

**BRISTOL ROVERS
(1883) LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2011

COMPANY NO 04501223

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BRISTOL ROVERS (1883) LIMITED

FINANCIAL STATEMENTS

For the year ended 30 June 2011

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 Brain (until 7 November 2011) 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 2011

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BRISTOL ROVERS (1883) LIMITED

CHAIRMAN'S STATEMENT

I present my fourth Chairman's Report to the shareholders of Bristol Rovers (1883) Limited

It is with great sorrow that I have to report the passing of Denis Dunford our club president. Not only was Denis a great servant to this club he was the consummate gentleman, he will be sorely missed by us all and our deepest sympathies are extended to his family.

This last season has been one of great disappointment on the pitch. We suffered our second relegation to League 2 under difficult circumstances. As a Board we reacted by changing the management team three times and despite the valiant efforts of Stuart Campbell in his caretaker role we were unsuccessful in halting the slump. This relegation was hard to take, as a Board we had invested heavily in terms of wage costs in the players and were badly let down by their lack of fight and resolve in many cases. These costs have led to an underlying net operating loss for the year of £1,939,141. Relegation to League 2 impacts on the Club with reduced revenues from the Football League, along with the requirement to apply wage capping as agreed by all League 2 Clubs. This has resulted in a much changed squad for the new season as we adjust our cloth accordingly. Disappointingly the appointment of a new manager Paul Buckle has not worked and we have had to replace him. This week we have announced the appointment of Mark McGhee as our new manager. I believe that the calibre of this long term appointment shows our ambitions which allied to the new stadium show where the Board wants to take this Club. The squad has not gelled as we had expected, but we hope that the changes that we will be making during the January window will allow us to finish the season in a respectable position, all set up for a promotion challenge next season.

Despite the above we have made good progress with our youth set up, and saw them make progress in the FA Youth Cup this year, only to be beaten by a very strong Coventry side. We have had a lot of interest from Premier League sides in our youngsters and we hope that we will be able to retain them long enough to see some return for the department's efforts.

We have also been able to announce our exciting new stadium plans in partnership with UWE and Sainsbury's. You will have all seen the proposals that we have publicised recently which subject to planning permission we expect to bring to reality in 2014. These plans allow the Club to have a sustainable future in a 21st Century facility, something we have lacked for far too long. The next six months as we move through the planning process are vital to moving this project forward. The result of this new project is that we have to write off our investment in the previous stalled project at our existing site to the value of £2,189,689, which has been financed by the directors.

Due to the above the overall loss for the Company has climbed to £3.4 million, but in line with our objectives set last year, the amount of external debt held by the Club has reduced by a further £280,316. The Board is committed to the security of the Club and continues to support it by financing the losses with loans until we reach the financial stability a new stadium will bring.

I would like to thank all our support groups for their valued commitment during the year, and also not forgetting our loyal staff, for all their hard work during the past difficult twelve months. Finally I should like to record my gratitude to the Board and my family for all their support over the last twelve months.



N J Higgs

Chairman
18 January 2012

BRISTOL ROVERS (1883) LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with the financial statements for the year ended 30 June 2011

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 amounting to £3,423,576 (2010 loss of £1,099,015)

Post Balance Sheet Events

The company has entered into an agreement to sell the Memorial Stadium site to J Sainsbury's conditional on receipt of planning permission for both sites. Both parties have started the process of obtaining planning permission and are looking forward to approval before the end of 2012. This sale will provide the funds to build and complete a new stadium on the UWE Campus site

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 (until 7 November 2011)	10
G M H Dunford	1,318,221
N J Higgs	1,500,000
R King	260,000
K Masters	5
E Ware	142,857
C Jelf (appointed 2 August 2010)	35,714

Directors' responsibilities for the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company and 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 accounting 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 are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

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

January 2012

**REPORT OF THE INDEPENDENT AUDITOR 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 2011 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 set out 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

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 2011 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 reporting a loss of £3,423,576 for the year ended 30 June 2011 and at 30 June 2011 the group's current liabilities exceeded its current assets by £5,288,042. 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**

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
18 January 2012

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. 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 2011. 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

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.

BRISTOL ROVERS (1883) LIMITED

PRINCIPAL ACCOUNTING POLICIES

Continued

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 2011

	Note	2011	2010
		£	£
Turnover	2	4,350,588	4,684,786
Operating expenditure	3	<u>(6,186,917)</u>	<u>(6,223,184)</u>
		(1,836,329)	(1,538,398)
Donations from support organisations		<u>49,628</u>	<u>195,436</u>
Operating loss before amortisation of players		(1,786,701)	(1,342,962)
Amortisation of players		<u>(152,440)</u>	<u>(247,674)</u>
Operating loss		(1,939,141)	(1,590,636)
Profit on sale of players		718,760	694,253
Profit on sale of fixed assets		-	17,451
Write down of fixed asset		(2,189,689)	(42,407)
Net compensation for loss of youth player		<u>188,125</u>	<u>(33,077)</u>
Loss on ordinary activities before interest		(3,221,945)	(954,416)
Net interest	4	<u>(201,631)</u>	<u>(144,599)</u>
Loss on ordinary activities before taxation		(3,423,576)	(1,099,015)
Tax on loss on ordinary activities	6	-	-
Loss on ordinary activities after taxation		<u>(3,423,576)</u>	<u>(1,099,015)</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 2011

	Note	2011	2010
		£	£
Fixed assets			
Intangible assets	8	81,812	198,166
Tangible assets	9	2,474,913	4,815,318
Investments	10	1	1
		<u>2,556,726</u>	<u>5,013,485</u>
Current assets			
Stocks	11	48,408	82,036
Debtors	12	386,318	353,792
Cash at bank and in hand	13	319,682	88,097
		<u>754,408</u>	<u>523,925</u>
Creditors' amounts falling due within one year			
Shares classed as financial liabilities	14	(356,500)	(276,500)
Other	14	(5,685,950)	(4,559,625)
		<u>(6,042,450)</u>	<u>(4,836,125)</u>
Net current liabilities		<u>(5,288,042)</u>	<u>(4,312,200)</u>
Total assets less current liabilities		<u>(2,731,316)</u>	<u>701,285</u>
Creditors:			
amounts falling due after more than one year	15	<u>(1,132,853)</u>	<u>(1,216,282)</u>
		<u>(3,864,169)</u>	<u>(514,997)</u>
Capital and reserves			
Called up share capital	17	497,302	491,959
Share premium account	18	2,492,888	2,423,827
Profit and loss account	18	(8,027,933)	(4,604,357)
Capital reserve	18	1,173,574	1,173,574
Shareholders' funds	19	<u>(3,864,169)</u>	<u>(514,997)</u>

The financial statements were approved by the Board of Directors and authorised for issue on January 2012

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 2011

	Note	2011	2010
		£	£
Fixed assets			
Tangible assets	9	3,210,958	5,532,713
Investments	10	<u>725,462</u>	<u>725,462</u>
		3,936,420	6,258,175
Current assets			
Stocks	11	-	-
Debtors	12	3,451,431	2,007,029
Cash at bank and in hand	13	<u>13,808</u>	<u>17,134</u>
		3,465,239	2,024,163
Creditors: amounts falling due within one year			
Shares classed as financial liabilities	14	(336,500)	(256,500)
Other	14	<u>(4,720,414)</u>	<u>(3,599,273)</u>
		(5,056,914)	(3,855,773)
Net current liabilities		<u>(1,591,675)</u>	<u>(1,831,610)</u>
Total assets less current liabilities		2,344,745	4,426,565
Creditors, amounts falling due after more than one year	15	<u>(979,393)</u>	<u>(981,048)</u>
		<u>1,365,352</u>	<u>3,445,517</u>
Capital and reserves			
Called up share capital	17	497,302	491,959
Share premium account	18	2,492,888	2,423,827
Profit and loss account	18	(1,996,838)	157,731
Capital reserve	18	<u>372,000</u>	<u>372,000</u>
Shareholders' funds		<u>1,365,352</u>	<u>3,445,517</u>

The financial statements were approved by the Board of Directors and authorised for issue on January 2012


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 2011

	Note	2011 £	2010 £
Net cash outflow from operating activities	20	<u>(1,716,506)</u>	<u>(1,401,635)</u>
Returns on investments and servicing of finance			
Interest paid		(191,085)	(134,712)
Finance charge on shares classed as financial liabilities		<u>(10,546)</u>	<u>(9,887)</u>
Net cash outflow from returns on investments and servicing of finance		<u>(201,631)</u>	<u>(144,599)</u>
		(1,918,137)	(1,546,234)
Corporation tax received/(paid)		1,815	(1,115)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(47,346)	(93,186)
Proceeds on sale of fixed assets		165,000	589,342
Purchase of players and agents' fees		(109,726)	(288,092)
Sale of players		785,350	863,503
Compensation for loss of youth player		<u>188,125</u>	<u>(33,077)</u>
Net cash inflow from capital expenditure and financial investment		<u>981,403</u>	<u>1,038,490</u>
		(934,919)	(508,859)
Financing			
Issue of shares		74,404	65,533
Issue/(repurchase) of shares classed as financial liabilities		80,000	(90,000)
Repayment of borrowing		(280,316)	(792,114)
Receipts from borrowing		<u>1,292,416</u>	<u>1,567,084</u>
Net cash inflow from financing		<u>1,166,504</u>	<u>750,503</u>
Increase in cash	21	<u>231,585</u>	<u>241,644</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 2011

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 made a loss after taxation of £3,423,576 for the year ended 30 June 2011 and at 30 June 2011 the group's current liabilities exceeded its current assets by £5,288,042. In addition, operating losses are indicated for the year ending 30 June 2012

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

	2011 £	2010 £
Football receipts	2,577,109	2,533,929
Other receipts	1,773,479	2,150,857
	<u>4,350,588</u>	<u>4,684,786</u>

The loss on ordinary activities is stated after

	2011 £	2010 £
Auditors' remuneration		
Audit services	11,000	11,000
Depreciation and amortisation		
Other intangible assets	152,440	247,674
Tangible fixed assets, owned	33,062	34,162
Operating lease rentals		
Land and buildings	69,000	69,000
Other	7,377	6,242
Grants credited	(12,961)	(12,961)

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 2011. 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 2011

3 OPERATING EXPENDITURE

	2011	2010
	£	£
Products purchased for resale	467,648	569,088
Players and staff costs	4,059,651	4,030,571
Match and ground expenses	1,278,107	1,377,532
Administrative expenses	<u>381,511</u>	<u>245,993</u>
	<u><u>6,186,917</u></u>	<u><u>6,223,184</u></u>

4 NET INTEREST

	2011	2010
	£	£
Interest on loans and overdrafts	191,085	134,712
Other interest receivable and similar income	-	-
Finance charge on shares classed as financial liabilities	<u>10,546</u>	<u>9,887</u>
	<u><u>201,631</u></u>	<u><u>144,599</u></u>

5 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows

	2011	2010
	£	£
Wages and salaries	3,704,857	3,675,139
Social security costs	347,046	347,846
Other pension costs	<u>7,748</u>	<u>7,586</u>
	<u><u>4,059,651</u></u>	<u><u>4,030,571</u></u>

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

	2011	2010
	Number	Number
Playing staff	40	43
Management and administration staff	32	29
Commercial staff	4	4
Centre of Excellence	23	27
Bar/catering staff	<u>34</u>	<u>34</u>
	<u><u>133</u></u>	<u><u>137</u></u>

The directors received £nil remuneration for their services in the year (2010 £nil)

BRISTOL ROVERS (1883) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Continued

For the year ended 30 June 2011

6 TAX ON LOSS ON ORDINARY ACTIVITIES

The tax charge represents

	2011	2010
	£	£
Corporation tax @ 20% (2010 21%)	-	-
Adjustment re prior year	-	-
	<u>-</u>	<u>-</u>

Unrelieved tax losses of £4,422,624 (2010 £3,328,816) remain available to offset against future taxable trading profits

Factors affecting the tax charge for the period

	2011	2010
	£	£
Loss on ordinary activities before tax	<u>(3,423,576)</u>	<u>(1,099,015)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax at 20% (2010 21%)	(684,715)	(230,793)
Expenses not deductible for tax purposes	441,981	17,463
Capital allowances for the period (greater than)/less than depreciation	(3,098)	6,079
Short term timing differences	30,737	7,197
Losses carried back	-	-
Increase in tax losses	215,095	200,054
Adjustment re prior year	-	-
Current tax charge for period	<u>-</u>	<u>-</u>

7 LOSS 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 £2,154,569 (2010 loss of £17,372) 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 2011

8 INTANGIBLE FIXED ASSETS**The group**

	Goodwill on consolidation £	Players £	Total £
Cost			
At 1 July 2010	38,069	526,867	564,936
Additions	-	62,518	62,518
Disposals	-	(391,425)	(391,425)
30 June 2011	38,069	197,960	236,029
Amortisation			
At 1 July 2010	38,069	328,701	366,770
Provided in the year	-	152,440	152,440
Disposals	-	(364,993)	(364,993)
30 June 2011	38,069	116,148	154,217
Net book amount at 30 June 2011	-	81,812	81,812
Net book amount at 30 June 2010	-	198,166	198,166

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 2011

9 TANGIBLE FIXED ASSETS

The group

	Plant, equipment & motor vehicles £	Fixtures & fittings £	Freehold property and improvements £	Total £
Cost				
At 1 July 2010	672,766	2,670	5,077,646	5,753,082
Additions	-	-	47,346	47,346
Disposals	-	-	(165,000)	(165,000)
Write down of asset	-	-	(2,189,689)	(2,189,689)
At 30 June 2011	672,766	2,670	2,770,303	3,445,739
Depreciation				
At 1 July 2010	602,437	2,670	332,657	937,764
Provided in the year	7,214	-	25,848	33,062
Disposals	-	-	-	-
At 30 June 2011	609,651	2,670	358,505	970,826
Net book amount at 30 June 2011	63,115	-	2,411,798	2,474,913
Net book amount at 30 June 2010	70,329	-	4,744,989	4,815,318

Included under freehold property for both the group and the company are professional fees of £76,812 (2010 £2,223,300) and strategic property acquisitions of £ nil (2010 £165,000) relating to the stadium regeneration project

In the opinion of the directors, the capitalised development costs of £76,812 are relevant to the new stadium project. 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 2011

9 TANGIBLE FIXED ASSETS (continued)

The company

	Plant and equipment £	Freehold properties £	Fixtures and fittings £	Total £
Cost				
At 1 July 2010	475,998	5,489,431	-	5,965,429
Additions	-	43,201	-	43,201
Disposals	-	(165,000)	-	(165,000)
Write down of asset	-	(2,189,689)	-	(2,189,689)
At 30 June 2011	<u>475,998</u>	<u>3,177,943</u>	<u>-</u>	<u>3,653,941</u>
Depreciation				
At 1 July 2010	432,716	-	-	432,716
Provided in the year	10,267	-	-	10,267
Disposals	-	-	-	-
At 30 June 2011	<u>442,983</u>	<u>-</u>	<u>-</u>	<u>442,983</u>
Net book amount at 30 June 2011	<u><u>33,015</u></u>	<u><u>3,177,943</u></u>	<u><u>-</u></u>	<u><u>3,210,958</u></u>
Net book amount at 30 June 2010	<u><u>43,282</u></u>	<u><u>5,489,431</u></u>	<u><u>-</u></u>	<u><u>5,532,713</u></u>

10 FIXED ASSET INVESTMENTS

The group

	£
Cost and net book amount at 1 July 2010 and at 30 June 2011	<u><u>1</u></u>

At 30 June 2011 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 2011 the aggregate capital and reserves of South Gloucestershire Arenas Limited was £3 (2010: £3).

BRISTOL ROVERS (1883) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Continued

For the year ended 30 June 2011

10 FIXED ASSET INVESTMENTS (continued)

The company

	Shares in subsidiary undertakings £
Cost	
At 30 June 2011	<u>725,462</u>
Amounts written off	
At 30 June 2011	<u>-</u>
Net book amount at 30 June 2011 (2010 £725,462)	<u><u>725,462</u></u>

At 30 June 2011 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 (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

	The group		The company	
	2011	2010	2011	2010
	£	£	£	£
Goods for resale	<u>48,408</u>	<u>82,036</u>	<u>-</u>	<u>-</u>

BRISTOL ROVERS (1883) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Continued

For the year ended 30 June 2011

12 DEBTORS

	The group		The company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	56,368	149,567	-	48,240
Amounts due from group undertakings	-	-	3,451,286	1,958,789
Corporation tax	-	1,115	-	-
Other debtors	256,326	99,105	-	-
Prepayments and accrued income	73,624	104,005	145	-
	<u>386,318</u>	<u>353,792</u>	<u>3,451,431</u>	<u>2,007,029</u>

13 CASH AT BANK AND IN HAND

	The group		The company	
	2011	2010	2011	2010
	£	£	£	£
Cash and bank	<u>319,682</u>	<u>88,097</u>	<u>13,808</u>	<u>17,134</u>

14 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	The group		The company	
	2011	2010	2011	2010
	£	£	£	£
Bank loan	182,453	392,302	182,453	392,302
Brewery loan	75,811	75,811	-	-
Unsecured directors' loans	3,265,710	1,940,474	3,265,710	1,940,474
Payments received in advance	612,914	756,887	-	-
Trade creditors	101,887	266,790	23,400	100
Social security and other taxes	319,243	189,876	7,395	1,906
Corporation tax	700	-	700	700
Amounts due to group undertakings	-	-	666,812	668,612
Loans from related parties	533,681	566,501	533,681	566,501
Other creditors	62,517	65,022	-	1,471
Accruals and deferred income	518,072	293,000	38,608	25,552
Other deferred income grants	12,962	12,962	1,655	1,655
Shares classed as financial liabilities	356,500	276,500	336,500	256,500
	<u>6,042,450</u>	<u>4,836,125</u>	<u>5,056,914</u>	<u>3,855,773</u>

BRISTOL ROVERS (1883) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Continued

For the year ended 30 June 2011

14 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

The bank loans 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 (2010 £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

	2011	The group 2010	2011	The company 2010
	£	£	£	£
Bank loans	944,902	944,902	944,902	944,902
Brewery loan	101,893	172,360	-	-
Deferred income grants	86,058	99,020	34,491	36,146
	<u>1,132,853</u>	<u>1,216,282</u>	<u>979,393</u>	<u>981,048</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 2011) was renegotiated and is now repayable in one amount in June 2013

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 2011

16 BORROWINGS

Borrowings are repayable as follows	The group		The company	
	2011 £	2010 £	2011 £	2010 £
Within one year				
Bank and other borrowings	3,523,974	2,408,587	3,448,163	2,332,776
After one and within two years				
Bank and other borrowings	75,811	75,811	-	-
After two and within five years				
Bank and other borrowings	970,984	1,041,451	944,902	944,902
After five years				
Bank and other borrowings	-	-	-	-
	<u>4,570,769</u>	<u>3,525,849</u>	<u>4,393,065</u>	<u>3,277,678</u>

17 SHARE CAPITAL

	2011 £	2010 £
Allotted, called up and fully paid		
Equity		
4,973,021 ordinary shares of 10p each	<u>497,302</u>	<u>491,959</u>
Shares classed as financial liabilities		
135,500 'A' preference shares of £1 each	<u>135,500</u>	<u>55,500</u>
41,000 'B' preference shares of £1 each	<u>41,000</u>	<u>41,000</u>
160,000 'C' preference shares of £1 each	<u>160,000</u>	<u>160,000</u>
	<u>336,500</u>	<u>256,500</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

17 SHARE CAPITAL (continued)

Allotments during the year

During the year the company issued 35,714 ordinary shares at a premium of £0 60

During the year the company issued 300 ordinary shares at a premium of £4 90

During the year the company issued 17,420 ordinary shares at a premium of £2 65

During the year the company issued 80,000 A preference shares at par

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

The group	Share premium account £	Capital reserve £	Profit and loss account £
At 1 July 2010	2,423,827	1,173,574	(4,604,357)
Retained loss for the year	-	-	(3,423,576)
Premium on allotment during the year	<u>69,061</u>	-	-
At 30 June 2011	<u>2,492,888</u>	<u>1,173,574</u>	<u>(8,027,933)</u>
The company	Share premium account £	Capital reserve £	Profit and loss account £
At 1 July 2010	2,423,827	372,000	157,731
Retained loss for the year	-	-	(2,154,569)
Premium on allotment during the year	<u>69,061</u>	-	-
At 30 June 2011	<u>2,492,888</u>	<u>372,000</u>	<u>(1,996,838)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011	2010
	£	£
Loss for the financial year	(3,423,576)	(1,099,015)
Issue of shares	74,404	65,533
Shareholders' funds at 1 July 2010	<u>(514,997)</u>	518,485
Shareholders' funds at 30 June 2011	<u>(3,864,169)</u>	<u>(514,997)</u>

20 NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2011	2010
	£	£
Operating loss	(1,939,141)	(1,590,636)
Depreciation charges	33,062	34,162
Amortisation of grants	(12,961)	(12,961)
Amortisation and impairment of players	152,440	247,674
Decrease / (increase) in stock	33,628	(25,173)
Increase in debtors	(33,641)	(86,271)
Increase in creditors	<u>50,107</u>	<u>31,570</u>
Net cash outflow from operating activities	<u>(1,716,506)</u>	<u>(1,401,635)</u>

21 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2011	2010
	£	£
Increase in cash in the year	231,585	241,644
Cash inflow from increase in debt financing	<u>(1,092,100)</u>	<u>(684,970)</u>
Movement in net debt in the year	(860,515)	(443,326)
Net debt at 1 July 2010	<u>(4,280,753)</u>	<u>(3,837,427)</u>
Net debt at 30 June 2011	<u>(5,141,268)</u>	<u>(4,280,753)</u>

BRISTOL ROVERS (1883) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Continued

For the year ended 30 June 2011

22 ANALYSIS OF CHANGES IN NET DEBT

	At 1 July 2010	Cash flow	Non-cash items	At 30 June 2011
	£	£	£	£
Cash at bank and in hand	88,097	231,585	-	319,682
Overdrafts	-	-	-	-
	<u>88,097</u>	<u>231,585</u>	<u>-</u>	<u>319,682</u>
Debt	<u>(4,368,850)</u>	<u>(1,092,100)</u>	<u>-</u>	<u>(5,460,950)</u>
Total	<u>(4,280,753)</u>	<u>(860,515)</u>	<u>-</u>	<u>(5,141,268)</u>

23 CAPITAL COMMITMENTS

The group and the company had capital commitments at 30 June 2011 of £10,000 (30 June 2010 £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.

For the year ended 30 June 2011

26 LEASING COMMITMENTS

Operating lease payments amounting to £76,377 (2010 £72,207) are due within one year

The group

	2011		2010	
	Land and buildings £	Other £	Land and buildings £	Other £
In one year or less	9,000	5,271	9,000	1,767
Between two and five years	60,000	2,106	60,000	1,440
	<u>69,000</u>	<u>7,377</u>	<u>69,000</u>	<u>3,207</u>

The company

	2011		2010	
	Land and buildings £	Other £	Land and buildings £	Other £
In one year or less	-	-	-	-
Between one and five years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

27 RELATED PARTIES AND TRANSACTIONS WITH DIRECTORS

The group had loans outstanding of £533,681 from Deltavon Developments Limited at the year end (2010 £566,501) 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 - £2,531,609 (2010 £1,294,229)
 B Bradshaw - £287,581 (2010 £153,042)
 R King - £167,055 (2010 £112,032)
 D Dunford - £58,520 (2010 £57,603)
 G M H Dunford - £93,855 (2010 £249,353)
 E Ware - £51,575 (2010 £nil)

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

During the year £80,000 of preference shares were issued to Deltavon Developments Limited, a company in which G M H Dunford is a director, in exchange for £80,000 of outstanding loan balance

During the year £161,510 of proceeds from the sale of property were used to reduce the loan outstanding to G M H Dunford

BRISTOL ROVERS (1883) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Continued

For the year ended 30 June 2011

During the year sales of £9,377 were made to companies in which G M H Dunford is a director. At the year end £4,200 were held in debtors.

During the year sales of £3,206 were made to the Jelf Group plc, a company in which C Jelf is a director. Purchases amounting to £33,537 were made from the Jelf Group plc during the year. There were no balances owing to or from the Jelf Group plc at the year end.

During the year C Jelf purchased 35,714 ordinary shares in the company.

During the year, 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.

29 POST BALANCE SHEET EVENTS

The company has entered into an agreement to sell the Memorial Stadium site to J Sainsbury's conditional on receipt of planning permission for both sites. Both parties have started the process of obtaining planning permission and are looking forward to approval before the end of 2012. This sale will provide the funds to build and complete a new stadium on the UWE Campus site.

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

For the year ended 30 June 2011

	2011	2010
	£	£
Turnover	236,529	266,969
Cost of sales	<u>-</u>	<u>-</u>
Gross profit	236,529	266,969
Write off of Fixed Assets	(2,189,689)	-
Loss on fixed assets	-	(144,641)
Administrative expenses	<u>(14,005)</u>	<u>(14,194)</u>
	(1,967,165)	108,134
Donations from support organisations	<u>-</u>	<u>-</u>
Operating profit	(1,967,165)	108,134
Net interest	<u>(187,404)</u>	<u>(125,506)</u>
Loss on ordinary activities before taxation	(2,154,569)	(17,372)
Tax on loss on ordinary activities	<u>-</u>	<u>-</u>
Loss for the year	<u>(2,154,569)</u>	<u>(17,372)</u>

THIS PAGE DOES NOT FORM PART OF THE STATUTORY FINANCIAL STATEMENTS