
THE WORLD PROFESSIONAL
BILLIARDS AND SNOOKER
ASSOCIATION LIMITED
REPORT AND FINANCIAL STATEMENTS

Year ended 30 June 1998

COMPANY NO: 1607454



THE WORLD PROFESSIONAL BILLIARDS AND SNOOKER ASSOCIATION LIMITED

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THE WORLD PROFESSIONAL BILLIARDS AND SNOOKER ASSOCIATION LIMITED

COMPANY INFORMATION

President

Lord Archer

Directors

D R Williams (Chairman)
R Reardon (Vice Chairman)
J Meadowcroft
R Close
D Taylor
T R Crabb
J McMahon

Secretary

M D Blake

Registered number

1607454

Registered office

27 Oakfield Road
Clifton
Bristol BS8 2AT

Bankers

Barclays Bank PLC
40 Corn Street
Bristol BS99 4AJ

Auditors

Robson Rhodes
Chartered Accountants
10 Queen Square
Bristol BS1 4NT

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of the group for the year ended 30 June 1998.

Principal activities

The company is the association for professional snooker and billiards players throughout the world. The principal activities of the group throughout the year were the promotion and regulation of professional snooker and billiards. The group promotes tournaments on behalf of its members to ensure a thriving circuit and to maximise returns to the members from the events.

Review of the business and future developments

The directors are pleased to report that significant profits have been earned in the period under review. Pre-tax profits of £845,164 have been achieved increasing capital and accumulated reserves to £4,562,410.

The Board made a commitment to members to review all financial aspects of the company and to reduce expenditure in certain activities should they not contribute to the long term plan for the Association. The Board inherited and honoured various tournament commitments, however it was able to make sufficient changes to bring in economies to minimise the earlier commitments.

Having undertaken this review, the Board has re-focused the objectives of the Association, namely to maximise its members' earning opportunities whilst maintaining the long term financial future of the game. This has resulted in the extension of the ranking tournament calendar for 1998/99 in addition to the introduction of new events, providing new marketing opportunities and expanding TV coverage.

The Association will continue to develop its links with potential markets around the world. This has been hampered by the strength of the pound and the major recession experienced in South East Asia, however the introduction of new events and sponsorship, particularly in China has been encouraging.

The Board has welcomed the invaluable support from the members particularly with their views on future policy. This will ensure that this closer relationship continues to be a priority when reviewing and completing the future development and plans for the Association.

Dividends

In accordance with the Articles of Association of the company no dividends are payable.

Year 2000

Many of the world's computer systems store only the last two digits of the year and need to be adapted to cope correctly with the year 2000. The estimated costs for the company of year 2000 issues are not expected to be significant.

Having made enquiries of suppliers, customers and staff, the board do not expect material disruption to our business from the year 2000 problem but the complexity of the matter prevents any business offering absolute assurance on this issue.

REPORT OF THE DIRECTORS (CONTINUED)

Directors

The present directors of the company are set out on page 1. The directors who served during the year are as follows:-

| | |
|---------------|--|
| D R Williams | J McMahon (appointed 22 January 1998) |
| J Meadowcroft | D Taylor (appointed 22 January 1998) |
| R Close | R Reardon (appointed 25 February 1998) |
| | T R Crabb (appointed 4 June 1998) |
| | M R Wildman (retired, not re-elected at the AGM held on 19 December 1997) |
| | J S E Chambers (retired, not re-elected at the AGM held on 19 December 1997) |
| | S Pulsirivong (resigned 4 June 1998) |

The maximum number of directors is seven.

The company has insurance against the liabilities of all the directors in relation to the company.

Donations

Charitable donations made by the group during the year amounted to £70 (1997: £910). No donation was made in the year to the players' Benevolent Fund. There were no political donations.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period. In preparing these financial statements the directors have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards; and
- prepared the financial statements on the going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

THE WORLD PROFESSIONAL BILLIARDS AND SNOOKER ASSOCIATION LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

Auditors

The auditors Robson Rhodes have expressed their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

The report of the directors was approved by the Board on 10 November 1998 and signed on its behalf by:



Martyn D Blake
Secretary

THE WORLD PROFESSIONAL BILLIARDS AND SNOOKER ASSOCIATION LIMITED

**AUDITORS' REPORT TO THE MEMBERS OF THE WORLD PROFESSIONAL
BILLIARDS AND SNOOKER ASSOCIATION LIMITED**

We have audited the financial statements on pages 6 to 23 which have been prepared on the basis of the accounting policies set out on pages 11 and 12.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

