300,218</u></u>	<u><u>-</u></u>	<u><u>3,381,183</u></u>

BRISTOL ROVERS (1883) LIMITED**NOTES TO THE FINANCIAL STATEMENTS***Continued*

For the year ended 30 June 2005

10 FIXED ASSET INVESTMENTS**The group**

	£
Cost and net book amount at 1 July 2004 and at 30 June 2005	<u><u>1</u></u>

At 30 June 2005 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 2005 the aggregate capital and reserves of South Gloucestershire Arenas Limited was £3 (2004: £3).

The company

	Shares in subsidiary undertakings
	£
Cost	
At 1 July 2004 and at 30 June 2005	<u>725,364</u>
Amounts written off	
At 1 July 2004 and at 30 June 2005	<u>-</u>
Net book amount at 30 June 2005 and at 30 June 2004	<u><u>725,364</u></u>

At 30 June 2005 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 2005

11 STOCKS

	The group		The company	
	2005	2004	2005	2004
	£	£	£	£
Goods for resale	<u>18,463</u>	<u>16,504</u>	<u>18,463</u>	<u>16,504</u>

12 DEBTORS

	The group		The company	
	2005	2004	2005	2004
	£	£	£	£
Trade debtors	118,079	139,818	38,511	53,129
Amounts due from group undertakings	-	-	729,381	384,142
Other debtors	65,030	327,531	742	1,062
Prepayments and accrued income	36,115	101,360	4,062	42,010
	<u>219,224</u>	<u>568,709</u>	<u>772,696</u>	<u>480,343</u>

13 CASH AT BANK AND IN HAND

	The group		The company	
	2005	2004	2005	2004
	£	£	£	£
Cash and bank	271,162	41,320	6,507	6,430
Capital improvement fund	259,971	358,448	-	-
	<u>531,133</u>	<u>399,768</u>	<u>6,507</u>	<u>6,430</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 2005

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	The group		The company	
	2005	2004	2005	2004
	£	£	£	£
Bank loans and overdraft	182,438	244,352	182,406	208,952
Brewery loan	50,000	50,000	50,000	50,000
Unsecured directors' loans	272,299	281,828	160,516	165,516
Payments received in advance	592,189	519,664	-	-
Trade creditors	86,199	99,184	13,916	32,220
Social security and other taxes	183,297	148,639	63,191	32,932
Transfer fees payable	12,500	46,842	-	-
Amounts due to group undertakings	-	-	791,046	879,420
Loans from related parties	177,107	219,512	131,933	175,985
Other creditors	488,762	172,849	287,113	22,513
Accruals and deferred income	317,919	1,003,665	10,423	607,153
Other deferred income: grants	67,796	72,829	46,073	19,855
	2,430,506	2,859,364	1,736,617	2,194,546

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 second fixed and floating charges over the assets of the group.

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

Accruals and deferred income (group) includes £259,971 (2004: £358,448) relating to the capital improvement fund (see note 13).

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	The group		The company	
	2005	2004	2005	2004
	£	£	£	£
Bank loan	985,193	955,340	985,193	955,340
Trade creditors	-	31,500	-	-
Brewery loan	395,833	445,833	395,833	445,833
Transfer fees payable	-	12,500	-	-
Deferred income: grants	119,409	141,132	-	-
	1,500,435	1,586,305	1,381,026	1,401,173

BRISTOL ROVERS (1883) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Continued

For the year ended 30 June 2005

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

The bank and Brewery loans are secured as disclosed under note 14.

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 2% above base rate.

16 BORROWINGS

Borrowings are repayable as follows:

	The group		The company	
	2005	2004	2005	2004
	£	£	£	£
Within one year				
Bank and other borrowings	504,737	576,180	392,922	424,468
After one and within two years				
Bank and other borrowings	169,417	169,417	169,417	169,417
After two and within five years				
Bank and other borrowings	508,251	508,251	508,251	508,251
After five years				
Bank and other borrowings	703,358	723,505	703,358	723,505
	<u>1,885,763</u>	<u>1,977,353</u>	<u>1,773,948</u>	<u>1,825,641</u>

17 PROVISION FOR LIABILITIES AND CHARGES

The group and the company

	2005	2004
	£	£
Deferred taxation is provided for in full using tax rates of 19% (2004: 19%).	-	-
	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

18 SHARE CAPITAL

	2005	2004
	£	£
Authorised		
2,500,000 (2004: 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		
1,704,770 ordinary shares of 10p each	170,477	144,116
332,500 'A' preference shares of £1 each	332,500	332,500
41,000 'B' preference shares of £1 each	41,000	41,000
205,000 'C' preference shares of £1 each	205,000	205,000
	<u>748,977</u>	<u>722,616</u>

Allotments during the year

During the year the company issued 230,000 ordinary shares at a premium of £0.40.

