

Bristol Rugby Club Limited

**Annual Report and Consolidated Financial Statements
Year Ended 31 May 2021**

Registration number: 03601031

Bristol Rugby Club Limited

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Bristol Rugby Club Limited

Company Information

Chairman C A Booy

Directors J S Lansdown
G T Marshall
M A Tainton

Company secretary G T Marshall

Registered office Ashton Gate Stadium
Ashton Road
Bristol
BS3 2EJ

Auditors PKF Francis Clark
Statutory Auditor
Ground Floor
Blackbrook Gate 1
Blackbrook Business Park
Taunton
Somerset
TA1 2PX

Bristol Rugby Club Limited

Strategic Report

Year Ended 31 May 2021

The directors present their strategic report for the year ended 31 May 2021.

Principal activity

The principal activity of the company is operating a professional Rugby Football Union Club. The vision of the group is to 'Inspire Our Community Through Rugby Success'.

Review of the business

During the 2020/21 financial year the club faced a unique set of challenges as a result of the Coronavirus pandemic. The unprecedented circumstances saw all teams complete the second half of the delayed 2019/20 Gallagher Premiership season as well as the full 2020/21 campaign. Not only were there an increased number of fixtures for the team to compete in, but the added dynamic of having no supporters in the stadia made this an incredibly challenging period financially and for both players and staff.

The 2019/20 season saw the Bristol Bears achieve a significant landmark with the club emerging victorious in the European Challenge Cup for the first time in the club's history. The team also managed an impressive third place finish in the Gallagher Premiership table.

The 2020/21 season was also a very successful one with the club achieving a first place finish in the regular season of the Gallagher Premiership. However, the club were ultimately disappointed to lose in the playoff semi-finals and miss out on the opportunity to be declared champions of England for the first time. In a season played under incredibly difficult circumstances due to the impact of the Coronavirus pandemic, the team won 17 of their 22 Premiership league fixtures and also progressed to the Last 16 of the European Champions Cup.

In July 2020 the team relocated to the purpose-built Bears High Performance Centre as the base for all training and club operations. This is a significant development for Bristol Bears and a key step in realising the ambitions of becoming one of the leading clubs in Europe. The new facility will help the club to attract and retain top class playing talent whilst providing Pat Lam and his coaching staff with the environment to further develop the skills of the existing playing squad. The club already had use of the fantastic stadium at Ashton Gate and are now able to utilise a training centre that matches those high standards. The site is also close to Bristol City FC's newly built training ground and will facilitate improved inter-club use of various specialised facilities.

During the season the club has continued to integrate the women's program with the first team squad. The women's team are now based at the Bears High Performance Centre with all operational staff working closely with their counterparts from the senior team. Despite a disappointing performance for the women's team in the 2020/21 season (8th position in the Premier 15s), we are confident that the continued integration will produce an improvement in performances on the pitch moving forwards.

Accordingly, the board would like to formally acknowledge the very generous financial support provided by Pula Sport Limited and ultimately Steve and Maggie Lansdown. Finally, we would like to thank all our hardworking staff for their continued contributions throughout this difficult year.

Bristol Rugby Club Limited

Strategic Report

Year Ended 31 May 2021

The company measures performance using both financial and non-financial KPIs. The company's key performance indicators during the year were as follows:

- Qualifying for the Gallagher Premiership playoffs - 1st place in the 2020/21 season achieved (2019/20 - 3rd)
- Number of wins and points per season - 17 wins & 85 points in the 2020/21 season (2019/20 - 14 wins & 69 points)
- Average Premiership Attendance - Nil (2019/20 - 17,924)
- Turnover - £9.0m (2020 - £11.0m)
- Net Loss for the year - £3.5m (2020 - net loss of £4.1m)

The underlying financial performance for the year was significantly impacted by the Coronavirus pandemic and the necessity to fulfil the vast majority of fixtures behind closed doors. In a normal season we would expect to generate in excess of £3m, however during FY21 there was only a single home fixture played in front of supporters and even then the capacity was limited to circa 3,000 supporters.

As a result of the crowd restrictions imposed during the year, the club were able to access financial support in the form of a government loan from the Department for Digital, Culture, Media & Sport (DCMS) as part of their Sport Winter Survival Package.

The net loss for the year of £3.5m includes a significant adjustment of £3.7m to reflect the revaluation of the company's principal financial asset - the shares of Premier Rugby Limited. This gain was as a result of a revaluation of the Premier Rugby shares, which was triggered by a change in share distribution after a Premiership Rugby share restructure. The consequence of this reduced loss for the year was that the balance sheet saw a movement in net liabilities to £26.5m (2020 - £22.9m).

Future Developments

The structure of the Gallagher Premiership competition has been adjusted for the 2021/22 season with a total of 13 clubs now competing in the top division. There will be no relegation from the Premiership this coming season meaning all 13 shareholder clubs have some certainty over their futures as they attempt to recover from the financial implications of the Coronavirus pandemic.

Principal risks and uncertainties

The principal risk to the company is the availability of finance to fund the continuing losses. This has been made more apparent during the Covid-19 pandemic and the subsequent lockdowns and restrictions on individuals attending sporting events. However, the continuing financial support of Pula Sport Limited and the ultimate controlling parties, Mr & Mrs S P Lansdown, as has been demonstrated during the turbulent 12 months to 31 May 2021 and as explained in the going concern accounting policy, is critical.

