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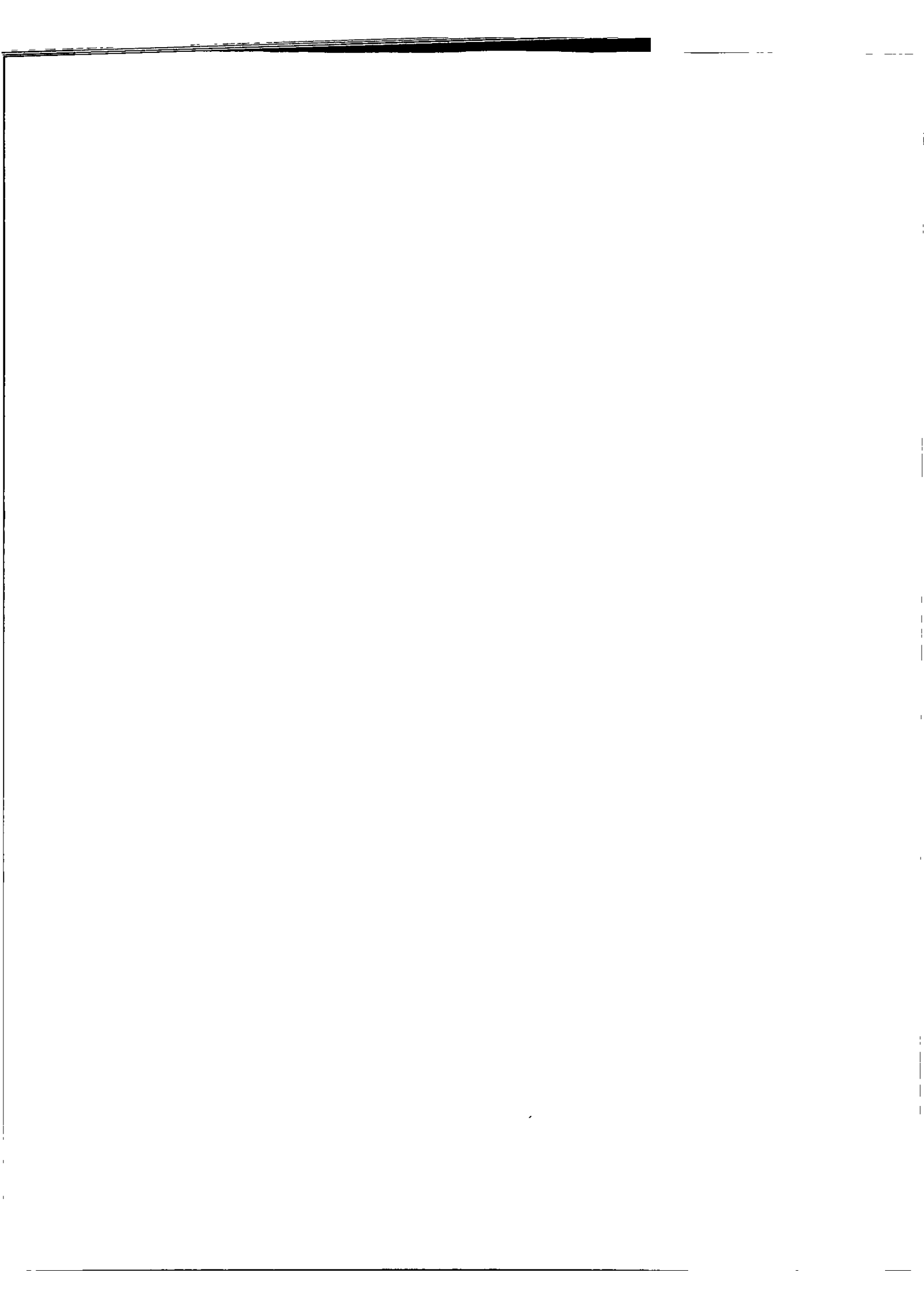
**BRISTOL ROVERS  
(1883) LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2010

COMPANY NO 04501223



**BRISTOL ROVERS (1883) LIMITED**

**FINANCIAL STATEMENTS**

For the year ended 30 June 2010

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Company registration number	04501223
Registered office	The Memorial Stadium Filton Avenue Horfield Bristol BS7 0BF
Chairman	N J Higgs
Other directors	B W Bradshaw D Bran G M H Dunford C Jelf (appointed 2 August 2010) R King K Masters E Ware
President	D H A Dunford
Company Secretary	A J Watola, ACA
Bankers	Barclays Bank plc Bristol Business Centre PO Box 324 Park House Newbrick Road Stoke Gifford Bristol BS34 8ZJ  HBOS plc PO Box 208 21 Prince Street Bristol BS99 7JG
Solicitors	TLT Solicitors 1 Redcliff Street Bristol BS1 6TP
Auditors	Grant Thornton UK LLP Registered auditors Chartered accountants Hartwell House 55 - 61 Victoria Street Bristol BS1 6FT