During the year the company issued 33,600 ordinary shares at a premium of £4.90.

During the year the company issued 10 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2005

19 SHARE PREMIUM ACCOUNT AND RESERVES

The group	Share premium account £	Capital reserve £	Profit and loss account £
At 1 July 2004	211,548	781,574	(2,525,243)
Retained loss for the year	-	-	(29,711)
Redemption of minority interest preference shares	-	20,000	(20,000)
Premium on allotment during the year	<u>256,839</u>	-	-
At 30 June 2005	<u>468,387</u>	<u>801,574</u>	<u>(2,574,954)</u>

The company

	Share premium account £	Profit and loss account £
At 1 July 2004	211,548	79,941
Retained profit for the year	-	511,076
Premium on allotment during the year	<u>256,839</u>	-
At 30 June 2005	<u>468,387</u>	<u>591,017</u>

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005 £	2004 £
Loss for the financial year	(7,009)	(425,086)
Dividends	(22,702)	(39,732)
Issue of shares	283,200	178,800
Shareholders' funds at 1 July 2004	<u>(809,505)</u>	<u>(523,487)</u>
Shareholders' funds at 30 June 2005	<u>(556,016)</u>	<u>(809,505)</u>

BRISTOL ROVERS (1883) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Continued

For the year ended 30 June 2005

21 NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2005 £	2004 £
Operating loss	(508,205)	(814,948)
Depreciation charges	79,276	101,341
Loss on sale of tangible fixed assets	600	-
Amortisation of grants	(54,628)	(71,679)
Amortisation and impairment of players	46,759	39,341
Exceptional income	625,000	-
Increase in stock	(1,959)	(841)
Decrease in debtors	349,485	689,919
Decrease in creditors	(368,510)	(166,294)
Net cash inflow/(outflow) from operating activities	167,818	(223,161)

22 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2005 £	2004 £
Increase in cash in the year	83,571	390,206
Cash outflow/(inflow) from decrease/(increase) in debt financing	<u>139,384</u>	<u>(467,492)</u>
Movement in net debt in the year	222,955	(77,286)
Net debt at 1 July 2004	(1,588,365)	(1,511,079)
Net debt at 30 June 2005	(1,365,410)	(1,588,365)

23 ANALYSIS OF CHANGES IN NET DEBT

	At 1 July 2004 £	Cash flow £	At 30 June 2005 £
Cash at bank and in hand	399,768	131,365	531,133
Overdrafts	(74,935)	(47,794)	(122,729)
	324,833	83,571	408,404
Debt	(1,913,198)	139,384	(1,773,814)
Total	(1,588,365)	222,955	(1,365,410)

For the year ended 30 June 2005

24 CAPITAL COMMITMENTS

The group and the company had no capital commitments at 30 June 2005 or 30 June 2004.

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.

For the year ended 30 June 2005

27 LEASING COMMITMENTS

Operating lease payments amounting to £12,336 (2004: £23,882) are due within one year. The leases to which these amounts relate expire as follows:

The group

	2005		2004	
	Land and buildings	Other £	Land and buildings	Other £
In one year or less	-	7,867	12,500	-
Between one and five years	-	4,469	-	11,382
	-	12,336	12,500	11,382

The company

	2005		2004	
	Land and buildings	Other £	Land and buildings	Other £
In one year or less	-	6,662	12,500	-
Between one and five years	-	4,469	-	6,662
	-	11,131	12,500	6,662

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. Messrs G M H Dunford and D H A Dunford are directors of this company. During the year £21,645 (2004: £19,405) was charged to the group in respect of these services. During the year sales of £13,225 (2004: £3,515) were made to Barrs Court Limited. At the year end a balance of £12,300 (2004: £414) was owed to Barrs Court Limited.

For the year ended 30 June 2005

28 RELATED PARTIES AND TRANSACTIONS WITH DIRECTORS (continued)

During the year the group made purchases of £15,000 (2004: £25,947) from Deltavon Limited, a company of which Messrs G M H Dunford and D H A Dunford are directors. At the year end the company owed a balance of £nil (2004:£nil) to Deltavon Limited.

The group was loaned £177,107 (2004: £219,512) by Deltavon Limited.

Included in other creditors are amounts totalling £250,000 paid in advance to the group in respect of the possible purchase of properties owned by the group. £200,000 was paid over by Strathmore Road Properties Limited, a company owned by Messrs M Turl and C V Williams and £50,000 by B.W.B. Properties Limited, a company in which Mr B W Bradshaw is a director.

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.