Approved by the Board on and signed on its behalf by:

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C A Booy
Chairman

Bristol Rugby Club Limited

Directors' Report

Year Ended 31 May 2021

The directors present their report and the consolidated financial statements for the year ended 31 May 2021.

Directors of the group

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

C A Booy - Chairman

J S Lansdown

G T Marshall

M A Tainton

Financial instruments

Objectives and policies

The directors have reviewed the financial risk management objectives and policies of the company. They do not believe there to be significant risks in this area. The company does not enter into any hedging instruments as there are not believed to be any material exposures. It does not enter into any financial instruments for speculative purposes.

Price risk, credit risk, liquidity risk and cash flow risk

Appropriate trade terms are negotiated with suppliers and customers. Management reviews these terms, the relationship with suppliers and customers and manages any exposure on normal trade terms. The company prepares regular forecasts of cash flow and liquidity and any requirement for additional funding is managed by the directors on a needs basis.

Future developments

The company has taken advantage of Section 414C (11) of the Companies Act 2006 and included details of future developments in the Strategic Report.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on and signed on its behalf by:

.....
C A Booy
Chairman

Bristol Rugby Club Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Bristol Rugby Club Limited

Independent Auditor's Report to the Members of Bristol Rugby Club Limited

Opinion

We have audited the financial statements of Bristol Rugby Club Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 May 2021, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 May 2021 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Bristol Rugby Club Limited

Independent Auditor's Report to the Members of Bristol Rugby Club Limited

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Bristol Rugby Club Limited

Independent Auditor's Report to the Members of Bristol Rugby Club Limited

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the entity and the sector in which it operates to identify the key laws and regulations affecting the entity. As part of this assessment process we discussed with management the laws and regulations applicable to the company, reviewed certification identified on the company website and other communications and considered findings from previous audits.

The key laws and regulations we identified were Premiership Rugby (PRL) Salary Cap rules, Employment legislation and Coronavirus Job Retention Scheme (CJRS) legislation.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, primarily Companies Act 2006, Corporation Taxes Acts 2009 & 2010, and the Capital Allowances Act 2001.

We discussed with management how the compliance with these laws and regulations is monitored and discussed policies and procedures in place. We also identified the individuals who have responsibility for ensuring that the entity complies with laws and regulations and deal with reporting any issues if they arise. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the entity's ability to continue trading and the risk of material misstatement to the financial statements.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

- Enquiries of management regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements;
- Review of relevant correspondence, documentation and calculations in respect of PRL Salary Cap rules;
- Review of other relevant correspondence, reports and documentation;
- Review of legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance; and
- Reviewed Board minutes.

As part of our enquiries we discussed with management whether there have been any known instances, allegations or suspicions of fraud, of which management confirmed there had been none during or after the period.

Bristol Rugby Club Limited

Independent Auditor's Report to the Members of Bristol Rugby Club Limited

We also evaluated the risk of fraud through management override. The key risks we identified was the potential manipulation of payments to players in order to adhere to PRL Salary Cap rules, and manipulation of results in order to maintain ongoing funding support from the ultimate owners. We determined that the principal risks were related to payment of image rights and agents' fees and management override of controls.

In response to the identified risk, as part of our audit work we:

- Used data analytics to test journal entries throughout the year, for appropriateness;
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates; and
- Undertook specific review of calculations provided to the PRL.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to be come aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

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

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

Date:.....

Bristol Rugby Club Limited

Consolidated Profit and Loss Account

Year Ended 31 May 2021

	Note	2021 £	2020 £
Turnover	3	8,979,751	10,986,718
Cost of sales		<u>(13,339,191)</u>	<u>(12,358,886)</u>
Gross loss		(4,359,440)	(1,372,168)
Administrative expenses		(3,230,015)	(2,134,130)
Fair value gain on valuation of fixed asset investment		3,686,633	-
Other operating income	4	<u>372,910</u>	<u>325,344</u>
Operating loss	5	(3,529,912)	(3,180,954)
Interest payable and similar charges	9	<u>(20,836)</u>	<u>-</u>
Loss before tax		(3,550,748)	(3,180,954)
Taxation	10	<u>39,025</u>	<u>(934,439)</u>
Loss for the financial year		<u><u>(3,511,723)</u></u>	<u><u>(4,115,393)</u></u>

Bristol Rugby Club Limited

Consolidated Balance Sheet

31 May 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	11	1,867	3,467
Tangible assets	12	286,047	592,871
Other financial assets	14	<u>17,551,780</u>	<u>13,865,147</u>
		<u>17,839,694</u>	<u>14,461,485</u>
Current assets			
Debtors	15	11,781,840	12,179,652
Cash at bank and in hand		<u>3,061,415</u>	<u>311,267</u>
		14,843,255	12,490,919
Creditors: Amounts falling due within one year	18	<u>(46,426,234)</u>	<u>(40,183,447)</u>
Net current liabilities		<u>(31,582,979)</u>	<u>(27,692,528)</u>
Total assets less current liabilities		(13,743,285)	(13,231,043)
Creditors: Amounts falling due after more than one year	18	(4,820,200)	(60,803)
Deferred income	20	<u>(7,918,797)</u>	<u>(9,678,713)</u>
Net liabilities		<u>(26,482,282)</u>	<u>(22,970,559)</u>
Capital and reserves			
Called up share capital	23	102	102
Share premium reserve		5,895,667	5,895,667
Profit and loss account		<u>(32,378,051)</u>	<u>(28,866,328)</u>
Total equity		<u>(26,482,282)</u>	<u>(22,970,559)</u>

Approved and authorised by the Board on and signed on its behalf by:

.....
C A Booy
Chairman

Company Registration Number: 03601031

Bristol Rugby Club Limited

Balance Sheet

31 May 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	11	1,867	3,467
Tangible assets	12	285,609	592,183
Investments	13	100	100
Other financial assets	14	<u>17,551,780</u>	<u>13,865,147</u>
		<u>17,839,356</u>	<u>14,460,897</u>
Current assets			
Debtors	15	11,804,509	12,175,439
Cash at bank and in hand		<u>3,015,868</u>	<u>292,514</u>
		14,820,377	12,467,953
Creditors: Amounts falling due within one year	18	<u>(46,393,445)</u>	<u>(40,177,586)</u>
Net current liabilities		<u>(31,573,068)</u>	<u>(27,709,633)</u>
Total assets less current liabilities		(13,733,712)	(13,248,736)
Creditors: Amounts falling due after more than one year	18	(4,820,200)	(60,803)
Deferred income	20	<u>(7,918,797)</u>	<u>(9,678,713)</u>
Net liabilities		<u>(26,472,709)</u>	<u>(22,988,252)</u>
Capital and reserves			
Called up share capital		102	102
Share premium reserve		5,895,667	5,895,667
Profit and loss account		<u>(32,368,478)</u>	<u>(28,884,021)</u>
Total equity		<u>(26,472,709)</u>	<u>(22,988,252)</u>

The company made a loss after tax for the financial year of £3,484,457 (2020 - loss of £4,133,086).

Approved and authorised by the Board on and signed on its behalf by:

.....
C A Booy
Chairman

Company Registration Number: 03601031

Bristol Rugby Club Limited

Consolidated Statement of Changes in Equity

Year Ended 31 May 2021

	Share capital £	Share premium £	Profit and loss account £	Total equity £
At 1 June 2020	102	5,895,667	(28,866,328)	(22,970,559)
Loss for the year	<u>-</u>	<u>-</u>	<u>(3,511,723)</u>	<u>(3,511,723)</u>
Total comprehensive income	<u>-</u>	<u>-</u>	<u>(3,511,723)</u>	<u>(3,511,723)</u>
At 31 May 2021	<u><u>102</u></u>	<u><u>5,895,667</u></u>	<u><u>(32,378,051)</u></u>	<u><u>(26,482,282)</u></u>

	Share capital £	Share premium £	Profit and loss account £	Total equity £
At 1 June 2019	102	5,895,667	(24,750,935)	(18,855,166)
Loss for the year	<u>-</u>	<u>-</u>	<u>(4,115,393)</u>	<u>(4,115,393)</u>
Total comprehensive income	<u>-</u>	<u>-</u>	<u>(4,115,393)</u>	<u>(4,115,393)</u>
At 31 May 2020	<u><u>102</u></u>	<u><u>5,895,667</u></u>	<u><u>(28,866,328)</u></u>	<u><u>(22,970,559)</u></u>

The notes on pages 16 to 35 form an integral part of these financial statements.

Bristol Rugby Club Limited

Statement of Changes in Equity

Year Ended 31 May 2021

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 June 2020	102	5,895,667	(28,884,021)	(22,988,252)
Loss for the year	-	-	(3,484,457)	(3,484,457)
Total comprehensive income	-	-	(3,484,457)	(3,484,457)
At 31 May 2021	<u>102</u>	<u>5,895,667</u>	<u>(32,368,478)</u>	<u>(26,472,709)</u>

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 June 2019	102	5,895,667	(24,750,935)	(18,855,166)
Loss for the year	-	-	(4,133,086)	(4,133,086)
Total comprehensive income	-	-	(4,133,086)	(4,133,086)
At 31 May 2020	<u>102</u>	<u>5,895,667</u>	<u>(28,884,021)</u>	<u>(22,988,252)</u>

The notes on pages 16 to 35 form an integral part of these financial statements.

Bristol Rugby Club Limited

Consolidated Statement of Cash Flows

Year Ended 31 May 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Loss for the year		(3,511,723)	(4,115,393)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	190,394	149,396
Loss on disposal of tangible assets		265,742	-
Finance costs	9	20,836	-
Fair value gain on fixed asset investment		(3,686,633)	-
Tax expense/(credit)		<u>(39,025)</u>	<u>934,439</u>
		(6,760,409)	(3,031,558)
Working capital adjustments			
Decrease in debtors	15	436,837	952,512
Increase in creditors	18	6,241,417	2,972,813
Decrease in deferred income		<u>(1,759,916)</u>	<u>(3,742,091)</u>
Net cash flow from operating activities		<u>(1,842,071)</u>	<u>(2,848,324)</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(147,711)	(263,033)
Cash flows from financing activities			
Proceeds from other borrowing draw downs		4,776,958	-
Receipts from finance lease creditors		-	111,738
Payments to finance lease creditors		<u>(37,028)</u>	<u>(16,841)</u>
Net cash flows from financing activities		<u>4,739,930</u>	<u>94,897</u>
Net increase/(decrease) in cash and cash equivalents		2,750,148	(3,016,460)
Cash and cash equivalents at 1 June		<u>311,267</u>	<u>3,327,727</u>
Cash and cash equivalents at 31 May	16	<u><u>3,061,415</u></u>	<u><u>311,267</u></u>

The notes on pages 16 to 35 form an integral part of these financial statements.

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2021

1 General information

The company is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office is:

Ashton Gate Stadium

Ashton Road

Bristol

BS3 2EJ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and the Companies Act 2006. There are no material departures from FRS 102.

Basis of preparation

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

Summary of disclosure exemptions

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its individual financial statements. Exemptions have been taken in relation to financial instruments, presentation of a statement of cash flows and key management personnel compensation. Equivalent information is presented in relation to these group accounts.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 May 2021.

As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Subsidiary undertakings are included using the acquisition method of accounting. Under this method the group profit and loss account and statement of cash flows include the results and the cash flows of subsidiaries from the date of acquisition and to the date of sale outside the group in the case of disposal of subsidiaries. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2021

Going concern

In accordance with their responsibilities, the directors have considered the appropriateness of the going concern basis for the preparation of the financial statements.

The company currently has net current liabilities and net liabilities. The vast majority of these liabilities are intra group. In order to continue in operational existence as a going concern while the club develops, and to meet its liabilities as they fall due, the group is dependent on securing finance from its parent company, Pula Sport Limited, a company controlled by Mr & Mrs S P Lansdown. Pula Sport Limited has confirmed its ongoing support for the company and the group.

In forming their opinion as to the going concern status the directors have also considered the known, likely and potential continuing impacts of the Coronavirus pandemic and its economic aftermath on professional rugby. The group was able to access the UK Government support through CJRS (2021 - £322k), DCMS loan (£5m), Sport Winter Survival Grant (2021 - £50k) and deferral of certain taxes in order to manage cash flows. The directors are satisfied that, whilst there can be no certainty as to the specific longer term implications for professional rugby, there are no material uncertainties in respect of the going concern status of the company and group. Crowds returned to matches on 19 May 2020, with the 2020/21 season ending on 26 June 2021. The 2021/22 season commenced on 17 September 2021 for Bristol Bears with a crowd of over 19,000 in attendance at Ashton Gate for the first match of the season.

The directors are confident that, taking into account the commitment by Pula Sport Limited, the company and group will have sufficient working capital until the end of the 2021/22 season and beyond for the foreseeable future, being not less than 12 months from the date of approval of these financial statements.

In addition, the company received significant funding in a previous year from Premier Rugby Limited in respect of advanced payment for broadcasting related income. This is being released from deferred income over a 4 year period from 31 May 2019, with c.£3.15m due for release in the year to 31 May 2022, with funds having been primarily used for the construction of the Bears High Performance Centre by a fellow group company which would have otherwise been funded by the group.

Accordingly, the directors consider it appropriate to prepare these financial statements on a going concern basis.

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2021

Key judgements and sources of estimation uncertainty

In the application of the company's accounting policies management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key judgement that has a significant effect on the financial statements is in respect of going concern, as described in the accounting policy above.

The key estimates that have a significant effect on the amounts recognised in the financial statements are as follows:

Other financial assets

Other financial assets are measured at fair value, which is determined with reference to the observable market price from a recent transaction in the shares of the relevant investee. There has been no observable market transaction in the shares during the year. However, the increase in valuation as at the year end is driven by the change in distribution rights attached to the shares held by the company. Although legal documentation in respect of the variation to income rights was not completed until post year end, the change had, in substance, been approved by shareholders pre year end and the directors therefore deem it appropriate to recognise the change in fair value as at 31 May 2021. The carrying amount is £17,551,780 (2020 - £13,865,147).

Deferred income

Deferred income has been recognised in respect of season ticket income for the 21/22 season. The directors expect this will be released to the profit and loss account as revenue in the 12 months following the balance sheet date. The directors, whilst confident that the entire balance will be recognised as revenue, acknowledge that there is uncertainty as to the precise timing of the future release of deferred income which is dependent upon the schedule of sporting events, and the presence of crowds at those events, not being further impacted by any pandemic restrictions during the 21/22 season. The carrying amount is £2,044,079 (2020 - £599,604). The directors do not envisage any significant uncertainty in respect of the £5,874,718 (2020 - £9,079,109) deferred income relating to broadcasting rights.

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2021

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for ticket sales, Premier Rugby Limited and RFU funding, merchandise sales, sponsorship and advertising and other rugby related income. Turnover is shown net of value added tax, returns, rebates and discounts. Income from match days and those elements of commercial activities relating to matches is recognised when the related matches are played; income from advance ticket sales, including season tickets, is deferred accordingly; income in respect of Premier Rugby Limited broadcasting related income is deferred and released over the four year period from 1 April 2019. Other commercial income is recognised on a receivable basis.

Government grants

Government revenue grants are accounted for under the accruals method. These are credited to the profit and loss account when the company is entitled to the income.

Tax

Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

The company passes some of its tax losses to fellow group companies via group relief. It receives payment for these losses at the average rate of tax for the financial period in which the losses are relieved.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax assets in respect of tax losses carried forward are not recognised as they do not meet the recognition criteria set out in FRS 102 given there is no certainty as to when the losses will be utilised.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2021

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost of assets over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Short leasehold property improvements	Over the period of the lease on a straight line basis
Plant and machinery	20% on a straight line basis
Fixtures and fittings	20% on a straight line basis
Motor vehicles	33% on a straight line basis
Computer equipment	33% on a straight line basis

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination.

