

Company Registration No. 00331905 (England and Wales)

ST HELENS RUGBY FOOTBALL CLUB LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 OCTOBER 2017

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ST HELENS RUGBY FOOTBALL CLUB LIMITED

COMPANY INFORMATION

Directors	E McManus J A G Hartley J Nicholl K J Marren R K McCormack M Coleman D Coleman
Secretary	C R Whitehead
Company number	00331905
Registered office	St Helens RFC Stadium McManus Drive St Helens Merseyside WA9 3AL
Auditor	RSM UK Audit LLP Chartered Accountants 5th Floor One City Place Queens Road Chester CH1 3BQ

ST HELENS RUGBY FOOTBALL CLUB LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 OCTOBER 2017

The directors present the strategic report for the year ended 31 October 2017.

Review of the business

The results for the year and financial position of the company are as shown in the annexed financial statements.

Strategic objectives

To continue as one of the world's leading professional rugby league clubs and also to maximise non-rugby related revenue streams available to the club as a result of its ownership of its new, wholly-owned, stadium facility.

Business performance, risks and uncertainties

A number of important revenue streams were adversely affected in 2017 due to the team's underperformance in the first half of the season. Significant additional costs were also incurred in changing the senior coaching staff and in recruiting a marquee player.

Total revenue decreased by approximately 6% from £7,471,318 in 2016 to £7,020,554 in 2017. Operating losses increased from £(495,806) in 2016 to £(1,140,571) in 2017.

Earnings before interest, taxation, depreciation and amortisation decreased from a profit of £12,908 in 2016 to a loss of £(699,082) in 2017.

At 31 October 2017, the company had net current liabilities of £20,154,869 (2016 - £1,953,513). This is as a result of amounts due to the parent company becoming repayable within 12 months. However, the company has the support of its parent company and confirmation that these debts will not be called in within 12 months of the date of signing these financial statements. As such, the company continues to adopt the going concern assumption.

Principal risks and uncertainties

The principal risk of the company is an adverse impact on the pitch, and its knock-on effect on income streams. The company believe they have in place the appropriate facilities and staff to ensure the team continues to challenge in all competitions.

Key performance indicators

The key performance indicators are operating profit/(loss) and the net assets figure. These indicators are disclosed in the financial statements on pages 6 and 7 respectively.

Key business areas

The long term TV deals with Sky and the BBC have underpinned the financial performance of Super League and its clubs.

The operation of The Totally Wicked Stadium has strengthened both rugby and non-rugby related revenue streams, particularly in the areas of conferencing and hospitality.

ST HELENS RUGBY FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

Future developments

Revenues are projected to improve considerably in 2018, resulting from the team's improved performances and results. The company is expected to return to profitability.

Given the strong balance sheet and brand of the rugby club, as well as the quality and facilities of its new stadium, it is in a position to perform well financially in the longer term.

On behalf of the board



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E McManus

Director

Date: 27 July 2018

ST HELENS RUGBY FOOTBALL CLUB LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2017

The directors present their report and financial statements for the year ended 31 October 2017.

A separate strategic report has been prepared containing details of the objectives, performance, risks and uncertainties, key business areas, likely future developments and key performance indicators of the company.

Principal activities

The principal activity of the company continued to be that of a professional rugby league club.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

E McManus
J A G Hartley
J Nicholl
K J Marren
R K McCormack
M Coleman
D Coleman

Results and dividends

The results for the year are set out on page 8.

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

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The company encourages the involvement of its employees in its management through regular meetings for the dissemination of information of particular concern to employees; including the financial and economic factors affecting the performance of the group and for receiving their views on important matters of policy.

The club management team meet monthly and holds meetings with staff both pre and post all games to ensure good communication is maintained. Key messages and policy communications are conducted via team briefings and the club undertakes a staff appraisal system to create an environment where two-way communication is encouraged and good working practices are communicated and reviewed with employees and their managers.

Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

ST HELENS RUGBY FOOTBALL CLUB LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

Future developments

The future developments required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 has been included in the separate Strategic Report in accordance with section 414C(11) of the Companies Act 2006.

