

Bristol City Holdings Limited [published their accounts](#) for the year ended 31 May 2020 recently. We have looked to highlight the key points from the results in simple terms:

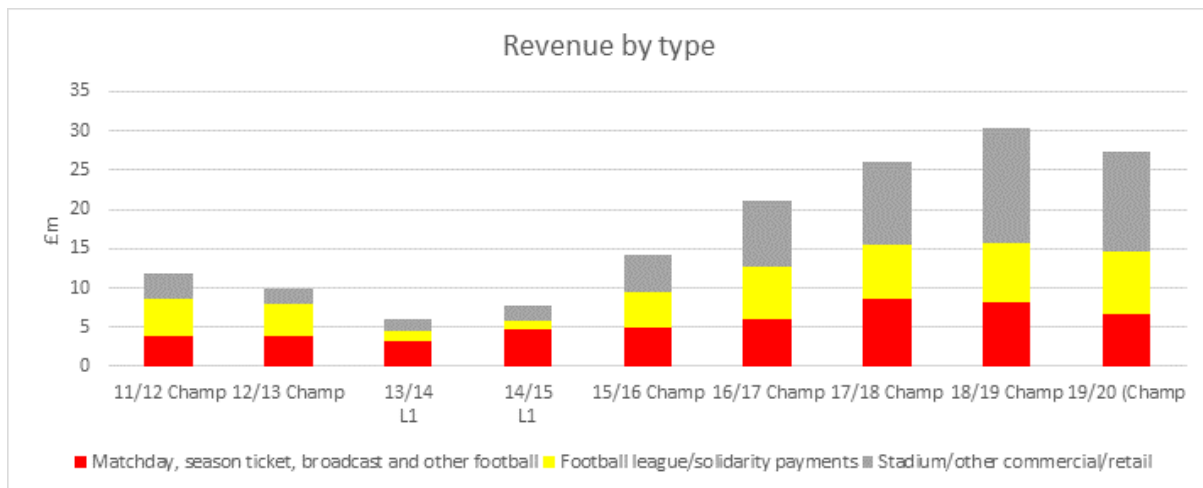
Firstly, it is useful to set out what these accounts include. Bristol City Holdings is the umbrella holding company for Bristol City Football Club, Bristol City Women's Football Club, and Ashton Gate. In reality, this means that these accounts include the results of the football club, the stadium (including its non-football use) and the Women's team. These accounts exclude the results of the other teams in the Bristol Sport community (Bristol Bears and Bristol Flyers) and Bristol Sport itself.

The parent company of Bristol City Holdings is Pula Sport (note 30, page 41), which is owned by Steve and Maggie Lansdown – this company is registered in Guernsey, so there are no requirements for publishing their accounts publicly. Pula Sport also owns the other Bristol Sport companies.

In most years, the accounts align to a full season, and so these largely align to the 19/20 season. However, as we know, Covid extended the season into the summer, with football only resuming in June 2020. Therefore, the portion of season ticket sales relating to the last 5 home games, and the income from Robins TV for all fixtures after the resumption, are not included in these accounts, and will be included in the following year.

Revenue (note 3 page 27) – income before any costs

Income has increased steadily since promotion to the Championship, with revenues now up to £27.2m. Whilst there have been increases in ticket revenues and payments from the EFL, the biggest increase has been in respect of commercial revenues driven by the stadium redevelopment. Had the season not been curtailed by Covid, it is realistic to expect that total revenues would have been higher than in the previous year.



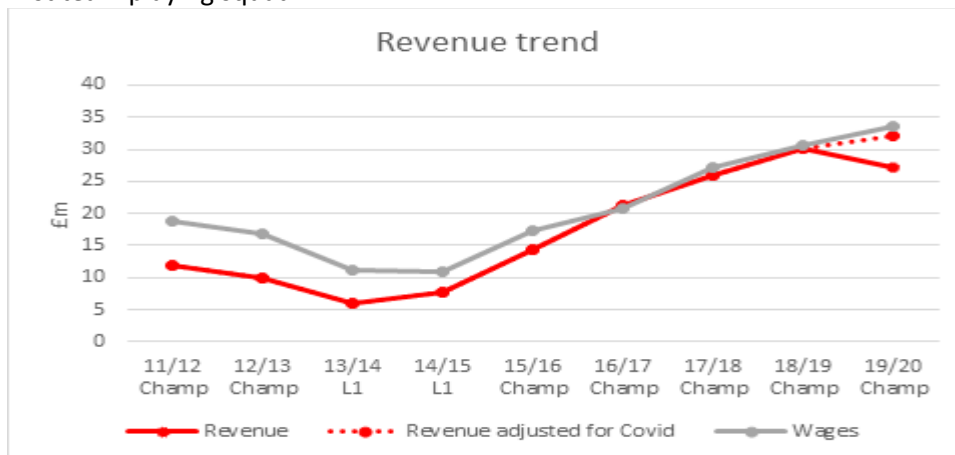
Bristol City Women

The accounts for Bristol City Women do not detail the revenue, however based on the differences between the football revenues in the Bristol City Holdings group accounts and the Bristol City Football Club accounts, it appears that the Women contributed c£230,000 of revenue in 2020, and an overall loss of £350,000.

Wages (note 6, page 28)

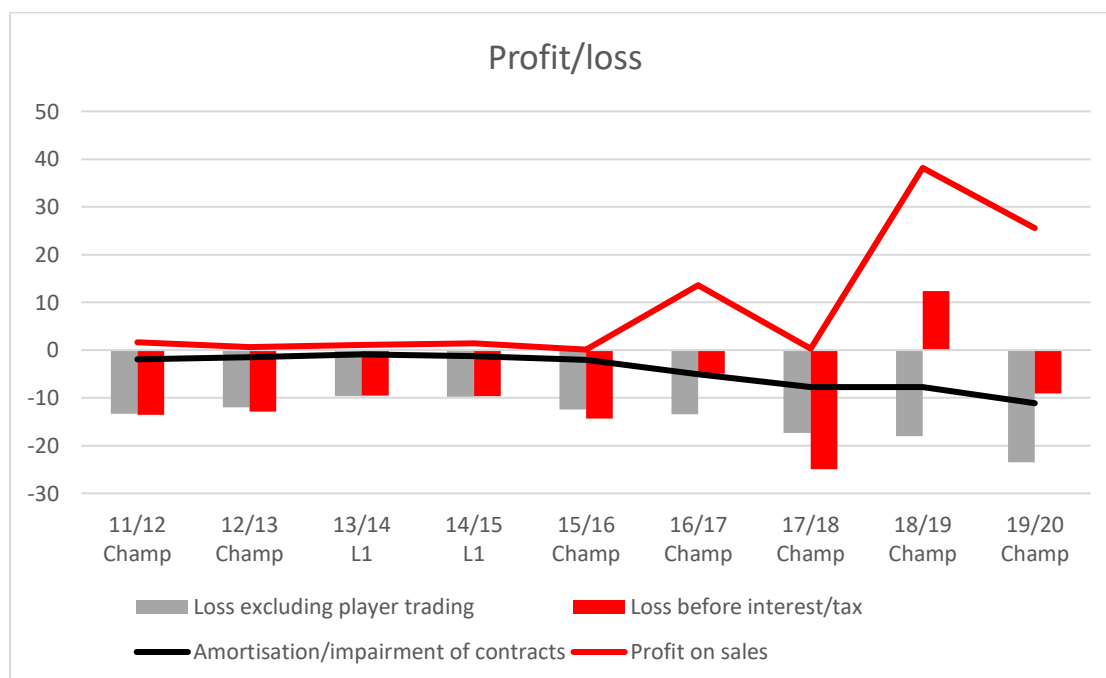
A key metric for football clubs is the ratio of wages to revenue. Whilst wages have trebled since the promotion season, the increases in revenue have largely matched this. Last season, however, wages represented 123% of revenue. In the previous 3 years, this ratio had been close to 100% (compared to 170% in the last relegation from the Championship in 12/13 and 185% in 13/14 in League 1). This is clearly not a sustainable position, as before any other costs (for 2019/20 other operating costs were £15m) the revenues do not even cover the wages.

In the current year, this will have been impacted by Covid, as revenues have stalled but wages continue to be paid. Wages includes all staff, although the vast majority of the cost relates to the first team playing squad.



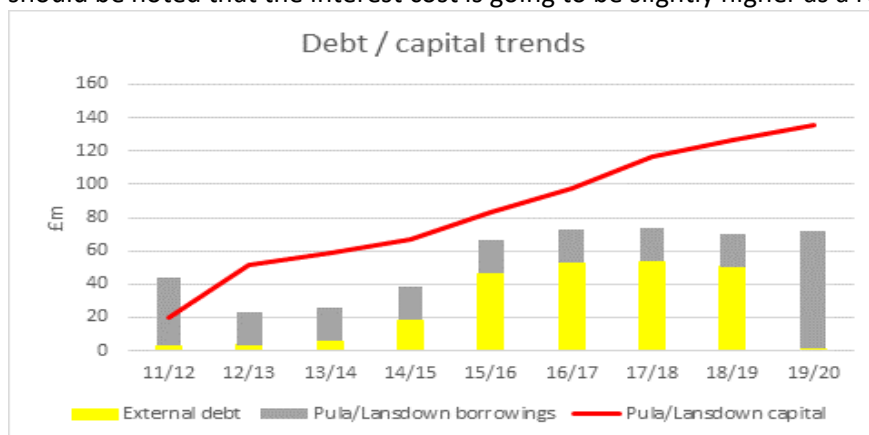
Overall loss (page 14)

This position inevitably results in an overall loss before taking account of player sales every year. This loss increased to £23.5m this year. Profits on player disposals of £25m (primarily from the sales of Adam Webster and Josh Brownhill), offset by amortisation on player contracts, reduce this loss to £9m for the year. This compared to a profit in 18/19 of £12m, although that was significantly boosted by profits on player sales of £38m (primarily Bobby Reid, Aden Flint, Joe Bryan and Lloyd Kelly). See the note at the end for more detail on how player contracts are included in the accounts.



Funding (note 19, page 37 / note 25, page 40)

So how are these losses funded? The majority of the financing comes from the Lansdown family, and this has largely been through continuing annual capital injections to fund the operating losses, rather than increasing the club's debt. In terms of debt, there remains a £20m interest free loan due to Pula Sport, which has been in place since 2012. In addition, the club did take out a bank loan to finance the stadium redevelopment, which stood at £50m at May 2018. This bank loan was repaid in 2019 and replaced with a loan to Pula Sport. Whilst this removes debt being due to an external bank, it should be noted that the interest cost is going to be slightly higher as a result.

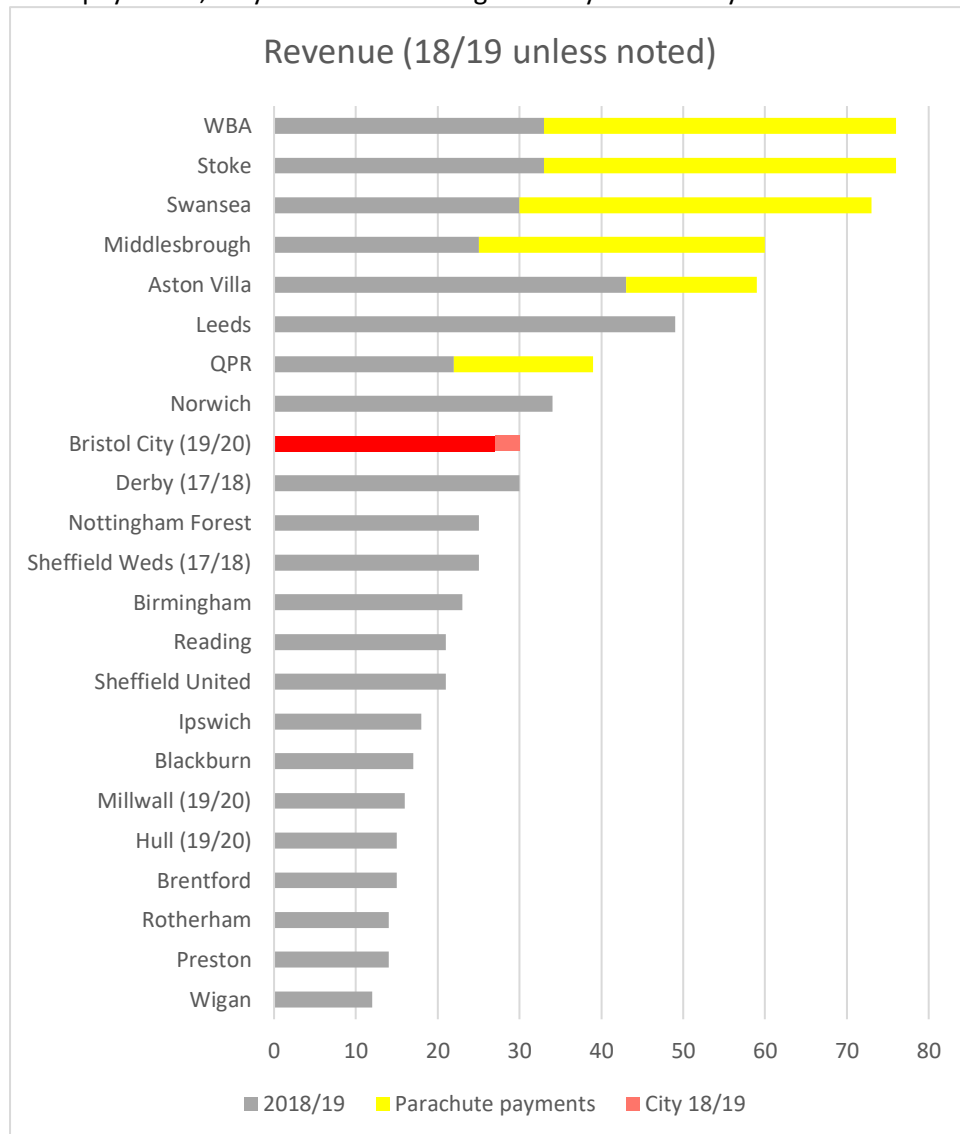


How do City compare to other Championship teams?

There are hardly any other Championship teams that have published results for the same period, however comparisons against the previous periods are still useful. Luckily there is some great analysis available from a couple of excellent Twitter accounts - @swissramble and @kieranmaguire both provide content which was used in putting together this summary.

Revenues:

City's revenues of £27m are likely to remain in the top half of Championship revenues, although these are skewed by parachute payments from the Premier League for a number of clubs. Excluding these payments, only Leeds and Villa significantly exceed City's revenues in recent years.



Wages:

City's total wage bill ranks in the bottom half of the league and represents one of the better wages to turnover ratios in the league. Assuming all clubs have a similar shift in the current year as a result of losing revenues at the end of the season, the below table will probably show only a handful of clubs in a better position. Note that almost all the clubs with turnover higher than wages in 18/19 were those receiving parachute payments (*marked with **).





Note on player acquisition and sale accounting

When a player is signed, the transfer fee is not shown as a cost immediately, but rather it is spread over the initial contract term and shown in the accounts as 'amortisation'. Similarly, when a player is sold, the 'profit' is not the difference between the transfer fee received and that paid, but the difference between the transfer fee and the remaining value on their contract.

As an example, if a player signed for £8m on a 4-year contract, the club would show £2m (8/4) in the accounts as an expense annually. If that player was sold for £8m 3 years later, there would have been 3 years of this expense, so £6m of the £8m cost would have been written off, and therefore the club would actually show a profit in the accounts of £6m (£8m transfer fee, less £2m of value left on the contract). Players that come through the academy will always have zero value in the accounts, so the transfer fee=profit.