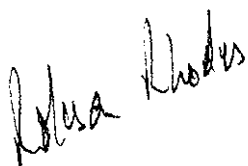
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 30 June 1998 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Robson Rhodes
Chartered Accountants and Registered Auditor

Bristol
10 November 1998

THE WORLD PROFESSIONAL BILLIARDS AND SNOOKER ASSOCIATION LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 30 June 1998

| | Note | 1998 £ | 1997 £ |
|--|------|-------------|-------------|
| Turnover: continuing operations | 2 | 10,946,391 | 11,189,412 |
| Cost of sales | 3 | (8,513,332) | (9,172,725) |
| Gross profit | 4 | 2,433,059 | 2,016,687 |
| Administrative expenses | | (1,927,471) | (1,871,436) |
| Operating profit: continuing operations | 5 | 505,588 | 145,251 |
| Interest receivable and similar income | 8 | 339,765 | 238,110 |
| Interest payable | 9 | (189) | (1,455) |
| Profit on ordinary activities before taxation | | 845,164 | 381,906 |
| Tax on profit on ordinary activities | 10 | (219,621) | (23,422) |
| Retained profit for the year | 17 | 625,543 | 358,484 |

There were no recognised gains or losses other than the profit for the year.

THE WORLD PROFESSIONAL BILLIARDS AND SNOOKER ASSOCIATION LIMITED

NOTE OF HISTORICAL COST PROFITS AND LOSSES
for the year ended 30 June 1998

| | 1998 £ | 1997 £ |
|--|-----------------------|-----------------------|
| Reported profit on ordinary activities before taxation | 845,164 | 381,906 |
| Excess of actual depreciation charge over historical cost depreciation | 2,159 | 1,799 |
| Historical cost profit on ordinary activities before taxation | <u>847,323</u> | <u>383,705</u> |
| Historical cost retained profit | <u><u>627,702</u></u> | <u><u>360,283</u></u> |

THE WORLD PROFESSIONAL BILLIARDS AND SNOOKER ASSOCIATION LIMITED

CONSOLIDATED BALANCE SHEET
at 30 June 1998

| | Note | 1998 £ | 1997 £ |
|---|------|--------------------------|--------------------------|
| Fixed assets | | | |
| Tangible assets | 11 | 653,604 | 578,813 |
| Current assets | | | |
| Debtors | 13 | 1,003,660 | 1,001,590 |
| Cash at bank and in hand | | 5,429,175 | 4,605,561 |
| Creditors: amounts falling due within one year | 14 | 6,432,835 (2,420,779) | 5,607,151 (2,249,097) |
| Net current assets | | 4,012,056 | 3,358,054 |
| Total assets less current liabilities | | 4,665,660 | 3,936,867 |
| Provision for liabilities and charges | 15 | (103,250) | - |
| Net assets | | 4,562,410 | 3,936,867 |
| Capital and reserves | | | |
| Capital reserve | 17 | 22,238 | 22,238 |
| Revaluation reserve | 17 | 127,942 | 127,942 |
| Profit and loss account | 17 | 4,412,230 | 3,786,687 |
| Members' funds | 18 | 4,562,410 | 3,936,867 |

THE WORLD PROFESSIONAL BILLIARDS AND SNOOKER ASSOCIATION LIMITED

BALANCE SHEET
at 30 June 1998

| | Note | 1998 £ | 1997 £ |
|---|------|--------------------------|--------------------------|
| Fixed assets | | | |
| Tangible assets | 11 | 653,604 | 578,813 |
| Investments | 12 | 103 | 103 |
| | | <hr/> | <hr/> |
| | | 653,707 | 578,916 |
| Current assets | | | |
| Debtors | | | |
| Cash at bank and in hand | 13 | 1,003,054 | 1,012,256 |
| | | 5,416,893 | 4,586,616 |
| | | <hr/> | <hr/> |
| Creditors: amounts falling due within one year | 14 | 6,419,947 (2,415,321) | 5,598,872 (2,244,911) |
| | | <hr/> | <hr/> |
| Net current assets | | 4,004,626 | 3,353,961 |
| | | <hr/> | <hr/> |
| Total assets less current liabilities | | 4,658,333 | 3,932,877 |
| Provision for liabilities and charges | 15 | (103,250) | - |
| | | <hr/> | <hr/> |
| Net assets | | 4,555,083 | 3,932,877 |
| | | <hr/> | <hr/> |
| Capital and reserves | | | |
| Capital reserve | 17 | 22,238 | 22,238 |
| Revaluation reserve | 17 | 127,942 | 127,942 |
| Profit and loss account | 17 | 4,404,903 | 3,782,697 |
| | | <hr/> | <hr/> |
| Members' funds | 18 | 4,555,083 | 3,932,877 |
| | | <hr/> | <hr/> |

The financial statements were approved by the Board on 10 November 1998 and signed on its behalf by:



Rex Williams
Director

THE WORLD PROFESSIONAL BILLIARDS AND SNOOKER ASSOCIATION LIMITED

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 June 1998

| | Note | 1998 £ | 1997 £ |
|--|------|-----------|-----------|
| Net cash inflow/(outflow) from operating activities | 19 | 821,490 | (139,091) |
| Returns on investment and servicing of finance | | | |
| Interest received | | 341,365 | 216,110 |
| Interest paid | | (1,629) | (15) |
| Taxation | | 339,736 | 216,095 |
| UK corporation tax paid | | (146,925) | (156,715) |
| Capital expenditure and financial investment | | (146,925) | (156,715) |
| Payments to acquire tangible fixed assets | | (204,272) | (168,018) |
| Receipts from sale of tangible fixed assets | | 13,585 | 35,851 |
| Management of liquid resources | | 823,614 | (132,167) |
| Net movement in money market deposits | | (992,780) | 308,609 |
| (Decrease)/increase in cash | 20 | (169,166) | 96,731 |

THE WORLD PROFESSIONAL BILLIARDS AND SNOOKER ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 June 1998

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared in accordance with applicable accounting standards under the historical cost convention as modified by the revaluation of freehold property.

As permitted by section 230 of the Companies Act 1985, the profit and loss account of the parent company has not been separately presented in the financial statements.

Basis of consolidation

The group accounts consolidate the accounts of the company and all its subsidiary undertakings at 30 June using acquisition accounting.

Foreign currencies

Trading transactions denominated in foreign currencies are translated into sterling using the exchange rate at the date of the transaction. Exchange gains or losses are included in operating profit.

Turnover

Turnover consists of the invoiced value (excluding VAT) of tournament income relating to the current season from sponsors including prize monies, venues, television fees, royalties and entry fees; and non tournament income including subscription fees.

Prize monies

Prize monies receivable from sponsors are included in turnover. Prize monies payable, including any contributions by the company, are included in cost of sales. An analysis of the prize monies is included in the notes to the financial statements. Prize monies include all sanctioned events including those promoted by third parties.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or, in the case of freehold property, at an independently determined professional valuation.

Depreciation is provided evenly on the cost or valuation of tangible fixed assets to write them down to their estimated residual value over their expected useful lives. The principal annual rates used are:

| | |
|----------------------------------|------------|
| Freehold buildings | 2% |
| Motor vehicles | 25% |
| Fixtures, fittings and equipment | 10% to 20% |

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes.

THE WORLD PROFESSIONAL BILLIARDS AND SNOOKER ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 June 1998

Taxation (continued)

Provision for deferred taxation is made under the liability method only to the extent that it is probable that the liability will become payable in the foreseeable future.

Tournament sets

The cost of construction and repair of tournament sets is written off in the year incurred.

Recognition of tournament revenues

Tournament income received and costs incurred before the year end are accounted for in the year in which the finals are played. Where, in the opinion of the directors, tournaments started in the year are expected to result in a loss, full provision for the estimated loss is made at the outset.

Pension fund contributions

Pension contributions are made by the group for permanent employees (excluding directors) to a group personal pension scheme. The new defined contribution scheme replaced the money purchase pension fund on 1 January 1996.

2. SEGMENTAL ANALYSIS

(a) Class of business

All of the group's turnover is derived from the company's principal activities. The following analysis is provided to illustrate the sources of turnover:

| | 1998 £ | 1997 £ |
|---|--------------------------|--------------------------|
| Tournament income: | | |
| Prize money received from sponsors | 3,053,016 | 3,717,528 |
| Other income derived from promoting tournaments | 7,786,831 | 7,356,133 |
| | <u>10,839,847</u> | <u>11,073,661</u> |
| Non tournament income: | | |
| New members' joining fees | 150 | 1,900 |
| Annual subscription fees | 72,333 | 77,368 |
| Other | 34,061 | 36,483 |
| | <u>10,946,391</u> | <u>11,189,412</u> |
| | <u><u>10,946,391</u></u> | <u><u>11,189,412</u></u> |

THE WORLD PROFESSIONAL BILLIARDS AND SNOOKER ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 June 1998

(b) **Turnover by geographical market**

The analysis of turnover by geographical markets is as follows:

| | 1998 £ | 1997 £ |
|----------------|-------------|-------------|
| United Kingdom | 9,896,388 | 9,125,368 |
| Rest of Europe | 293,934 | 364,940 |
| Asia | 260,657 | 1,177,323 |
| North America | 495,412 | 521,781 |
| | <hr/> | <hr/> |
| | 10,946,391 | 11,189,412 |
| | <hr/> <hr/> | <hr/> <hr/> |

3. **COST OF SALES**

Cost of sales comprises:

| | 1998 £ | 1997 £ |
|---|-------------|-------------|
| Prize monies paid to players | 5,283,286 | 5,734,758 |
| Tournament and other direct operating costs | 3,230,046 | 3,437,967 |
| | <hr/> | <hr/> |
| | 8,513,332 | 9,172,725 |
| | <hr/> <hr/> | <hr/> <hr/> |

4. **GROSS PROFIT**

Gross profit comprises:

| | 1998 £ | 1997 £ |
|---|-------------|-------------|
| Contribution to prize monies by the group | (2,230,270) | (2,017,230) |
| Returns from tournament activities | 4,556,785 | 3,918,166 |
| | <hr/> | <hr/> |
| Non tournament income | 2,326,515 | 1,900,936 |
| | 106,544 | 115,751 |
| | <hr/> | <hr/> |
| | 2,433,059 | 2,016,687 |
| | <hr/> <hr/> | <hr/> <hr/> |

THE WORLD PROFESSIONAL BILLIARDS AND SNOOKER ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 June 1998

5. OPERATING PROFIT

Operating profit is arrived at after charging/(crediting):

| | 1998 £ | 1997 £ |
|---|-------------------|-------------------|
| Auditors' remuneration | 14,000 | 13,300 |
| Depreciation of tangible fixed assets | 118,161 | 79,494 |
| (Profit)/loss on disposal of fixed assets | (2,265) | 1,550 |
| Tournament cost provisions (see note 15) | 103,250 | - |
| | <u> </u> | <u> </u> |

6. EMPLOYEES AND PENSIONS

Average monthly number of employees, including directors:

| | 1998 £ | 1997 £ |
|--------------------------------|-------------------|-------------------|
| Directors - all non-executive | 6 | 5 |
| Full time administration staff | 28 | 25 |
| Part-time tournament staff | 4 | 5 |
| | <u> </u> | <u> </u> |
| | 38 | 35 |
| | <u> </u> | <u> </u> |

Staff costs:

(Directors receive no remuneration - see note 7)

| | 1998 £ | 1997 £ |
|-----------------------|-------------------|-------------------|
| Wages and salaries | 738,602 | 627,851 |
| Social security costs | 66,328 | 61,263 |
| Pension costs | 43,125 | 32,779 |
| | <u> </u> | <u> </u> |
| | 848,055 | 721,893 |
| | <u> </u> | <u> </u> |

7. DIRECTORS

- (a) According to the Articles of Association of the company, no director may receive remuneration in respect of services as a director to the company. No remuneration has been paid to directors in the year in respect of their offices as directors.

THE WORLD PROFESSIONAL BILLIARDS AND SNOOKER ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 June 1998

7. DIRECTORS (CONTINUED)

(b) The Articles of Association do, however, allow the directors to be reimbursed for expenses incurred. Reimbursed expenses are as follows:

| Directors | Traveling expenses £ | Telephone and sundry expenses £ | Total £ |
|------------------------|----------------------------|--|-------------|
| D R Williams | 16,034 | 6,598 | 22,632 |
| R Reardon | 1,611 | 316 | 1,927 |
| J Meadowcroft | 5,786 | 2,197 | 7,983 |
| R Close | 7,440 | 237 | 7,677 |
| J McMahan | 1,990 | 1,162 | 3,152 |
| D Taylor | 1,865 | 583 | 2,448 |
| T R Crabb | - | - | - |
| M R Wildman | 5,805 | 3,019 | 8,824 |
| S Pulsirivong | - | - | - |
| J S E Chambers | 3,997 | 1,569 | 5,566 |
| | <hr/> | <hr/> | <hr/> |
| Total this year | 44,528 | 15,681 | 60,209 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| Previous year | 46,057 | 12,538 | 58,595 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

(c) **Interest in contracts**

All directors have made a full declaration of their other interests so that the Board is aware of any potential conflicts of interest.

R Reardon has a three year contract to head the company's Coaching Committee and will be paid annual fees of £12,500.

8. INTEREST RECEIVABLE AND SIMILAR INCOME

| | 1998 £ | 1997 £ |
|------------------------------------|-------------|-------------|
| Interest received on bank deposits | 339,765 | 238,110 |
| | <hr/> <hr/> | <hr/> <hr/> |

THE WORLD PROFESSIONAL BILLIARDS AND SNOOKER ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 June 1998

9. INTEREST PAYABLE

| | 1998 £ | 1997 £ |
|------------------------|------------|--------------|
| Bank borrowings | 7 | 15 |
| Other interest payable | 182 | 1440 |
| | <u>189</u> | <u>1,455</u> |

10. TAXATION

The tax charge is based on the profit on ordinary activities for the year and comprises:

| | 1998 £ | 1997 £ |
|---|----------------|---------------|
| United Kingdom corporation tax @ 31% (1997: 31.9%) | 250,170 | 173,200 |
| Amendment to previous years' estimates | (30,549) | (149,778) |
| | <u>219,621</u> | <u>23,422</u> |

THE WORLD PROFESSIONAL BILLIARDS AND SNOOKER ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
30 June 1998

11. TANGIBLE FIXED ASSETS

Group and company

| | Freehold property £ | Motor vehicles £ | Fixtures and fittings £ | Total £ |
|--------------------------|------------------------------------|---------------------------------|--|--------------------|
| Cost or valuation | | | | |
| At 1 July 1997 | 360,000 | 141,031 | 577,549 | 1,078,580 |
| Capital expenditure | - | 49,500 | 154,772 | 204,272 |
| Disposals | - | (46,429) | (105,622) | (152,051) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 30 June 1998 | 360,000 | 144,102 | 626,699 | 1,130,801 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| Depreciation | | | | |
| At 1 July 1997 | 5,700 | 39,326 | 454,741 | 499,767 |
| Charge for the year | 5,700 | 38,870 | 73,591 | 118,161 |
| Disposals | - | (36,538) | (104,193) | (140,731) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 30 June 1998 | 11,400 | 41,658 | 424,139 | 477,197 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| Net book value | | | | |
| At 30 June 1998 | 348,600 | 102,444 | 202,560 | 653,604 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| At 30 June 1997 | 354,300 | 101,705 | 122,808 | 578,813 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

THE WORLD PROFESSIONAL BILLIARDS AND SNOOKER ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
30 June 1998

11. TANGIBLE FIXED ASSETS (CONTINUED)

The freehold property was valued by external valuers, Lambert Smith Hampton, Chartered Surveyors, as at 30 June 1996 at £360,000 on the basis of Existing Use Value in the open market in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors. If the property had not been revalued it would have been included in the balance sheet at the following amount:

| | £ |
|-----------------------|-------------------|
| Cost | 292,561 |
| Depreciation | <u> </u> |
| At 1 July 1997 | 46,811 |
| Charge for year | 3,901 |
| | <u> </u> |
| At 30 June 1998 | 50,712 |
| Net book value | <u> </u> |
| At 30 June 1998 | 241,849 |
| Net book value | <u> </u> |
| At 30 June 1997 | 245,750 |
| | <u> </u> |

THE WORLD PROFESSIONAL BILLIARDS AND SNOOKER ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 June 1998

12. INVESTMENTS

The parent undertaking's investments in the subsidiary undertakings are made up as follows:

| | £ |
|----------------------------------|------------|
| Shares at cost | |
| At 30 June 1997 and 30 June 1998 | 103 |
| | <u>103</u> |

The parent undertaking holds a 100% shareholding in EASB Limited. The parent company also holds a 100% shareholding in the subsidiary undertaking WPBSA (Promotions) Limited which did not trade during the year and accordingly made neither profit nor a loss. Both companies were incorporated in England and Wales.

13. DEBTORS

| | Group | | Company | |
|--|------------------|------------------|------------------|------------------|
| | 1998 £ | 1997 £ | 1998 £ | 1997 £ |
| Trade debtors | 120,743 | 482,331 | 120,061 | 481,746 |
| Amounts owed by subsidiary undertakings | - | - | 10,616 | 11,834 |
| Other debtors | 35,431 | 53,829 | 35,431 | 53,829 |
| Prepayments and accrued income | 847,486 | 465,430 | 836,946 | 464,847 |
| | <u>1,003,660</u> | <u>1,001,590</u> | <u>1,003,054</u> | <u>1,012,256</u> |

THE WORLD PROFESSIONAL BILLIARDS AND SNOOKER ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 June 1998

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Company | |
|---|------------------|------------------|------------------|------------------|
| | 1998 £ | 1997 £ | 1998 £ | 1997 £ |
| Payments in advance | 279,669 | 285,795 | 279,669 | 285,750 |
| Trade creditors | 351,302 | 131,295 | 351,302 | 131,295 |
| Amounts owed to subsidiary undertakings | - | - | 100 | 100 |
| Corporation tax | 245,896 | 173,200 | 245,014 | 172,000 |
| Other taxation and social security | 458,021 | 392,803 | 458,021 | 392,801 |
| Accruals | 1,085,891 | 1,266,004 | 1,081,215 | 1,262,965 |
| | <u>2,420,779</u> | <u>2,249,097</u> | <u>2,415,321</u> | <u>2,244,911</u> |

Payments in advance represent entry fees received in advance for tournaments due to be completed after 30 June 1998.

15. PROVISIONS FOR LIABILITIES AND CHARGES

Group and company

| | 1998 £ | 1997 £ |
|---------------------------------------|----------------|-----------|
| Tournament provision | | |
| At 1 July | - | 364,500 |
| Transfer from profit and loss account | 103,250 | - |
| Utilised in the year | - | (364,500) |
| | <u>103,250</u> | <u>-</u> |
| At 30 June | <u>103,250</u> | <u>-</u> |

The association organises a number of tournaments which do not have, or are not fully backed by, sponsorship. Therefore the association contributes to the cost of running the tournaments from its own resources. The accounting policy adopted requires provisions to be made to cover the estimated net cost of those loss making tournaments which have started but not finished at the balance sheet date.

Deferred taxation

Deferred taxation is provided in full except in respect of the revaluation surplus on the property. It is anticipated that no liability would arise if the property were sold at its revalued amount because the proceeds would be invested in replacement assets.

THE WORLD PROFESSIONAL BILLIARDS AND SNOOKER ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 June 1998

16. COMPANY STATUS

The company is incorporated under the Companies Act 1985 with no share capital and is limited by guarantee.

17. RESERVES

| | Capital reserve £ | Revaluation reserve £ | Profit and loss account £ |
|------------------------------|----------------------------------|--------------------------------------|--|
| Group | | | |
| At 1 July 1997 | 22,238 | 127,942 | 3,786,687 |
| Retained profit for the year | - | - | 625,543 |
| | <hr/> | <hr/> | <hr/> |
| At 30 June 1998 | 22,238 | 127,942 | 4,412,230 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| | | | |
| | Capital reserve £ | Revaluation reserve £ | Profit and loss account £ |
| Company | | | |
| At 1 July 1997 | 22,238 | 127,942 | 3,782,697 |
| Retained profit for the year | - | - | 622,206 |
| | <hr/> | <hr/> | <hr/> |
| At 30 June 1998 | 22,238 | 127,942 | 4,404,903 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

THE WORLD PROFESSIONAL BILLIARDS AND SNOOKER ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 June 1998

18. RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS

| | 1998 £ | 1997 £ |
|------------------------|-----------------------------|-----------------------------|
| Group | | |
| Total recognised gains | 625,543 | 358,484 |
| Opening members' funds | 3,936,867 | 3,578,383 |
| | <u> </u> | <u> </u> |
| Closing members' funds | 4,562,410 | 3,936,867 |
| | <u> </u> | <u> </u> |
| