

Company registration number 03199030 (England and Wales)

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
COMPANY INFORMATION

Directors	Simon Down Richard Holland Alun Jones (Chairman) Hayley Parsons OBE Martyn Ryan Chris Sutton Simon Webber Keith Morgan	(Appointed 16 November 2021)
Secretary	Martyn Ryan	
Company number	03199030	
Registered office	Cardiff Arms Park Westgate Street Cardiff South Glamorgan United Kingdom CF10 1JA	
Auditor	Azets Audit Services Ty Derw Lime Tree Court Cardiff Gate Business Park Cardiff United Kingdom CF23 8AB	

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
CONTENTS

	Page
Chairman's statement	1
Directors' report	2 - 3
Directors' responsibilities statement	4
Strategic report	5 - 9
Independent auditor's report	10 - 12
Statement of comprehensive income	13
Balance sheet	14
Statement of changes in equity	15
Statement of cash flows	16
Notes to the financial statements	17 - 29

**CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
CHAIRMAN'S STATEMENT**

FOR THE YEAR ENDED 30 JUNE 2022

In my last statement I set out the significant challenges facing the business as a consequence of the Covid-19 pandemic. I outlined the tremendous support we had received from everyone associated with the club, but predicted that we were "not yet out of the woods".

That prediction proved true.

The ongoing challenges faced by Welsh rugby in its entirety, by the professional game and by us as a professional club and business are well documented.

We have worked hard with our colleagues at the WRU and the other regions to reach a funding framework for the professional game for the next six years. The framework requires significant ongoing support from our governing body, their funders, the Welsh Government and our shareholders. We remain eternally grateful for this support, without which our professional game would face dire consequences.

The legal and approval process to bring the framework into effect is both complex and time consuming. It is a far-reaching agreement, which also encompasses significant changes to the economics of the professional game as a whole and impacts all involved, including playing contracts and player squad costs. To this extent, we must acknowledge the concerns expressed by all staff and players over the last 12 months and it would be remiss of me not to thank all our players, coaches and staff and their representatives, agents and the WRPA for their support and vision. Indeed, as I write we are just about to put pen to paper to bring the framework into effect. Although, in truth, while the framework underpins our professional game, we must not relax but rather re-double our efforts to keep making improvements collectively off the field, in order to promote continued improvements on the field.

Our season has seen mixed results but winning the Welsh shield in the URC competition and qualifying for the Champions Cup meets our playing objectives and is an excellent return for the sheer hard work and dedication of the team. An outstanding cup win and league performance by the RFC also helped alleviate some of the playoff disappointment at the end of the season. It is so pleasing to see both the senior team and the RFC perform so well in very challenging conditions and in very strong competitions. I must also mention the fantastic performances of our age grade, women's, sight impaired and wheelchair teams.

Finally, and with a heavy heart, on behalf of all involved with the club, I pass on my condolences to Babs, and to the entire Thomas family following Peter's passing. Peter was a friend, colleague and mentor to so many of us. So much has already been said about his extraordinary contribution to and involvement with Cardiff RFC and Cardiff Rugby over so many years. Put simply, to so many of us, Peter was Cardiff Rugby. Rest in peace, Peter.

Our focus must now shift to the future, to find a formula for the success we all crave and for stability off the field to enable us to perform on the field.

Thank you for your unwavering support.

Alun Jones
Chairman

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2022

The directors present their annual report and financial statements for the year ended 30 June 2022.

Principal activities

The principal activity of the Company continued to be that of professional rugby together with related activities.

Results and dividends

The results for the year are set out on page 13.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

Chris Nott, Chris Sutton and Simon Down are appointed by Cardiff Athletic Club, who hold 750,000 Heritage shares of £1 and 500,000 Ordinary shares of £1.

Simon Down

Richard Holland

Alun Jones (Chairman)

Hayley Parsons OBE

Martyn Ryan

Chris Suttor

Peter Thomas CBE

(Deceased 29 March 2023)

Simon Webber

Andrew Williams

(Resigned 16 January 2023)

Keith Morgan

(Appointed 16 November 2021)

Mr C Nott OBE

(Resigned 16 November 2021)

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

Going Concern

As at the year ended 30 June 2022, the company suffered a loss of £2,205k, with net current liabilities of £3.3m and total liabilities of £8.4m and remains reliant upon the support of the WRU, its various funders and the ongoing support and goodwill of its fans, commercial sponsors, directors and shareholders. A new funding framework has been agreed with the WRU, providing further certainty over funds and cashflow, and in addition a key shareholder has entered into a binding agreement to financially support the company if required.

The directors recognise that these conditions still indicate a significant uncertainty in relation to going concern and have taken steps to preserve liquidity.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. The forecasts indicate the company will have sufficient funds to meet its liabilities as they fall due for a period of at least 12 months from the approval of the accounts. Accordingly, they continue to adopt the going concern basis of preparation.

In the event that the company was not able to access the shareholder funding significant uncertainty would exist as to whether the company will continue to operate. This indicates that a material uncertainty exists that may cast doubt on the company's ability to continue as a going concern.

The financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

Employment Policy

It is the Company's policy to treat all its employees fairly and ensure equal opportunity for all regardless of gender, ethnic origin, age, disability or religion.

On behalf of the board

Richard Holland
Director

Alun Jones (Chairman)
Director

30 June 2023

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

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 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 then 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;
- 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.

**CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
STRATEGIC REPORT**

FOR THE YEAR ENDED 30 JUNE 2022

The directors present the strategic report for the year ended 30 June 2022.

Fair review of the business

There were a number of positives to take from the year July 2021 to June 2022, however the Covid-19 pandemic continued to be a disruptive presence for Cardiff Rugby both on and off the field. Whilst we were returning to normality in many aspects, the long-term affects were still being felt and short-term setbacks, such as the Omicron outbreak, would have a significant impact on the rugby season.

However, the rugby community continued to show its unity at the club, embracing the club's re-branding and producing memorable occasions as supporters returned to the terraces for the first time since March 2020.

Rugby

Despite the long-awaited return of crowds at rugby matches, Cardiff's season continued to be heavily disrupted by the Covid-19 pandemic as the club finished in 14th place in the new-look United Rugby Championship.

On the back of a summer where Josh Adams and Josh Navidi represented British and Irish Lions and 12 players were involved in Wales' international squad, the club enjoyed a promising start to the season, winning three of the opening five fixtures.

However, following the Omicron outbreak in December 2021 where 48 employees including 32 players were stuck in quarantine in South Africa, the second half of the season was a challenging one as the squad looked to regain form, fitness and continuity as well as battling against a growing injury list, which often made it difficult to have meaningful training sessions.

In Europe, Cardiff returned to the Heineken Champions Cup and were drawn against the defending French and English champions, Toulouse and Harlequins. Despite the South African quarantine, the club fulfilled their opening two fixtures with a squad comprising of international players, promising academy youngsters and semi-professionals.

Against adversity, the squad produced admirable performances against two full strength sides and, despite registering two defeats, captured the hearts of the rugby community. Fulfilling these fixtures also benefitted the club commercially with a bumper crowd attending the home fixture against Toulouse.

After narrowly missing out on the Champions Cup knockout stages on points difference, Cardiff qualified for the Challenge Cup last Round of 16 but were ultimately defeated 40-33 by Saracens at StoneX Stadium.

The festive derbies were also impacted by Covid and were rescheduled later in the season. The return home fixture against Harlequins was played behind closed doors, with the away trip to Toulouse cancelled due to an outbreak in the French club's squad - awarding Cardiff a 28-0 victory.

The club also announced an alignment between the academy, Cardiff RFC and the first team, which would prove highly successful both in the short and long-term, winning the Indigo Group Premiership and producing valuable playing opportunities for youngsters such as Theo Cabango, Cameron Winnett, Jacob Beetham, Max Llewellyn, Mason Grady and Teddy Williams, who would all go on to feature for the first team.

Looking ahead to 2022/23, the club signed established international names in Lopeti Timani, Thomas Young, Taulupe Faletau and Liam Williams - with the latter three all included in the NS38 - while also retaining the services of key current players such as Josh Adams, Owen Lane, Seb Davies and Rhys Carré.

A total of 12 players also departed the club over the course of the season - Rhys Gill, Iestyn Harris, Scott Andrews, Ben Murphy, Alun Lawrence, Sam Moore, Lewis Jones, Luke Scully, Jason Tovey, Hallam Amos, Garyn Smith and Will Boyde.

**CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
STRATEGIC REPORT (CONTINUED)**

FOR THE YEAR ENDED 30 JUNE 2022

Fair review of the business

Cardiff Arms Park

With the existing lease due to expire in February 2022, a new three-year extension was agreed with Cardiff Athletic Club, which was a significant boost to the club. As part of the new agreement, CAC have formed a development company who are tasked with the redevelopment of Cardiff Arms Park.

A number of improvements were made across the site as crowds were welcomed back for the first time since the Covid-19 outbreak and the first team squad continued to use the stadium for training. Hospitality spaces, such as the Sir Gareth Edwards Lounge, have been updated whilst there were also improvements made to have a positive impact on the fan experience, including a new ticket office

The fan experience as a whole received glowing feedback from a company engaged by the URC to assess this aspect across all clubs. Of the Welsh sides, Cardiff finished in second place but received the highest individual score. If it wasn't for one low score, we would have comfortably come out on top. The team have already been hard at work to ensure standards are retained and raised.

Pentwyn Leisure Centre

Whilst plans for our High Performance Centre at Pentwyn have continued to progress, it has been at a frustrating pace due to delays in getting the project moving on the ground.

Alongside the Cardiff Rugby Community Foundation, a number of plans have been made to ensure that the local community will continue to be at the centre of the developments, including encouraging discussions with Cardiff Met and GLL (the previous operators of the leisure centre), with both options presenting a great opportunity to inject further revenue and de-risk it financially in terms of the public facilities.

The gym received a significant upgrade thanks to the partnership with fitness company Matrix, who invested £500,000 into the facility. The gym now contains top of the range Matrix equipment, which has in turn allowed us to equip a second gym at Cardiff Arms Park, and has been branded to align with the club's re-brand in 2021.

Off the Field

The club's rebrand to Cardiff Rugby was officially live from August 1, launching on all online platforms, on all official club merchandise and on-site at Cardiff Arms Park.

The rebrand received glowing feedback from supporters, which was reflected as Season Memberships sold at a rapid rate in the early stages. The final figures fell narrowly short of the financial target, in part due to supporters' credit from the previous year, but exceeded the figures of the final full season pre-Covid. This was matched by good progress made on match ticket sales, exceeding the £400,000 budgeted target. Season Members' retention rates were lower than usual but this was a common theme across professional rugby club in Wales.

The 2022/23 Season Memberships also got off to a great start, with 350 supporters renewing within the first 24 hours. To match the inflation figures, prices increased by 5 per cent across the board, while a three-year option was also introduced.

Commercially, the club made good progress with the likes of LCB Construction signing up for sponsorship and long-term partners Hugh James extending their relationship with the club. It has been a challenging time for the game in Wales from a commercial point-of-view, largely due to the pandemic as well as performances on the field at a national and regional level.

Human Resources

A number of personnel changes were made across both the rugby and admin sides of the business. Prior to the 22/23 campaign Gruff Parsons and Robin Sowden-Taylor resigned from their positions, with Olivia Withers joining the club from Harlequins.

The operations team was boosted by the appointments of Caroline Richards (Safety Coordinator), Kerry Fothergill (Senior Operations Coordinator) and Gareth Booy (Ticketing Executive). On the commercial side, Gavin Vaughan-Evans joined the team to replace Harry Griffiths

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

Fair review of the business

Governance

In July 2021, Nigel Walker was appointed Performance Director at the WRU, moving on from his role as an advisor to the Cardiff Rugby board.

We appointed the club's first Supporter Advisor with David Allen - a former Chair of the CF10 Trust and a lifelong supporter of Cardiff - joining in December 2021. This is a key appointment as we continue to strengthen and modernise the governance of the club.

2022/23

Due to the timing of the report, we are also able to briefly reflect on the 2022/23 season. Over the course of the season, there were positives and negatives, both on and off the field, which culminated in the club lifting the United Rugby Championship's Welsh Shield after finishing in 10th position in the final table and therefore qualifying for the Heineken Champions Cup ahead of 2023/24. The club also reached the quarter final stage of the European Challenge Cup where we lost narrowly to Benetton Rugby.

In March, the club tragically lost Peter Thomas CBE, who passed away aged 79. Peter made an unrivalled contribution to the club as Chairman, Life President and benefactor but we will make it a priority to honour his legacy in the forthcoming years. It goes without saying that Peter will be sorely missed by us all and we have a huge amount of gratitude for his contributions and commitment to rugby in Cardiff and Wales.

Negotiations continue over a long-term lease at Cardiff Arms Park and we are delighted to have a strong working relationship with Cardiff Athletic Club which is stronger than ever. Plans are also advancing regarding the new training and community facilities in Pentwyn, with work set to begin by mid-2023.

Professional rugby in Wales has faced its challenges this season from a financial point-of-view, but a new six-year Professional Rugby Agreement has finally been signed between the WRU, Cardiff Rugby, Dragons RFC, Ospreys and Scarlets. While the upcoming seasons are set to be challenging on the pitch due to reduced playing budgets, we hope the PRA will secure the long-term survival of the professional clubs in Wales.

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

Key performance indicators

KPIs for Year ended June	2023	2022	2021	2019
	(Forecast)			
	£000	£000	£000	£000
WRU Income	9,016	6,061	1,304	4,790
Competition Income	2,321	2,842	2,822	3,223
Commercial Income	3,989	4,329	1,264	4,505
	15,325	13,232	5,390	13,020
Rugby Salaries	(10,566)	(9,203)	(7,070)	(8,232)
Rugby Costs	(1,160)	(1,238)	(1,043)	(1,006)
Direct Costs	(1,685)	(2,157)	(814)	(1,246)
	(13,410)	(12,598)	(8,927)	(10,575)
Gross (Loss)/Profit	1,915	634	(3,537)	2,445
Government Support (including rentals)		293	4,721	
Overheads	(2,672)	(3,073)	(2,689)	(2,850)
Operating Loss for year	(757)	(2,146)	(1,505)	(405)
Net Current Liabilities	(1,272)	(3,254)	(1,728)	(2,630)
Liquid Assets	1,300	431	3,182	192
Net Liabilities	(9,086)	(8,380)	(6,175)	(4,164)
Cash Inflow/(Outflow)	869	(2,752)	3,197	(55)

Financial Year 2022 saw the expected recovery from the Covid pandemic. The return of crowds to stadiums drove a significant increase in revenues at the Welsh Rugby Union which led to a greater distribution to the professional clubs. Equally the return of crowds led to a rebound in commercial income through gate receipts and matchday spend at Cardiff Arms Park and the return of sponsors. We are enormously grateful to all who have contributed.

The strengthening of the squad and coaching staff and the reinstatement of temporary pandemic salary cuts saw rugby salary costs rise against the 2021 figure. Direct costs, largely composed of food and beverage and casual staff expenditure, grew as activity increased compared to the previous year.

We have included for information our forecast results for Financial Year 2023 adjusted for each element of the financial package related to the Revised Professional Rugby Agreement (RPRA), which became effective in June 2023. Our WRU Income has grown due to the inclusion for the first time of an allocation of the revenue from the transaction under which CVC acquired a proportion of the commercial rights to Six Nations matches. Further amounts will be distributed over the 6 year term of the RPRA financial plan. We have also entered into a £3.75 million loan facility with the WRU. This facility has improved our short term financial position. As has been widely publicised the RPRA imposes strict financial limits on Wales' professional clubs including a salary cap of £4.5m. These strictures are necessary to service the capital and interest costs of the debt accumulated by the Company over the last three years.

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

Principal risks and uncertainties

Financial risk management objectives and policies

The company operates a number of risk management policies designed to minimise its exposure to financial risk.

Liquidity and cash flow risk

The company produces detailed management accounts and forecasts, which enable the Directors to monitor the cash position and to ensure that there is sufficient liquidity and cash flow to minimise the risk of the company being unable to pay its debts as they fall due.

The company utilises loans to finance its operations. The continued availability of these debt facilities is crucial to the future prospects of the company.

Borrowings at variable rates expose the company to interest rate risk, however the directors actively manage this risk by monitoring cash-flow to ensure such borrowings are minimised.

Credit risk

Given the nature of the business the company does not consider that it faces any significant credit risk.

Price risk

The company actively manages price risk by agreeing terms with suppliers prior to entering into any transactions with customers.

Richard Holland
Chief Executive Officer
30 June 2023

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF CARDIFF BLUES LIMITED

Opinion

We have audited the financial statements of Cardiff Blues Limited (the 'company') for the year ended 30 June 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 company's affairs as at 30 June 2022 and of its 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 company 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.

Material uncertainty relating to going concern

We draw attention to note 1.2 in the financial statements describing the going concern status of the company. In making their assessment of Going Concern, the Directors have prepared a cash flow forecast for the next 12 months which indicates a continued requirement to raise additional shareholder investment to enable the company to continue as a going concern. Whilst the directors have identified the likely source of the additional funds, they recognise that these conditions indicate a significant uncertainty in relation to going concern. This indicates that a material uncertainty exists that may cast doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF CARDIFF BLUES LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 directors' responsibilities statement, 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 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 company or to cease operations, or have no realistic alternative but to do so.

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.

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

**CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF CARDIFF BLUES LIMITED**

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.

Andrew Howells (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

30 June 2023

Chartered Accountants
Statutory Auditor

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
United Kingdom
CF23 8AB

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 £	2021 £
Turnover	3	13,232,535	5,389,650
Cost of sales		(12,598,137)	(8,927,225)
Gross profit/(loss)		634,398	(3,537,575)
Administrative expenses		(3,073,373)	(2,689,072)
Other operating income		292,792	4,721,282
Operating loss	6	(2,146,183)	(1,505,365)
Interest payable and similar expenses	8	(141,395)	(126,111)
Loss before taxation		(2,287,578)	(1,631,476)
Tax on loss	9	82,161	-
Loss for the financial year		(2,205,417)	(1,631,476)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
BALANCE SHEET
AS AT 30 JUNE 2022

		2022	2021
	Notes	£	£
Fixed assets			
Tangible assets	10	201,210	232,935
Current assets			
Stocks	11	15,374	12,865
Debtors	12	415,133	690,957
Cash at bank and in hand		430,934	3,182,694
		<u>861,441</u>	<u>3,886,516</u>
Creditors: amounts falling due within one year	13	<u>(4,116,072)</u>	<u>(5,614,521)</u>
Net current liabilities		<u>(3,254,631)</u>	<u>(1,728,005)</u>
Total assets less current liabilities		<u>(3,053,421)</u>	<u>(1,495,070)</u>
Creditors: amounts falling due after more than one year	14	<u>(5,326,813)</u>	<u>(4,679,747)</u>
Net liabilities		<u><u>(8,380,234)</u></u>	<u><u>(6,174,817)</u></u>
Capital and reserves			
Called up share capital	18	14,323,303	14,323,303
Profit and loss reserves		<u>(22,703,537)</u>	<u>(20,498,120)</u>
Total equity		<u><u>(8,380,234)</u></u>	<u><u>(6,174,817)</u></u>

The financial statements were approved by the board of directors and authorised for issue on 30 June 2023 and are signed on its behalf by:

Richard Holland
Director

Alun Jones (Chairman)
Director

Company Registration No. 03199030

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 July 2020	14,323,303	(18,866,644)	(4,543,341)
Year ended 30 June 2021:			
Loss and total comprehensive income for the year	-	(1,631,476)	(1,631,476)
Balance at 30 June 2021	14,323,303	(20,498,120)	(6,174,817)
Year ended 30 June 2022:			
Loss and total comprehensive income for the year	-	(2,205,417)	(2,205,417)
Balance at 30 June 2022	14,323,303	(22,703,537)	(8,380,234)

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

		2022	2021
	Notes	£	£
Cash flows from operating activities			
Cash absorbed by operations	21	(2,046,761)	(1,351,534)
Interest paid		(141,395)	(126,111)
Income taxes refunded		82,161	76,535
Net cash outflow from operating activities		(2,105,995)	(1,401,110)
Investing activities			
Purchase of tangible fixed assets		(113,877)	-
Net cash used in investing activities		(113,877)	-
Financing activities			
Proceeds from borrowings		-	5,000,000
Repayment of borrowings		(507,536)	(379,589)
Payment of finance leases obligations		(24,352)	(22,534)
Net cash (used in)/generated from financing activities		(531,888)	4,597,877
Net (decrease)/increase in cash and cash equivalents		(2,751,760)	3,196,767
Cash and cash equivalents at beginning of year		3,182,694	(14,073)
Cash and cash equivalents at end of year		430,934	3,182,694

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

Company information

Cardiff Blues Limited is a private company limited by shares incorporated in England and Wales. The registered office is Cardiff Arms Park, Westgate Street, Cardiff, South Glamorgan, UK, CF10 1JA.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

As at the year ended 30 June 2022, the company suffered a loss of £2,205k, with net current liabilities of £3.3m and total liabilities of £8.4m and remains reliant upon the support of the WRU, its various funders and the ongoing support and goodwill of its fans, commercial sponsors, directors and shareholders. A new funding framework has been agreed with the WRU, providing further certainty over funds and cashflow, and in addition a key shareholder has entered into a binding agreement to financially support the company if required.

The directors recognise that these conditions still indicate a significant uncertainty in relation to going concern and have taken steps to preserve liquidity.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. The forecasts indicate the company will have sufficient funds to meet its liabilities as they fall due for a period of at least 12 months from the approval of the accounts. Accordingly, they continue to adopt the going concern basis of preparation.

In the event that the company was not able to access the shareholder funding significant uncertainty would exist as to whether the company will continue to operate. This indicates that a material uncertainty exists that may cast doubt on the company's ability to continue as a going concern.

The financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

1.3 Turnover

Turnover represents amounts invoiced, excluding value added tax, in respect of the sale of goods and services. Ticket income, hospitality income and income from competitions are recognised as revenue when the respective event takes place. Revenue from commercial contracts - including broadcasting revenue, sponsorship and the lease of hospitality boxes is recognised based on the terms of the contract. WRU receipt income is recognised in accordance with contractual arrangements with the WRU.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	6 - 10 years
Plant and machinery	4 - 6 years
Fixtures, fittings & equipment	4 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

(Continued)

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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 company after deducting all of its liabilities.

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred taxation is provided in full in respect of taxation deferred by timing differences that have originated but not reversed at the balance sheet date.

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

(Continued)

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.16 Transfer fees

Fees payable to and receivable from other rugby football clubs on the transfer of a player's registration, together with associated costs, are dealt with through the profit and loss account in the accounting year in which the transfer of the player's registration takes place.

1.17 Player's contracts

No value has been attributed to player's contracts in the balance sheet.

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2022	2021
	£	£
Turnover analysed by class of business		
Match day income	1,010,196	-
Competitions income	2,842,337	2,802,220
WRU receipts	6,060,986	1,304,900
Sponsorship income	1,004,852	728,380
Hospitality and catering income	1,347,607	55,065
Other	966,557	499,085
	<u>13,232,535</u>	<u>5,389,650</u>
	2022	2021
	£	£
Turnover analysed by geographical market		
United Kingdom	<u>13,232,535</u>	<u>5,389,650</u>
	2022	2021
	£	£
Other revenue		
Grants received	292,792	3,994,254
NHS income	<u>-</u>	<u>727,028</u>

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022	2021
	Number	Number
Executive directors	1	1
Coaching and playing staff	115	114
Operations and administration staff	75	40
Total	<u>191</u>	<u>155</u>

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	9,254,509	7,151,557
Social security costs	1,099,379	779,411
Pension costs	105,610	99,282
	<u>10,459,498</u>	<u>8,030,250</u>

5 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	<u>168,500</u>	<u>142,400</u>

6 Operating loss

	2022	2021
	£	£
Operating loss for the year is stated after charging/(crediting):		
Government grants	(292,792)	(3,994,254)
Fees payable to the company's auditor for the audit of the company's financial statements	10,800	9,500
Depreciation of owned tangible fixed assets	125,602	138,555
Depreciation of tangible fixed assets held under finance leases	20,000	20,000
Operating lease charges	110,478	131,305
	<u></u>	<u></u>

7 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	<u>10,800</u>	<u>9,500</u>

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

8 Interest payable and similar expenses

	2022	2021
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	-	1,667
Other finance costs:		
Other interest	141,395	124,444
	<u>141,395</u>	<u>126,111</u>

9 Taxation

	2022	2021
	£	£
Current tax		
Adjustments in respect of prior periods	(82,161)	-
	<u>(82,161)</u>	<u>-</u>

The actual (credit)/charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£	£
Loss before taxation	(2,287,578)	(1,631,476)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(434,640)	(309,980)
Tax effect of expenses that are not deductible in determining taxable profit	4,935	6,063
Unutilised tax losses carried forward	421,199	302,479
Depreciation on assets not qualifying for tax allowances	8,506	1,438
Research and development tax credit	(82,161)	-
Taxation credit for the year	<u>(82,161)</u>	<u>-</u>

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

10 Tangible fixed assets

	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 July 2021	2,055,473	451,477	668,604	3,175,554
Additions	53,753	49,760	10,364	113,877
At 30 June 2022	2,109,226	501,237	678,968	3,289,431
Depreciation and impairment				
At 1 July 2021	1,965,418	346,395	630,806	2,942,619
Depreciation charged in the year	45,158	52,515	47,929	145,602
At 30 June 2022	2,010,576	398,910	678,735	3,088,221
Carrying amount				
At 30 June 2022	98,650	102,327	233	201,210
At 30 June 2021	90,055	105,082	37,798	232,935

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2022 £	2021 £
Plant and machinery	-	25,873

11 Stocks

	2022 £	2021 £
Finished goods and goods for resale	15,374	12,865

12 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	192,528	544,752
Other debtors	44,570	72,908
Prepayments and accrued income	178,035	73,297
	415,133	690,957

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

13 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Obligations under finance leases	16	-	24,352
Other borrowings	15	647,937	1,802,539
Trade creditors		1,251,600	810,705
Taxation and social security		1,677,839	2,046,565
Other creditors		336,925	717,816
Accruals and deferred income		201,771	212,544
		<u>4,116,072</u>	<u>5,614,521</u>

14 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Other borrowings	15	<u>5,326,813</u>	<u>4,679,747</u>

15 Loans and overdrafts

	2022 £	2021 £
Other loans	<u>5,974,750</u>	<u>6,482,286</u>
Payable within one year	647,937	1,802,539
Payable after one year	<u>5,326,813</u>	<u>4,679,747</u>

A fixed charge dated 23 December 2010 has been placed upon Cardiff Blues Limited by Barclays Bank Plc over all sums of money in any currency deposited or paid by the company with or to the Bank or held by the Bank on behalf of the company.

A fixed and floating charge dated 3 March 2018 has been placed upon Cardiff Blues Limited by Barclays Security Trustee Limited over all the property or undertaking of the company.

16 Finance lease obligations

	2022 £	2021 £
Future minimum lease payments due under finance leases:		
Within one year	<u>-</u>	<u>24,352</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

17 Retirement benefit schemes

	2022	2021
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	105,610	99,282

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

18 Share capital

	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	4,285,202	4,285,202	4,285,200	4,285,200
Heritage shares of £1 each	750,000	750,000	750,002	750,002
A shares of £1 each	9,288,101	9,288,101	9,288,101	9,288,101
	<u>14,323,303</u>	<u>14,323,303</u>	<u>14,323,303</u>	<u>14,323,303</u>

The Heritage shares rank equally with Ordinary shares except for the right to appoint two directors to the Board and to remove any person so appointed from time to time. Also the approval of the holders of the Heritage shares must be obtained before the company can, inter alia, alter its articles of association, dispose of its rugby activities, substantially alter the nature of the business, change the club's colours or move the home ground outside of Cardiff.

The A shares hold non voting and non participating rights but hold the right to conversion to ordinary shares under certain circumstances.

19 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	64,665	79,722
Between two and five years	88,304	21,600
In over five years	2,597	-
	<u>155,566</u>	<u>101,322</u>

20 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

20 Related party transactions (Continued)

	Purchases		Sales	
	2022	2021	2022	2021
	£	£	£	£
Other related parties	449,718	249,831	75,377	49,764
Amounts owed to related parties			2022	2021
			£	£
Key management personnel- Other Loans (see below)			778,641	1,258,600
Other related parties			17,521	38,555

Key Management Personnel - Other loans

1) A loan totalling £363,641 (2021: £584,285) was due to Atlantic Properties Developments PLC, a company under the control of Peter Thomas. The balance has been included in both short term and long term creditors in line with the terms of the agreements.

2) A loan of £415,000 (2021: £448,000) is due to Paul Bailey. The balance has been included in both short term and long term creditors in line with the terms of the agreements. A fixed charge is held over the pitch by Paul Bailey.

3) The non-executive directors did not receive any remuneration.

	2022	2021
	Balance	Balance
	£	£
Amounts owed by related parties		
Other related parties	43,351	82,485

Advances and guarantees

A guarantee of £337,500 has also been provided by Martyn Ryan in respect of a loan received by the Company.

CARDIFF BLUES LIMITED
T/A CARDIFF RUGBY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

21 Cash absorbed by operations

	2022	2021
	£	£
Loss for the year after tax	(2,205,417)	(1,631,476)
Adjustments for:		
Taxation credited	(82,161)	-
Finance costs	141,395	126,111
Depreciation and impairment of tangible fixed assets	145,602	158,555
Movements in working capital:		
(Increase)/decrease in stocks	(2,509)	37,135
Decrease/(increase) in debtors	275,824	(9,314)
Decrease in creditors	(319,495)	(32,545)
Cash absorbed by operations	(2,046,761)	(1,351,534)

22 Analysis of changes in net debt

	1 July 2021	Cash flows	30 June 2022
	£	£	£
Cash at bank and in hand	3,182,694	(2,751,760)	430,934
Borrowings excluding overdrafts	(6,482,286)	507,536	(5,974,750)
Obligations under finance leases	(24,352)	24,352	-
	(3,323,944)	(2,219,872)	(5,543,816)

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.