Intangible assets

Intangible assets are stated in the balance sheet at cost, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Computer software	20% on a straight line basis

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in subsidiaries where the shares are not publicly traded and where fair value cannot be reliably measured are stated at historical cost less provision for any diminution in value.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

The treatment of finance leases is as set out in the accounting policy for financial instruments below.

Defined contribution pension obligation

The company operates a defined contribution pension scheme to which it contributes for members. The company also contributes to some employee's personal pension plans. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2021

Financial instruments

Classification

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Short term intra-group debtors and creditors;
- Long term other borrowings;
- Finance leases;
- Other financial assets; and
- Cash and bank balances.

Recognition and measurement

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Basic financial assets comprise short term trade, intra-group and other debtors, long term other borrowings, and cash and bank balances. Basic financial liabilities comprise short term trade, intra-group and other creditors. Such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. The assets are depreciated on a straight line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet. Finance lease obligations are subsequently measured at amortised cost using the effective interest method.

Other financial assets are measured at fair value through the profit and loss account. Fair value of the shares is determined by reference to the market price of a recent transactions in the shares of the relevant investee.

3 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2021	2020
	£	£
Sale of goods	29,809	104,855
Rendering of services	4,381,945	4,383,298
Ticket sales	442,271	2,469,422
League income	4,125,726	4,029,143
	<u>8,979,751</u>	<u>10,986,718</u>

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2021

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

	2021	2020
	£	£
Ticket sales	442,271	2,469,422
League income	4,125,726	4,029,143
Other rugby and commercial income	4,411,754	4,488,153
	<u>8,979,751</u>	<u>10,986,718</u>

4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2021	2020
	£	£
Government grants	<u>372,910</u>	<u>325,344</u>

5 Operating loss

Arrived at after charging/(crediting)

	2021	2020
	£	£
Depreciation expense	188,794	146,292
Amortisation expense	1,600	3,104
Foreign exchange losses/(gains)	393	(3)
Loss on disposal of property, plant and equipment	<u>265,742</u>	<u>-</u>

6 Staff costs

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

	2021	2020
	£	£
Wages and salaries	9,537,068	8,570,102
Social security costs	1,142,555	1,058,172
Pension costs, defined contribution scheme	149,315	154,658
	<u>10,828,938</u>	<u>9,782,932</u>

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

	2021	2020
	No.	No.
Coaching & support staff	57	36
Playing staff	68	78
	<u>125</u>	<u>114</u>

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2021

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021	2020
	£	£
Remuneration	134,424	135,336
Contributions paid to money purchase schemes	5,356	5,416
	<u>139,780</u>	<u>140,752</u>

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

	2021	2020
	No.	No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

8 Auditor's remuneration

	2021	2020
	£	£
Audit of these financial statements	<u>5,440</u>	<u>5,100</u>

9 Interest payable and similar expenses

	2021	2020
	£	£
Interest expense on other finance liabilities	<u>20,836</u>	<u>-</u>

10 Taxation

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

	2021	2020
	£	£
Current taxation		
Group relief payable/(receivable)	(39,025)	(44,128)
UK corporation tax adjustment to prior periods group relief	-	978,567
	<u>(39,025)</u>	<u>934,439</u>

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2021

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2020 - higher than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
Loss before tax	<u>(3,550,748)</u>	<u>(3,180,954)</u>
Corporation tax at standard rate	(674,642)	(604,381)
Effect of fair value adjustment exempt from taxation	(700,460)	-
Expenses not deductible for tax purposes	52,129	3,186
Adjustments to deferred tax in respect of changes in tax rates	(2,651,059)	(693,255)
Deferred tax not recognised	3,903,093	1,250,322
Effect of adjustment to group relief receivable in respect of prior periods	-	978,567
Tax increase arising from group relief	<u>31,914</u>	<u>-</u>
Total tax (credit)/charge	<u>(39,025)</u>	<u>934,439</u>

Deferred tax

Group

There are £43,749,635 of unused tax losses (2020 - £37,706,015) for which no deferred tax asset is recognised in the Balance Sheet.

Company

There are £43,440,766 of unused tax losses (2020 - £37,595,412) for which no deferred tax asset is recognised in the Balance Sheet.

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2021

11 Intangible assets

Group

	Goodwill £	Computer software £	Total £
Cost or valuation			
At 1 June 2020	1,504	8,000	9,504
At 31 May 2021	1,504	8,000	9,504
Amortisation			
At 1 June 2020	1,504	4,533	6,037
Amortisation charge	-	1,600	1,600
At 31 May 2021	1,504	6,133	7,637
Carrying amount			
At 31 May 2021	-	1,867	1,867
At 31 May 2020	-	3,467	3,467

Company

	Computer software £	Total £
Cost or valuation		
At 1 June 2020	8,000	8,000
At 31 May 2021	8,000	8,000
Amortisation		
At 1 June 2020	4,533	4,533
Amortisation charge	1,600	1,600
At 31 May 2021	6,133	6,133
Carrying amount		
At 31 May 2021	1,867	1,867
At 31 May 2020	3,467	3,467

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2021

12 Tangible assets

Group

	Land and buildings £	Office equipment £	Motor vehicles £	Plant and machinery £	Total £
Cost or valuation					
At 1 June 2020	865,279	92,233	29,473	541,316	1,528,301
Additions	19,965	8,012	-	119,734	147,711
Disposals	<u>(865,279)</u>	<u>(65,319)</u>	<u>(558)</u>	<u>(216,895)</u>	<u>(1,148,051)</u>
At 31 May 2021	<u>19,965</u>	<u>34,926</u>	<u>28,915</u>	<u>444,155</u>	<u>527,961</u>
Depreciation					
At 1 June 2020	557,835	76,816	29,473	271,306	935,430
Charge for the year	61,320	14,026	-	113,448	188,794
Eliminated on disposal	<u>(618,323)</u>	<u>(63,995)</u>	<u>(558)</u>	<u>(199,434)</u>	<u>(882,310)</u>
At 31 May 2021	<u>832</u>	<u>26,847</u>	<u>28,915</u>	<u>185,320</u>	<u>241,914</u>
Carrying amount					
At 31 May 2021	<u>19,133</u>	<u>8,079</u>	<u>-</u>	<u>258,835</u>	<u>286,047</u>
At 31 May 2020	<u>307,444</u>	<u>15,417</u>	<u>-</u>	<u>270,010</u>	<u>592,871</u>

Included within the net book value of land and buildings above is £19,133 (2020 - £Nil) in respect of freehold land and buildings and £Nil (2020 - £307,444) in respect of short leasehold land and buildings.

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2021

Company

	Land and buildings £	Office equipment £	Motor vehicles £	Other tangible assets £	Total £
Cost or valuation					
At 1 June 2020	865,279	91,482	29,473	541,316	1,527,550
Additions	19,965	8,012	-	119,734	147,711
Disposals	(865,279)	(65,319)	(558)	(216,895)	(1,148,051)
At 31 May 2021	<u>19,965</u>	<u>34,175</u>	<u>28,915</u>	<u>444,155</u>	<u>527,210</u>
Depreciation					
At 1 June 2020	557,835	76,753	29,473	271,306	935,367
Charge for the year	61,320	13,776	-	113,448	188,544
Eliminated on disposal	(618,323)	(63,995)	(558)	(199,434)	(882,310)
At 31 May 2021	<u>832</u>	<u>26,534</u>	<u>28,915</u>	<u>185,320</u>	<u>241,601</u>
Carrying amount					
At 31 May 2021	<u>19,133</u>	<u>7,641</u>	<u>-</u>	<u>258,835</u>	<u>285,609</u>
At 31 May 2020	<u>307,444</u>	<u>14,729</u>	<u>-</u>	<u>270,010</u>	<u>592,183</u>

Included within the net book value of land and buildings above is £19,133 (2020 - £Nil) in respect of freehold land and buildings and £Nil (2020 - £307,444) in respect of short leasehold land and buildings.

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2021

13 Investments

Company

	2021 £	2020 £
Investments in subsidiaries	<u>100</u>	<u>100</u>
Subsidiaries		£
Cost or valuation		
At 1 June 2020		<u>100</u>
Carrying amount		
At 31 May 2021		<u>100</u>
At 31 May 2020		<u>100</u>

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2021	2020
Subsidiary undertakings				
Bristol Bears Women Rugby Club Limited	Ashton Gate Bristol BS3 2EJ	Ordinary	100%	100%

Subsidiary undertakings

Bristol Bears Women Rugby Club Limited

The principal activity of Bristol Bears Women Rugby Club Limited is the running of a professional rugby team.

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2021

14 Other financial assets

Group and company

	Financial assets at fair value through profit and loss £	Total £
Cost or valuation		
At 1 June 2020	13,865,147	13,865,147
Fair value adjustments	<u>3,686,633</u>	<u>3,686,633</u>
At 31 May 2021	<u>17,551,780</u>	<u>17,551,780</u>
Carrying amount		
At 31 May 2021	<u><u>17,551,780</u></u>	<u><u>17,551,780</u></u>

15 Debtors

	Note	2021 £	Group 2020 £	2021 £	Company 2020 £
Trade debtors		-	50,329	-	50,329
Amounts due from group undertakings	25	11,463,555	11,542,854	11,488,036	11,546,695
Other debtors		10,266	406,079	8,454	405,525
Prepayments		<u>308,019</u>	<u>180,390</u>	<u>308,019</u>	<u>172,890</u>
		<u><u>11,781,840</u></u>	<u><u>12,179,652</u></u>	<u><u>11,804,509</u></u>	<u><u>12,175,439</u></u>

16 Cash and cash equivalents

	2021 £	Group 2020 £	2021 £	Company 2020 £
Cash on hand	121	523	121	473
Cash at bank	<u>3,061,294</u>	<u>310,744</u>	<u>3,015,747</u>	<u>292,041</u>
	<u><u>3,061,415</u></u>	<u><u>311,267</u></u>	<u><u>3,015,868</u></u>	<u><u>292,514</u></u>

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2021

17 Analysis of cash and cash equivalents and net debt

	At 1 June 2020 £	Cash flow £	Other £	At 31 May 2021 £
Cash at bank and on hand	311,267	2,750,148	-	3,061,415
Cash and cash equivalents	311,267	2,750,148	-	3,061,415
Finance lease obligations	(94,897)	37,027	-	(57,870)
Long term loans	-	(4,776,958)	(20,836)	(4,797,794)
Net debt	<u>216,370</u>	<u>(1,989,783)</u>	<u>(20,836)</u>	<u>(1,794,249)</u>

18 Creditors

	Note	2021 £	Group 2020 £	2021 £	Company 2020 £
Due within one year					
Loans and borrowings	19	35,464	34,094	35,464	34,094
Trade creditors		46,717	79,403	45,959	78,092
Amounts due to group undertakings	25	44,688,977	38,727,018	44,687,158	38,727,749
Social security and other taxes		635,199	881,354	635,199	881,354
Outstanding defined contribution pension costs		25,695	23,547	25,695	23,547
Other creditors		3,651	-	3,651	-
Accrued expenses		<u>990,531</u>	<u>438,031</u>	<u>960,319</u>	<u>432,750</u>
		<u>46,426,234</u>	<u>40,183,447</u>	<u>46,393,445</u>	<u>40,177,586</u>
Due after one year					
Loans and borrowings	19	<u>4,820,200</u>	<u>60,803</u>	<u>4,820,200</u>	<u>60,803</u>

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2021

19 Loans and borrowings

	2021 £	Group 2020 £	2021 £	Company 2020 £
Current loans and borrowings				
Hire purchase contracts	<u>35,464</u>	<u>34,094</u>	<u>35,464</u>	<u>34,094</u>

	2021 £	Group 2020 £	2021 £	Company 2020 £
Non-current loans and borrowings				
Hire purchase contracts	22,406	60,803	22,406	60,803
Other borrowings	<u>4,797,794</u>	<u>-</u>	<u>4,797,794</u>	<u>-</u>
	<u>4,820,200</u>	<u>60,803</u>	<u>4,820,200</u>	<u>60,803</u>

Group and Company

The finance leases are denominated in sterling with a nominal interest rate of 5.4%, and the final instalment is due on 11 September 2024. The carrying amount at year end is £57,870 (2020 - £94,897).

The finance lease creditors are secured on the plant and machinery assets to which they relate.

Finance lease creditors are repayable by monthly instalments on 36 and 48 month terms.

Other borrowings are denominated in sterling with a nominal interest rate of 2%, and the final instalment is due on 31 March 2031. The carrying amount at year end is £4,776,957 (2020 - £Nil).

The loan is repayable over 10 years with a 2 year repayment holiday.

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2021

20 Deferred income

	2021
	£
At 1 June 2020	9,678,713
Released to profit during the year	(4,561,095)
Received during the year	2,821,246
Refunds issued during the year	<u>(20,067)</u>
At 31 May 2021	<u><u>7,918,797</u></u>

The current year deferred income balance includes rugby season ticket income in respect of the 2019/20 season suspended until after the year end due to Covid-19 in addition to broadcasting deferred income.

21 Obligations under leases and hire purchase contracts

Group and company

Operating leases

The total of future minimum lease payments is as follows:

	2021	2020
	£	£
Not later than one year	11,684	116,368
Later than one year and not later than five years	14,843	380,498
Later than five years	<u>-</u>	<u>185,962</u>
	<u><u>26,527</u></u>	<u><u>682,828</u></u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £93,903 (2020 - £152,540).

During the year a payment of £250,000 was made in respect of surrender of a property lease. This has been recognised as an expense during the year.

22 Pension schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £149,315 (2020 - £154,658).

Contributions totalling £25,695 (2020 - £23,547) were payable to the scheme at the end of the year and are included in creditors.

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2021

23 Share capital

Allotted, called up and fully paid shares

	No.	2021 £	No.	2020 £
Ordinary shares of £1 each	<u>102</u>	<u>102</u>	<u>102</u>	<u>102</u>

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

The right to one vote per share held at general meetings.

24 Financial instruments

Group

Categorisation of financial instruments

	2021 £	2020 £
Financial assets measured at fair value through profit or loss	17,551,780	13,865,147

Financial assets measured at fair value

Other financial assets - Fixed asset investment

The fixed asset investment is valued by PRL Investor Limited using the present value of expected future cashflows.

The fair value is £17,551,780 (2020 - £13,865,147) and the change in value included in profit or loss is £3,686,633 (2020 - £Nil).

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2021

25 Related party transactions

Group and company

Key management compensation

	2021	2020
	£	£
Salaries and other short term employee benefits	<u>687,378</u>	<u>772,302</u>

Company

Summary of transactions with parent

Immediate parent company

During the year, the immediate parent company advanced funds to the company of £6,050,000 (2020 - £5,500,000) and the company repaid £350,000 (2020 - £nil). The funds are advanced free of interest and are repayable on demand. At the balance sheet date the total amount due by the company was £44,322,803 (20 - £38,622,803).

Summary of transactions with other related parties

Fellow subsidiaries of the Pula Sport Limited group

In a previous year, the company advanced funds of £11,500,000 to a fellow subsidiary of the wider group. The funds are advanced free of interest and are repayable on demand. In addition, the company surrendered tax losses to the same fellow subsidiary for payment of £31,914 (2020 - £9,791). The fellow subsidiary charged the company £495,000 (2020 - £nil) for hire of facilities during the year and repaid £250,000 (2020 - £nil). At the balance sheet date the total amount due to the company was £10,786,914 (2020 - £11,509,791).

During the year, the company surrendered tax losses to a fellow subsidiary of the wider group for payment of £7,111 (2020 - £102,730). At the balance sheet date the total amount due to the company was £7,111 (2020 - £102,730).

The company receives income collected on its behalf including merchandise, ticket and commercial revenues from its fellow subsidiaries. It raises sales invoices to related parties in respect of matchday and shop sales profit shares. The company makes purchases, including paying ticketing commission and payroll recharges to its fellow subsidiaries. The company incurred costs in the year which were recharged to its fellow subsidiaries.

Bristol Rugby Club Limited

Notes to the Financial Statements

Year Ended 31 May 2021

Income and receivables from related parties

	Other related parties £
2021	
Sale of goods	3,688,950
Receipt of services	25,235
Sale of property or other assets	29,038
	<u>3,743,223</u>
Amounts receivable from related party	<u>234,273</u>

	Other related parties £
2020	
Sale of goods	2,838,913
Receipt of services	146,473
Sale of property or other assets	201,806
	<u>3,187,192</u>
Amounts receivable from related party	<u>20,046</u>

Expenditure with and payables to related parties

	Other related parties £
2021	
Purchase of goods	3,415,884
Amounts payable to related party	<u>104,919</u>

	Other related parties £
2020	
Purchase of goods	2,457,494
Amounts payable to related party	<u>91,615</u>

26 Parent and ultimate parent undertaking

The company's immediate parent is Pula Sport Limited, incorporated in Guernsey.

The ultimate parent is Pula Limited, incorporated in Guernsey.

The ultimate controlling party is Mr & Mrs S P Lansdown, by virtue of their majority shareholding in the ultimate parent company.

Bristol Rugby Club Limited

Detailed Company Profit and Loss Account

Year Ended 31 May 2021

	2021 £	2020 £
Turnover (analysed below)	9,044,462	10,844,615
Cost of sales (analysed below)	<u>(13,274,183)</u>	<u>(12,288,824)</u>
Gross loss	<u>(4,229,721)</u>	<u>(1,444,209)</u>
Gross profit (%)	(46.77)%	(13.32)%
Administrative expenses		
Employment costs (analysed below)	(15,720)	(21,385)
Establishment costs (analysed below)	(2,067,940)	(1,275,047)
General administrative expenses (analysed below)	(722,400)	(617,107)
Finance charges (analysed below)	(20,449)	(18,414)
Depreciation costs (analysed below)	<u>(455,886)</u>	<u>(147,829)</u>
	(3,282,395)	(2,079,782)
Other operating income (analysed below)	<u>322,837</u>	<u>325,344</u>
Operating loss	<u>(7,189,279)</u>	<u>(3,198,647)</u>
Gain on financial assets at fair value through profit and loss account (analysed below)	3,686,633	-
Interest payable and similar expenses (analysed below)	<u>(20,836)</u>	<u>-</u>
	<u>3,665,797</u>	<u>-</u>
Loss before tax	<u><u>(3,523,482)</u></u>	<u><u>(3,198,647)</u></u>

Bristol Rugby Club Limited

Detailed Company Profit and Loss Account

Year Ended 31 May 2021

	2021 £	2020 £
Turnover		
Gate receipts	442,271	2,466,951
Sponsorship	4,334,057	4,222,275
Shop sales	28,000	98,547
League income	4,070,101	3,953,583
Corporate income	1,038	103,259
Management charges receivable	168,995	-
	<u>9,044,462</u>	<u>10,844,615</u>
Cost of sales		
Ticket costs	465,898	554,068
Home stadium costs	425,125	474,981
Away match costs	230,614	186,293
General playing costs	69,580	134,778
Other player costs	1,263,664	1,276,484
Wages and salaries	9,393,142	8,314,057
Staff NIC (Employers)	1,142,555	1,058,172
Directors remuneration	133,897	135,336
Staff pensions (Defined contribution)	143,959	149,242
Directors pensions (Defined contribution)	5,356	5,416
(Profit)/loss on foreign currency	393	(3)
	<u>13,274,183</u>	<u>12,288,824</u>
Employment costs		
Staff training	13,716	17,397
Staff welfare	2,004	3,988
	<u>15,720</u>	<u>21,385</u>
Establishment costs		
Rent and rates	1,879,027	1,144,429
Insurance	53,477	30,780
Repairs and maintenance	135,436	99,838
	<u>2,067,940</u>	<u>1,275,047</u>

Bristol Rugby Club Limited

Detailed Company Profit and Loss Account

Year Ended 31 May 2021

	2021 £	2020 £
General administrative expenses		
Telephone and fax	16,753	22,662
Computer software and maintenance costs	200,292	198,349
Printing, postage and stationery	5,646	4,373
Trade subscriptions	786	332
Sundry expenses	334	1,294
Cleaning	63,949	48,732
Travel and subsistence	120,529	87,458
Advertising	13,825	31,629
Matchday media	31,950	41,695
Staff entertaining (allowable for tax)	-	1,719
Accountancy fees	5,595	2,913
Auditor's remuneration	7,440	5,100
Legal and professional	84,301	40,850
Bad debt expense	171,000	130,001
	<u>722,400</u>	<u>617,107</u>
Finance charges		
Bank charges	<u>20,449</u>	<u>18,414</u>
Depreciation costs		
Amortisation of software	1,600	1,600
Depreciation of short leasehold property	61,320	81,888
Depreciation of plant and machinery	113,448	43,348
Depreciation of motor vehicles	-	725
Depreciation of office equipment	13,776	20,268
(Profit)/loss on disposal of tangible fixed assets	265,742	-
	<u>455,886</u>	<u>147,829</u>
Other operating income		
Other income	<u>322,837</u>	<u>325,344</u>
Gain/(loss) on financial assets at fair value through profit and loss account		
Fair value gain on valuation of fixed asset investment	<u>3,686,633</u>	<u>-</u>
Interest payable and similar expenses		
Loan interest	<u>(20,836)</u>	<u>-</u>