On behalf of the board



E McManus
Director

Date: 27 July 2018

ST HELENS RUGBY FOOTBALL CLUB LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2017

The directors are responsible for preparing the Strategic Report and 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ST HELENS RUGBY FOOTBALL CLUB LIMITED

Opinion

We have audited the financial statements of St Helens Rugby Football Club Limited (the 'company') for the year ended 31 October 2017 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity 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 FRS 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 31 October 2017 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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. 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.

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.

Opinions on other matters 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ST HELENS RUGBY FOOTBALL CLUB LIMITED (CONTINUED)

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 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, 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 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 directors' responsibilities statement 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 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 for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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.

RSM UK Audit LLP

Michael Fairhurst FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
5th Floor
One City Place
Queens Road
Chester
CH1 3BQ

27 July 2018

ST HELENS RUGBY FOOTBALL CLUB LIMITED

STATEMENT OF COMPREHENSIVE INCOME

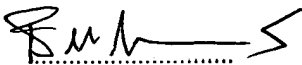
FOR THE YEAR ENDED 31 OCTOBER 2017

	Notes	2017 £	2016 £
Turnover	3	7,020,554	7,471,318
Administrative expenses		(8,161,125)	(7,967,124)
Operating loss	5	(1,140,571)	(495,806)
Interest payable and similar expenses	7	(227,227)	(220,976)
Loss before taxation		(1,367,798)	(716,782)
Tax on loss	8	(81,225)	-
Loss for the financial year		(1,449,023)	(716,782)
Other comprehensive income			
Revaluation of tangible fixed assets		1,891,758	-
Tax relating to other comprehensive income		(238,319)	322,050
Total comprehensive income for the year		<u>204,416</u>	<u>(394,732)</u>

ST HELENS RUGBY FOOTBALL CLUB LIMITED**BALANCE SHEET****AS AT 31 OCTOBER 2017**

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	9	32,211,647		30,690,623	
Investments	10		2		2
		<u>32,211,649</u>		<u>30,690,625</u>	
Current assets					
Stocks	11	98,489		129,346	
Debtors	12	552,149		390,756	
Cash at bank and in hand		237,290		338,041	
		<u>887,928</u>		<u>858,143</u>	
Creditors: amounts falling due within one year	13	<u>(20,154,869)</u>		<u>(1,953,513)</u>	
Net current liabilities			<u>(19,266,941)</u>		<u>(1,095,370)</u>
Total assets less current liabilities			<u>12,944,708</u>		<u>29,595,255</u>
Creditors: amounts falling due after more than one year	14		(92,500)		(17,267,007)
Provisions for liabilities	15		<u>(4,952,180)</u>		<u>(4,632,636)</u>
Net assets			<u><u>7,900,028</u></u>		<u><u>7,695,612</u></u>
Capital and reserves					
Called up share capital	18		7,000		7,000
Revaluation reserve	19		18,615,919		17,179,322
Profit and loss reserves	19		<u>(10,722,891)</u>		<u>(9,490,710)</u>
Total equity			<u><u>7,900,028</u></u>		<u><u>7,695,612</u></u>

The financial statements were approved by the board of directors and authorised for issue on 27 July 2018 and are signed on its behalf by:


 E McManus
 Director

ST HELENS RUGBY FOOTBALL CLUB LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2017

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 November 2015	7,000	17,272,623	(9,189,279)	8,090,344
Year ended 31 October 2016:				
Loss for the year	-	-	(716,782)	(716,782)
Other comprehensive income:				
Tax relating to stadium revaluation	-	322,050	-	322,050
Total comprehensive income for the year	-	322,050	(716,782)	(394,732)
Transfers	-	(415,351)	415,351	-
Balance at 31 October 2016	7,000	17,179,322	(9,490,710)	7,695,612
Year ended 31 October 2017:				
Loss for the year	-	-	(1,449,023)	(1,449,023)
Other comprehensive income:				
Revaluation of tangible fixed assets	-	1,891,758	-	1,891,758
Tax relating to stadium revaluation	-	(238,319)	-	(238,319)
Total comprehensive income for the year	-	1,653,439	(1,449,023)	204,416
Transfers	-	(216,842)	216,842	-
Balance at 31 October 2017	7,000	18,615,919	(10,722,891)	7,900,028

ST HELENS RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2017

1 Accounting policies

Company information

St Helens Rugby Football Club Limited is a private company limited by shares and is registered, domiciled and incorporated in England. The registered office is St Helens RFC Stadium, McManus Drive, St Helens, Merseyside, WA9 3AL.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

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, modified to include the revaluation of long leasehold properties at fair value. The principal accounting policies adopted are set out below.

Reduced disclosure exemptions

The Company has taken advantage of the exemption from disclosing the following information, as permitted by the reduced disclosure regime within FRS 102:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Sporting Club St Helens Limited. These consolidated financial statements are available from its registered office, St Helens RFC Stadium, McManus Drive, St Helens, Merseyside WA9 3AL.

Going concern

During the year the company has made a loss of £1,449,023 and at the balance sheet date has net current liabilities of £19,266,941.

Crowther Street Holdings Limited, a company controlled by M Coleman, a director, has agreed to provide further financial support as necessary to enable the group to settle its liabilities as they fall due. As such, the ultimate parent company, Sporting Club St Helens Limited, has agreed to provide further financial support as necessary to enable the company to settle its liabilities as they fall due.

The directors have prepared budgets and cash flow forecasts for the company, which show the company can continue to trade with the continuing support of the parent company. Therefore the directors have prepared the financial statements on the going concern basis.

ST HELENS RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

1 Accounting policies (Continued)

Turnover

Prize money is dependent on where the club has finished in the major competitions and the league. It is accounted for in the season to which it relates.

Gate receipts relate to the proceeds taken at the turnstiles for each game and the season ticket sales for the season. Any prepaid season ticket sales are included within deferred income.

Sale of players relates to players sold which were under contract to the club. The income is accounted for when the sale contract is agreed.

Television fees relate to the payments for television coverage from SKY and the BBC. It is accounted for on an accruals basis.

Sponsorship, advertising and hospitality is accounted for in the season to which it relates. Any prepaid sales are included within deferred income.

Merchandising relates to shop sales and is accounted for on a receipts basis.

Lottery donations are accounted for on a receipts basis.

All of the above items exclude value added tax and are recorded at the fair value of the consideration receivable.

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.

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:

Long leasehold land and buildings	1% straight line
Plant and machinery	at 10% and 20% on reducing balance
Computer equipment	at 20% and 33% on reducing balance

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.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and losses are recognised in profit or loss.

Fixed asset investments

Interests in unlisted investments are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

ST HELENS RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

1 Accounting policies (Continued)

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.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials.

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.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised 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 trade and other 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

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.

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.

ST HELENS RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

1 Accounting policies (Continued)

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.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and loans from fellow group, 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.

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

Derecognition of financial liabilities

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

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the company to consume substantially all of its economic benefit), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

ST HELENS RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2017

1 Accounting policies (Continued)

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.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 leased asset are consumed.

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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Valuation of land and buildings

The main estimates applied in preparing these financial statements concern the carrying value of the company's leasehold land and buildings. The basis on which this has been reflected in these financial statements is set out in note 9.

ST HELENS RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

3 Turnover and other revenue

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

	2017	2016
	£	£
Turnover analysed by class of business		
Rugby related income	5,801,006	6,121,249
Catering and hospitality	1,219,548	1,350,069
	<u>7,020,554</u>	<u>7,471,318</u>
	2017	2016
	£	£
Turnover analysed by geographical market		
United Kingdom	<u>7,020,554</u>	<u>7,471,318</u>

4 Employees

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

	2017	2016
	Number	Number
Playing and coaching staff	73	73
General staff	72	69
Catering and stewards	458	418
	<u>603</u>	<u>560</u>

Their aggregate remuneration comprised:

	2017	2016
	£	£
Wages and salaries	4,073,139	4,040,516
Social security costs	402,206	392,033
Pension costs	15,841	14,461
	<u>4,491,186</u>	<u>4,447,010</u>

ST HELENS RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2017

5 Operating loss

	2017	2016
	£	£
Operating loss for the year is stated after charging:		
Depreciation of owned tangible fixed assets	441,489	508,714
Cost of stocks recognised as an expense	952,587	1,005,737
Operating lease charges	178,741	159,042

6 Auditor's remuneration

	2017	2016
	£	£
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the company	19,000	15,500
Audit of the financial statements of the company's subsidiaries	15,500	3,500
	<u>34,500</u>	<u>19,000</u>

Statutory information on remuneration for other services provided by the company's auditors is given on a consolidated basis in the group accounts of the parent company (Sporting Club St Helens Limited).

7 Interest payable and similar expenses

	2017	2016
	£	£
Interest payable to group undertakings	218,004	218,004
Other interest	9,223	2,972
	<u>227,227</u>	<u>220,976</u>

8 Taxation

	2017	2016
	£	£
Deferred tax		
Origination and reversal of timing differences	81,225	-

ST HELENS RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2017

8 Taxation (Continued)

The total tax charge for the year included in the profit and loss account can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2017 £	2016 £
Loss before taxation	(1,367,798)	(716,782)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2016: 20.00%)	(259,882)	(143,356)
Tax effect of expenses that are not deductible in determining taxable profit	8,552	2,794
Unutilised tax losses carried forward	183,491	-
Group relief	-	7,287
Short term timing differences	1,216	67,433
Fixed asset timing differences	147,848	65,842
Taxation charge for the year	81,225	-

In addition to the amount charged to profit or loss, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2017 £	2016 £
Deferred tax arising on: Revaluation of property	238,319	(322,050)

The company has a deferred tax asset of £2,333,139 (2016 - £2,168,963) arising from trading losses available for relief against future profits, which has not been provided for in the balance sheet as it is not expected to be recoverable within the foreseeable future.

The tax rate for the current period is lower than the prior period due to changes in the UK Corporation tax rate which decreased from 20% to 19% from 1 April 2017. A further reduction to the UK Corporation tax rate was substantively enacted on 6 September 2016, reducing the main rate to 17% from 1 April 2020.

The deferred tax assets and liabilities reflect these rates.

ST HELENS RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

9 Tangible fixed assets

	Long leasehold land and buildings	Plant and machinery	Computer equipment	Total
	£	£	£	£
Cost or valuation				
At 1 November 2016	30,006,345	1,907,613	416,251	32,330,209
Additions	-	46,550	24,205	70,755
Revaluation	993,655	-	-	993,655
At 31 October 2017	<u>31,000,000</u>	<u>1,954,163</u>	<u>440,456</u>	<u>33,394,619</u>
Depreciation and impairment				
At 1 November 2016	601,416	659,692	378,478	1,639,586
Depreciation charged in the year	296,687	100,654	44,148	441,489
Revaluation	(898,103)	-	-	(898,103)
At 31 October 2017	<u>-</u>	<u>760,346</u>	<u>422,626</u>	<u>1,182,972</u>
Carrying amount				
At 31 October 2017	<u>31,000,000</u>	<u>1,193,817</u>	<u>17,830</u>	<u>32,211,647</u>
At 31 October 2016	<u>29,404,929</u>	<u>1,247,921</u>	<u>37,773</u>	<u>30,690,623</u>

The leasehold land and buildings of £31,000,000 were valued at 31 October 2017 based on a depreciated replacement cost by Charterfields a firm of independent Chartered Surveyors, in accordance with the Royal Institution of Chartered Surveyors. Charterfields are not connected with the group.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2017 £	2016 £
Cost	7,984,483	7,984,483
Accumulated depreciation	(471,987)	(392,142)
Carrying value	<u>7,512,496</u>	<u>7,592,341</u>

10 Fixed asset investments

	2017 £	2016 £
Unlisted investments	<u>2</u>	<u>2</u>

This investment represents the company's share in Super League (Europe) Limited

ST HELENS RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

11 Stocks	2017	2016
	£	£
Finished goods and goods for resale	98,489	129,346
<p>During the year, an impairment loss on finished goods of £53,796 was reversed within administrative expenses (2016 - £1,645).</p>		
12 Debtors	2017	2016
Amounts falling due within one year:	£	£
Trade debtors	229,830	185,328
Other debtors	92,378	106,197
Prepayments and accrued income	229,941	99,231
	<u>552,149</u>	<u>390,756</u>
13 Creditors: amounts falling due within one year	2017	2016
	£	£
Amounts due to group undertakings	17,985,011	-
Trade creditors	411,828	293,432
Other taxation and social security	368,642	332,743
Deferred income	1,005,093	937,336
Other creditors	71,924	24,744
Accruals	312,371	365,258
	<u>20,154,869</u>	<u>1,953,513</u>
14 Creditors: amounts falling due after more than one year	2017	2016
	£	£
Amounts due to group undertakings	-	17,267,007
Other creditors	92,500	-
	<u>92,500</u>	<u>17,267,007</u>
15 Provisions for liabilities	2017	2016
	£	£
Deferred tax liabilities	4,952,180	4,632,636
Notes	16	
	<u>4,952,180</u>	<u>4,632,636</u>

ST HELENS RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2017

16 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2017 £	Liabilities 2016 £
Balances:		
Accelerated capital allowances	98,434	-
Revaluations	3,925,127	3,686,808
Rolled over gains	945,828	945,828
Short-term timing differences	(17,209)	-
	<u>4,952,180</u>	<u>4,632,636</u>
		2017
Movements in the year:		£
Liability at 1 November 2016		4,632,636
Charge to profit or loss		81,225
Charge to other comprehensive income		238,319
		<u>4,952,180</u>
Liability at 31 October 2017		<u>4,952,180</u>

The deferred tax liability set out above in relation to revaluations will be released in line with the excess depreciation charge transferred from the revaluation reserve annually.

17 Retirement benefit schemes

	2017 £	2016 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	15,841	14,461
	<u>15,841</u>	<u>14,461</u>

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. The pension cost charge represents contributions payable by the company to the fund. At 31 October 2017 pension contributions of £4,347 (2016 - £4,259) were outstanding and included in other creditors.

ST HELENS RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

18 Share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
14,000 Ordinary shares of 50p each	7,000	7,000
	<u>7,000</u>	<u>7,000</u>

The company has one class of ordinary shares which carry no right to fixed income. Each share is entitled to one vote in any circumstances.

19 Reserves

Revaluation reserve

The cumulative revaluation gains and losses in respect of land and buildings, except revaluation gains and losses recognised in profit or loss, net of respective deferred tax.

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

20 Financial commitments, guarantees and contingent liabilities

The loans in Sporting Club St Helens Limited from Crowther Street Holdings Limited are secured by a debenture over all of the assets and undertakings of Sporting Club St Helens Limited and its subsidiary, St Helens Rugby Football Club Limited. The total liability at 31 October 2017 was £12,830,451 (2016 - £12,112,447).

21 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:

	2017	2016
	£	£
Within one year	71,476	50,599
Between one and five years	65,498	73,859
	<u>136,974</u>	<u>124,458</u>

22 Related party transactions

Transactions with related parties

A director of the company has significant influence over RCMA Stratford Ltd. Sales to the entity during the year have totalled £124,175 (2016 - £Nil) and a debtor balance of £1,177 (2016 - £Nil) is held at the year end.

ST HELENS RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

23 Controlling party

In the directors' opinion there is no one single ultimate controlling party.

The ultimate parent company is Sporting Club St Helens Limited and the smallest and largest group for which consolidated accounts including St Helens Rugby Football Club Limited are prepared. The consolidated accounts of Sporting Club St Helens Limited are available from its registered office, St Helens RFC Stadium, McManus Drive, St Helens, Merseyside WA9 3AL.