**BRISTOL ROVERS (1883) LIMITED**

**FINANCIAL STATEMENTS**

For the year ended 30 June 2010

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## BRISTOL ROVERS (1883) LIMITED

### CHAIRMAN'S STATEMENT

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It gives me great pleasure to give my third Chairman's Report to the shareholders of Bristol Rovers (1883) Limited

During the year we repeated the previous season's finishing place of 11<sup>th</sup>, but with one less point. In normal circumstances that would have been seen as having established our place in the division. Unfortunately our expectations had not been met, and we finished the season with a poor run of results. This poor form continued into season 2010-11 and resulted in the manager being placed on gardening leave in December 2010 and the appointment of Dave Penney as first team Manager. This poor sequence of results has proven that despite paying our players very good salaries for this level, our investments have not paid off.

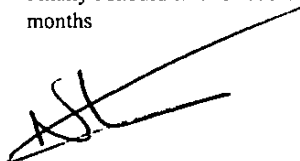
The overall financial performance for the season has improved with a reduction in overall losses to £1,099,015 (2009 £1,727,368), although our cost base is still too high and we have to bring it more into line with our income streams. The average gate last season showed a drop of 2% against the previous year which was a great result considering that everybody is feeling the effect of the financial squeeze and I would like to thank our supporters for their tremendous support.

The Board has continued to support the Club by financing the losses with loans whilst we continue to pursue our aims for a new stadium and the financial stability that will bring. I appreciate that there appears to be few visible signs of progress on that front, but I can assure you that behind the scenes much hard work is going on to fulfil our vision.

The Board has reduced the existing external loans to the bank and brewery with its own funds, which reduces the external pressure on the company, and the total amounts outstanding at the year end were £989,584 lower than the previous year. This approach will continue during 2010-11. The Board is committed to the security of the Club.

I should also like to thank our support groups namely the Supporters Club, Helpline, the Presidents Club and the Share Scheme for all their vocal and financial support, it is much appreciated, and last but not least the staff, who I thank for all their hard work over the past year.

Finally I should like to record my gratitude to the Board and my family for their support over the last twelve months.



N J Higgs  
Chairman  
2 March 2011

## **BRISTOL ROVERS (1883) LIMITED**

### **REPORT OF THE DIRECTORS**

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The directors present their report together with the financial statements for the year ended 30 June 2010

#### **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 £1,099,015 (2009 loss of £1,727,368)

#### **Stadium regeneration project**

Included within fixed assets are professional fees and strategic property acquisitions relating to the stadium regeneration project (see note 9) In the opinion of the directors, this project is currently the most likely way in which the regeneration project will proceed If for any reason this plan should change and an alternative option be followed, consideration would need to be given to writing off some or all of the capitalised professional fees

#### **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 and manages its exposure to interest rate fluctuations through a mixture of bank borrowings, preference shares, ordinary shares and directors' 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

#### **Directors**

The directors who served the company during the year were as follows

	Ordinary shares
B W Bradshaw	938,293
D Brain	10
R Craig (until 30 November 2009)	242,080
G M H Dunford	1,318,221
N J Higgs	1,500,000
R King	260,000
K Masters	-
E Ware	142,857

C Jelf was appointed as a director on 2 August 2010

**BRISTOL ROVERS (1883) LIMITED**

REPORT OF THE DIRECTORS

*Continued*

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**Directors' responsibilities for the financial statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the group and parent company and of the profit or loss of the group for that period. In preparing these 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 keeping adequate accounting records that 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.

In so far as each of the directors is aware

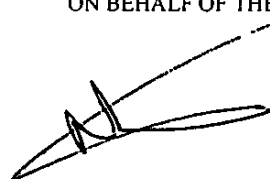
- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Auditors**

Grant Thornton UK LLP, have expressed willingness to continue in office. In accordance with s485(4) of the Companies Act 2006 a resolution to reappoint Grant Thornton UK LLP as auditors will be proposed at the Annual General Meeting.

ON BEHALF OF THE BOARD



N J Higgs  
Director  
2 March 2011



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

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We have audited the financial statements of Bristol Rovers (1883) Limited for the year ended 30 June 2010 which comprise the principal accounting policies, the group profit and loss account, the group and parent company balance sheets, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

**Opinion on the financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2010 and of the group's 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.

**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 group's ability to continue as a going concern.

The group is showing a loss of £1,099,015 for the year ended 30 June 2010 and at 30 June 2010 the group's current liabilities exceeded its current assets by £4,312,200. This condition, 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.



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

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

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

**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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

*Grant Thornton UK LLP*

Mark L Aldridge  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Bristol  
2 March 2011

## **BRISTOL ROVERS (1883) LIMITED**

### **PRINCIPAL ACCOUNTING POLICIES**

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#### **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. The policies have remained 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 2010. 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. Gate and other matchday revenue is recognised over the period of the football season as matches are played. Sponsorship and similar commercial income is recognised over the duration of the respective contracts. The fixed element of the broadcasting revenues is recognised over the duration of the football season, whilst facility fees for live coverage or highlights are taken when earned.

#### **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.

## **BRISTOL ROVERS (1883) LIMITED**

### **PRINCIPAL ACCOUNTING POLICIES**

*Continued*

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#### **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 the 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.

#### **FINANCIAL INSTRUMENTS**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

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**BRISTOL ROVERS (1883) LIMITED**

**PRINCIPAL ACCOUNTING POLICIES**

*Continued*

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**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 2010

	Note	2010	2009
		£	£
<b>Turnover</b>	2	<b>4,684,786</b>	4,007,389
Operating expenditure	3	<u>(6,223,184)</u>	<u>(5,525,758)</u>
		<b>(1,538,398)</b>	(1,518,369)
Donations from support organisations		<u>195,436</u>	<u>76,075</u>
<b>Operating loss before amortisation of players</b>		<b>(1,342,962)</b>	(1,442,294)
Amortisation of players		<u>(247,674)</u>	<u>(305,708)</u>
<b>Operating loss</b>		<b>(1,590,636)</b>	(1,748,002)
Profit on sale of players		694,253	52,641
Profit on sale of fixed assets		17,451	-
Write down of fixed asset		(42,407)	-
Net compensation for loss of youth player		<u>(33,077)</u>	<u>126,000</u>
<b>Loss on ordinary activities before interest</b>		<b>(954,416)</b>	(1,569,361)
Net interest	4	<u>(144,599)</u>	<u>(163,235)</u>
<b>Loss on ordinary activities before taxation</b>		<b>(1,099,015)</b>	(1,732,596)
Tax on loss on ordinary activities	6	<u>-</u>	<u>5,228</u>
<b>Loss on ordinary activities after taxation</b>		<b><u>(1,099,015)</u></b>	<b><u>(1,727,368)</u></b>

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

All operations are classed as continuing

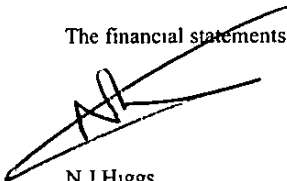
The accompanying accounting policies and notes form an integral part of these financial statements

**BRISTOL ROVERS (1883) LIMITED**

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2010

	Note	2010	2009
		£	£
<b>Fixed assets</b>			
Intangible assets	8	198,166	326,998
Tangible assets	9	4,815,318	5,370,592
Investments	10	1	1
		<u>5,013,485</u>	<u>5,697,591</u>
<b>Current assets</b>			
Stocks	11	82,036	56,863
Debtors	12	353,792	266,406
Cash at bank and in hand	13	88,097	43,923
		<u>523,925</u>	<u>367,192</u>
<b>Creditors amounts falling due within one year</b>			
Shares classed as financial liabilities	14	(276,500)	(366,500)
Other	14	(4,559,625)	(3,886,665)
		<u>(4,836,125)</u>	<u>(4,253,165)</u>
<b>Net current liabilities</b>		<u>(4,312,200)</u>	<u>(3,885,973)</u>
<b>Total assets less current liabilities</b>		<u>701,285</u>	<u>1,811,618</u>
<b>Creditors amounts falling due after more than one year</b>	15	<u>(1,216,282)</u>	<u>(1,293,133)</u>
		<u>(514,997)</u>	<u>518,485</u>
<b>Capital and reserves</b>			
Called up share capital	17	491,959	489,576
Share premium account	18	2,423,827	2,360,677
Profit and loss account	18	(4,604,357)	(3,415,342)
Capital reserve	18	1,173,574	1,083,574
<b>Shareholders' funds</b>	19	<u>(514,997)</u>	<u>518,485</u>

The financial statements were approved by the Board of Directors and authorised for issue on 2 March 2011

  
N J Higgs

Director

Company no 04501223

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

**BRISTOL ROVERS (1883) LIMITED**

**BALANCE SHEET AT 30 JUNE 2010**

	Note	2010	2009
		£	£
<b>Fixed assets</b>			
Tangible assets	9	5,532,713	6,034,001
Investments	10	<u>725,462</u>	<u>725,462</u>
		6,258,175	6,759,463
<b>Current assets</b>			
Stocks	11	-	-
Debtors	12	2,007,029	742,925
Cash at bank and in hand	13	<u>17,134</u>	<u>21,721</u>
		2,024,163	764,646
<b>Creditors: amounts falling due within one year</b>			
Shares classed as financial liabilities	14	(256,500)	(346,500)
Other	14	<u>(3,599,273)</u>	<u>(2,797,551)</u>
		(3,855,773)	(3,144,051)
<b>Net current liabilities</b>			
		<u>(1,831,610)</u>	<u>(2,379,405)</u>
<b>Total assets less current liabilities</b>			
		4,426,565	4,380,058
<b>Creditors, amounts falling due after more than one year</b>			
	15	<u>(981,048)</u>	<u>(982,702)</u>
		<u>3,445,517</u>	<u>3,397,356</u>
<b>Capital and reserves</b>			
Called up share capital	17	491,959	489,576
Share premium account	18	2,423,827	2,360,677
Profit and loss account	18	157,731	265,103
Capital reserve	18	<u>372,000</u>	<u>282,000</u>
<b>Shareholders' funds</b>			
		<u>3,445,517</u>	<u>3,397,356</u>

The financial statements were approved by the Board of Directors and authorised for issue on 2 March 2011

N J Higgs



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 2010

	Note	2010 £	2009 £
<b>Net cash outflow from operating activities</b>	20	<u>(1,401,635)</u>	<u>(835,756)</u>
<b>Returns on investments and servicing of finance</b>			
Interest received		-	1,709
Interest paid		(134,712)	(145,939)
Finance charge on shares classed as financial liabilities		<u>(9,887)</u>	<u>(19,005)</u>
<b>Net cash outflow from returns on investments and servicing of finance</b>		<u>(144,599)</u>	<u>(163,235)</u>
		(1,546,234)	(998,991)
<b>Corporation tax paid</b>		(1,115)	(2,707)
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(93,186)	(167,212)
Proceeds on sale of fixed assets		589,342	-
Purchase of players and agents' fees		(288,092)	(230,550)
Sale of players		863,503	64,191
Compensation for loss of youth player		<u>(33,077)</u>	<u>126,000</u>
<b>Net cash inflow/(outflow) from capital expenditure and financial investment</b>		<u>1,038,490</u>	<u>(207,571)</u>
		(508,859)	(1,209,269)
<b>Financing</b>			
Issue of shares		65,533	869,945
Repurchase of shares classed as financial liabilities		(90,000)	(3,500)
Repayment of borrowing		(792,114)	(41,250)
Receipts from borrowing		<u>1,567,084</u>	<u>472,818</u>
<b>Net cash inflow from financing</b>		<u>750,503</u>	<u>1,298,013</u>
<b>Increase in cash</b>	21	<u>241,644</u>	<u>88,744</u>

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 2010

#### 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

The group is showing a loss of £1,099,015 for the year ended 30 June 2010 and at 30 June 2010 the group's current liabilities exceeded its current assets by £4,312,200 and operating losses are indicated for the year ending 30 June 2011

The directors continue to review the cost base of the club 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 manage 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 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

	2010	2009
	£	£
Football receipts	2,533,929	2,249,008
Other receipts	2,150,857	1,758,381
	<u>4,684,786</u>	<u>4,007,389</u>

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

	2010	2009
	£	£
Auditors' remuneration		
Audit services	11,000	14,000
Depreciation and amortisation		
Other intangible assets	247,674	305,708
Tangible fixed assets, owned	34,162	23,701
Operating lease rentals		
Land and buildings	69,000	9,000
Other	6,242	6,242
Grants credited	(12,961)	(12,962)

#### LIABILITY LIMITATION AGREEMENT WITH THE AUDITOR

The directors have agreed that the company enter into a liability limitation agreement with Grant Thornton UK LLP, the statutory auditor, in respect of the statutory audit for the year ended 30 June 2010. The proportionate liability agreement follows the standard terms in Appendix B to the Financial Reporting Council's June 2008 Guidance on Auditor Liability Agreements, and will be proposed for approval at the forthcoming Annual General Meeting.

**BRISTOL ROVERS (1883) LIMITED**

## NOTES TO THE FINANCIAL STATEMENTS

*Continued*

For the year ended 30 June 2010

**3 OPERATING EXPENDITURE**

	2010	2009
	£	£
Products purchased for resale	569,088	394,350
Players and staff costs	4,030,571	3,865,247
Match and ground expenses	1,377,532	945,098
Administrative expenses	245,993	321,063
	<u>6,223,184</u>	<u>5,525,758</u>

**4 NET INTEREST**

	2010	2009
	£	£
Interest on loans and overdrafts	134,712	145,939
Other interest receivable and similar income	-	(1,709)
Finance charge on shares classed as financial liabilities	9,887	19,005
	<u>144,599</u>	<u>163,235</u>

**5 DIRECTORS AND EMPLOYEES**

Staff costs during the year were as follows

	2010	2009
	£	£
Wages and salaries	3,675,139	3,506,722
Social security costs	347,846	343,197
Other pension costs	7,586	15,328
	<u>4,030,571</u>	<u>3,865,247</u>

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

	2010	2009
	Number	Number
Playing staff	43	32
Management and administration staff	29	27
Commercial staff	4	3
Centre of Excellence	27	21
Bar/catering staff	34	40
	<u>137</u>	<u>123</u>

The directors received no remuneration for their services in the year (2009 £nil)

**BRISTOL ROVERS (1883) LIMITED**

## NOTES TO THE FINANCIAL STATEMENTS

*Continued*

For the year ended 30 June 2010

**6 TAX ON LOSS ON ORDINARY ACTIVITIES**

The tax charge represents

	2010	2009
	£	£
Corporation tax @ 21% (2009 21%)	-	-
Adjustment re prior year	-	(5,228)
	<u>-</u>	<u>(5,228)</u>

Unrelieved tax losses of £3,328,816 (2009 £2,445,934) remain available to offset against future taxable trading profits

Factors affecting the tax charge for the period

	2010	2009
	£	£
Loss on ordinary activities before tax	<u>(1,099,015)</u>	<u>(1,732,596)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax at 21% (2009 21%)	(230,793)	(363,845)
Expenses not deductible for tax purposes	17,463	14,700
Capital allowances for the period less than depreciation	6,079	3,374
Short term timing differences	7,197	6,719
Losses carried back	-	(1,981)
Increase in tax losses	200,054	341,033
Adjustment re prior year	-	(5,228)
Current tax charge for period	<u>-</u>	<u>(5,228)</u>

**7 LOSS/(PROFIT) FOR THE FINANCIAL YEAR**

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The group loss for the year includes a loss of £17,372 (2009 profit of £117,057) 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 2010

**8 INTANGIBLE FIXED ASSETS****The group**

	<b>Goodwill on consolidation</b>	<b>Players</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 July 2009	38,069	851,488	889,557
Additions	-	118,842	118,842
Disposals	-	(443,463)	(443,463)
<b>30 June 2010</b>	<b>38,069</b>	<b>526,867</b>	<b>564,936</b>
<b>Amortisation</b>			
At 1 July 2009	38,069	524,490	562,559
Provided in the year	-	247,674	247,674
Disposals	-	(443,463)	(443,463)
<b>30 June 2010</b>	<b>38,069</b>	<b>328,701</b>	<b>366,770</b>
<b>Net book amount at 30 June 2010</b>	<b>-</b>	<b>198,166</b>	<b>198,166</b>
<b>Net book amount at 30 June 2009</b>	<b>-</b>	<b>326,998</b>	<b>326,998</b>

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 2010

**9 TANGIBLE FIXED ASSETS**

**The group**

	Plant, equipment & motor vehicles £	Fixtures & fittings £	Freehold property and improvements £	Total £
Cost				
At 1 July 2009	663,617	5,987	5,607,907	6,277,511
Additions	9,149	-	84,037	93,186
Disposals	-	(3,317)	(571,891)	(575,208)
Write down of asset	-	-	(42,407)	(42,407)
At 30 June 2010	<u>672,766</u>	<u>2,670</u>	<u>5,077,646</u>	<u>5,753,082</u>
Depreciation				
At 1 July 2009	582,950	5,987	317,982	906,919
Provided in the year	19,487	-	14,675	34,162
Disposal	-	(3,317)	-	(3,317)
At 30 June 2010	<u>602,437</u>	<u>2,670</u>	<u>332,657</u>	<u>937,764</u>
Net book amount at 30 June 2010	<u><u>70,329</u></u>	<u><u>-</u></u>	<u><u>4,744,989</u></u>	<u><u>4,815,318</u></u>
Net book amount at 30 June 2009	<u><u>80,667</u></u>	<u><u>-</u></u>	<u><u>5,289,925</u></u>	<u><u>5,370,592</u></u>

Included under freehold property for both the group and the company are professional fees of £2,223,300 (2009 £2,139,264) and strategic property acquisitions of £165,000 (2009 £748,291) relating to the stadium regeneration project

In the opinion of the directors, this project, for which planning permission has been obtained, is currently the most likely way in which the regeneration project will proceed. If for any reason this plan should change and an alternative option be followed, consideration would need to be given to writing off some or all of these capitalised professional fees.

**BRISTOL ROVERS (1883) LIMITED**

NOTES TO THE FINANCIAL STATEMENTS

*Continued*

For the year ended 30 June 2010

**9 TANGIBLE FIXED ASSETS (continued)**

**The company**

	<b>Plant and equipment £</b>	<b>Freehold properties £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 July 2009	466,849	5,989,536	3,318	6,459,703
Additions	9,149	84,037	-	93,186
Write down of asset	-	(42,407)	-	(42,407)
Disposals	-	(541,735)	(3,318)	(545,053)
<b>At 30 June 2010</b>	<b>475,998</b>	<b>5,489,431</b>	<b>-</b>	<b>5,965,429</b>
<b>Depreciation</b>				
At 1 July 2009	422,384	-	3,318	425,702
Provided in the year	10,332	-	-	10,332
Disposals	-	-	(3,318)	(3,318)
<b>At 30 June 2010</b>	<b>432,716</b>	<b>-</b>	<b>-</b>	<b>432,716</b>
<b>Net book amount at 30 June 2010</b>	<b>43,282</b>	<b>5,489,431</b>	<b>-</b>	<b>5,532,713</b>
<b>Net book amount at 30 June 2009</b>	<b>44,465</b>	<b>5,989,536</b>	<b>-</b>	<b>6,034,001</b>

**10 FIXED ASSET INVESTMENTS**

**The group**

	<b>£</b>
Cost and net book amount at 1 July 2009 and at 30 June 2010	<b>1</b>

At 30 June 2010 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 2010 the aggregate capital and reserves of South Gloucestershire Arenas Limited was £3 (2009 £3)

**BRISTOL ROVERS (1883) LIMITED**

NOTES TO THE FINANCIAL STATEMENTS

*Continued*

For the year ended 30 June 2010

**10 FIXED ASSET INVESTMENTS (continued)**

**The company**

	<b>Shares in subsidiary undertakings £</b>
Cost	
At 30 June 2010	<u>725,462</u>
Amounts written off	
At 30 June 2010	-
	<hr/>
Net book amount at 30 June 2010 (2009 £725,462)	<u>725,462</u>

At 30 June 2010 the company held 20% or more of the equity of the following

<b>Subsidiary undertakings</b>	<b>Nature of business</b>	<b>Class of capital held</b>	<b>Proportion held</b>
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 (dormant)	Ordinary shares	100%
Filton Avenue Guarantee Company Limited	Stadium development (dormant)	-	100%
Filton Avenue Developments Limited	Stadium development (dormant)	Ordinary shares	74%
The Memorial Stadium Development Company Limited	Stadium development (dormant)	Ordinary shares	80%

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

**11 STOCKS**

	<b>The group</b>		<b>The company</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Goods for resale	<u>82,036</u>	<u>56,863</u>	<u>-</u>	<u>-</u>

**BRISTOL ROVERS (1883) LIMITED**

NOTES TO THE FINANCIAL STATEMENTS

*Continued*

For the year ended 30 June 2010

**12 DEBTORS**

	<b>The group</b>		<b>The company</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	149,567	126,419	48,240	-
Amounts due from group undertakings	-	-	1,958,789	742,092
Social security and other taxes	-	2,346	-	531
Corporation tax	1,115	-	-	-
Other debtors	99,105	47,518	-	-
Prepayments and accrued income	104,005	90,123	-	302
	<u>353,792</u>	<u>266,406</u>	<u>2,007,029</u>	<u>742,925</u>

**13 CASH AT BANK AND IN HAND**

	<b>The group</b>		<b>The company</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash and bank	<u>88,097</u>	<u>43,923</u>	<u>17,134</u>	<u>21,721</u>

**14 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>The group</b>		<b>The company</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdraft	392,302	1,348,807	392,302	1,151,337
Brewery loan	75,811	45,000	-	-
Unsecured directors' loans	1,940,474	509,177	1,940,474	509,177
Payments received in advance	756,887	775,530	-	-
Trade creditors	266,790	134,234	100	-
Social security and other taxes	189,876	247,814	1,906	4,037
Corporation tax	-	-	700	700
Amounts due to group undertakings	-	-	668,612	670,314
Loans from related parties	566,501	430,714	566,501	430,714
Other creditors	65,022	219,894	1,471	850
Accruals and deferred income	293,000	162,533	25,552	28,767
Other deferred income grants	12,962	12,962	1,655	1,655
Shares classed as financial liabilities	276,500	366,500	256,500	346,500
	<u>4,836,125</u>	<u>4,253,165</u>	<u>3,855,773</u>	<u>3,144,051</u>



**BRISTOL ROVERS (1883) LIMITED**

## NOTES TO THE FINANCIAL STATEMENTS

*Continued*

For the year ended 30 June 2010

**14 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)**

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 £200,000 which is secured on proceeds from specific non-trading transactions

Shares classed as financial liabilities (group) includes £20,000 (2009 £20,000) 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

**15 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2010	The group 2009	2010	The company 2009
	£	£	£	£
Bank loans	944,902	944,902	944,902	944,902
Brewery loan	172,360	236,250	-	-
Deferred income grants	99,020	111,981	36,146	37,800
	<u>1,216,282</u>	<u>1,293,133</u>	<u>981,048</u>	<u>982,702</u>

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

The original bank loan to purchase the stadium is repayable in equal quarterly instalments and bears interest at a rate of 2.5% above LIBOR. In August 2008 this bank loan (£944,902 at 30 June 2010) was renegotiated and is now repayable in one amount in June 2013

The remaining bank loans acquired to purchase strategic properties and to fund stadium redevelopment to date are repayable within one year and bear 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

**BRISTOL ROVERS (1883) LIMITED**

## NOTES TO THE FINANCIAL STATEMENTS

*Continued*

For the year ended 30 June 2010

**16 BORROWINGS**

Borrowings are repayable as follows	2010	The group	2010	The company
	£	2009	£	2009
		£		£
Within one year				
Bank and other borrowings	2,408,587	1,902,984	2,332,776	1,660,514
After one and within two years				
Bank and other borrowings	75,811	45,000	-	-
After two and within five years				
Bank and other borrowings	1,041,451	1,079,902	944,902	944,902
After five years				
Bank and other borrowings	-	56,250	-	-
	<u>3,525,849</u>	<u>3,084,136</u>	<u>3,277,678</u>	<u>2,605,416</u>

**17 SHARE CAPITAL**

	2010	2009
	£	£
Allotted, called up and fully paid		
<b>Equity</b>		
4,919,587 ordinary shares of 10p each	<u>491,959</u>	<u>489,576</u>
<b>Shares classed as financial liabilities</b>		
55,500 'A' preference shares of £1 each	55,500	145,500
41,000 'B' preference shares of £1 each	41,000	41,000
160,000 'C' preference shares of £1 each	<u>160,000</u>	<u>160,000</u>
	<u>256,500</u>	<u>346,500</u>

**BRISTOL ROVERS (1883) LIMITED***Continued*

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

**17 SHARE CAPITAL (continued)**

Allotments during the year

During the year the company issued 1,175 ordinary shares at a premium of £0 40

During the year the company issued 1,175 ordinary shares at a premium of £4 90

During the year the company issued 21,480 ordinary shares at a premium of £2 65

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.

**18 SHARE PREMIUM ACCOUNT AND RESERVES**

<b>The group</b>	<b>Share premium account £</b>	<b>Capital reserve £</b>	<b>Profit and loss account £</b>
At 1 July 2009	2,360,677	1,083,574	(3,415,342)
Retained loss for the year	-	-	(1,099,015)
Redemption of preference shares	-	90,000	(90,000)
Premium on allotment during the year	<u>63,150</u>	-	-
At 30 June 2010	<u>2,423,827</u>	<u>1,173,574</u>	<u>(4,604,357)</u>
<b>The company</b>	<b>Share premium account £</b>	<b>Capital reserve £</b>	<b>Profit and loss account £</b>
At 1 July 2009	2,360,677	282,000	265,103
Retained loss for the year	-	-	(17,372)
Redemption of preference shares	-	90,000	(90,000)
Premium on allotment during the year	<u>63,150</u>	-	-
At 30 June 2010	<u>2,423,827</u>	<u>372,000</u>	<u>157,731</u>

**BRISTOL ROVERS (1883) LIMITED***Continued*

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

**19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2010	2009
	£	£
Loss for the financial year	(1,099,015)	(1,727,368)
Issue of shares	65,533	869,945
Shareholders' funds at 1 July 2009	<u>518,485</u>	<u>1,375,908</u>
Shareholders' funds at 30 June 2010	<u>(514,997)</u>	<u>518,485</u>

**20 NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	2010	2009
	£	£
Operating loss	(1,590,636)	(1,748,002)
Depreciation charges	34,162	23,701
Amortisation of grants	(12,961)	(12,962)
Amortisation and impairment of players	247,674	305,708
(Increase) / decrease in stock	(25,173)	(47,679)
Decrease in debtors	(86,271)	210,715
Increase in creditors	<u>31,570</u>	<u>432,763</u>
Net cash outflow from operating activities	<u>(1,401,635)</u>	<u>(835,756)</u>

**21 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	2010	2009
	£	£
Increase in cash in the year	241,644	88,744
Cash inflow from increase in debt financing	<u>(684,970)</u>	<u>(428,068)</u>
Movement in net debt in the year	(443,326)	(339,324)
Net debt at 1 July 2009	<u>(3,837,427)</u>	<u>(3,498,103)</u>
Net debt at 30 June 2010	<u>(4,280,753)</u>	<u>(3,837,427)</u>

**BRISTOL ROVERS (1883) LIMITED**

## NOTES TO THE FINANCIAL STATEMENTS

*Continued*

For the year ended 30 June 2010

**22 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 July 2009	Cash flow	Non-cash items	At 30 June 2010
	£	£	£	£
Cash at bank and in hand	43,923	44,174	-	<b>88,097</b>
Overdrafts	<u>(197,470)</u>	<u>197,470</u>	-	-
	(153,547)	241,644	-	<b>88,097</b>
Debt	<u>(3,683,880)</u>	<u>(684,970)</u>	-	<b>(4,368,850)</b>
Total	<u>(3,837,427)</u>	<u>(443,326)</u>	-	<b>(4,280,753)</b>

**23 CAPITAL COMMITMENTS**

The group and the company had capital commitments at 30 June 2010 of £nil (30 June 2009 £nil)

**24 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.

**25 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 2010

**26 LEASING COMMITMENTS**

Operating lease payments amounting to £72,207 (2009 £15,242) are due within one year  
The leases to which these amounts relate expire as follows

**The group**

	2010		2009	
	Land and buildings £	Other £	Land and buildings £	Other £
In one year or less	9,000	1,767	9,000	-
Between two and five years	60,000	1,440	-	6,242
	<b>69,000</b>	<b>3,207</b>	<b>9,000</b>	<b>6,242</b>

**The company**

	2010		2009	
	Land and buildings £	Other £	Land and buildings £	Other £
In one year or less	-	-	-	-
Between one and five years	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**27 RELATED PARTIES AND TRANSACTIONS WITH DIRECTORS**

The group had loans outstanding of £566,501 from Deltavon Developments Limited at the year end (2009 £430,714) a company in which G M H Dunford is a director

The group also had the following loans outstanding from other directors and from the president

N J Higgs - £1,294,229 (2009 £379,533)  
B Bradshaw - £153,042 (2009 £nil)  
R King - £112,032 (2009 £nil)  
D Dunford - £57,603 (2009 £56,703)  
G M H Dunford - £249,353 (2009 £nil)

Interest was charged on these loans at rates ranging from 2.5% to 4%

During the year the company sold property to B Bradshaw for £170,000 and to E Ware for £270,00, and the subsidiary sold property to N J Higgs for £150,000

During the year the company redeemed £90,000 preference shares held by the Deltavon Dairy Company Limited pension scheme, in which G M H Dunford has a beneficial interest

Since the year end N J Higgs, B Bradshaw, G M H Dunford and E Ware have each guaranteed £80,000 of the company's short term bank borrowings

**28 CONTROLLING RELATED PARTIES**

The directors consider that there is no single controlling related party

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

For the year ended 30 June 2010

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	2010	2009
	£	£
<b>Turnover</b>	<b>266,969</b>	281,659
Cost of sales	<u>-</u>	<u>(3,914)</u>
Gross profit	<b>266,969</b>	277,745
Loss on fixed assets	<b>(144,641)</b>	-
Administrative expenses	<u><b>(14,194)</b></u>	<u>(17,346)</u>
	<b>108,134</b>	260,399
Donations from support organisations	<u>-</u>	<u>-</u>
<b>Operating profit</b>	<b>108,134</b>	260,399
Net interest	<u>(125,506)</u>	<u>(143,873)</u>
<b>Loss on ordinary activities before taxation</b>	<b>(17,372)</b>	116,526
Tax on loss on ordinary activities	-	531
<b>Profit retained</b>	<u><b>(17,372)</b></u>	<u>117,057</u>

THIS PAGE DOES NOT FORM PART OF THE STATUTORY FINANCIAL STATEMENTS

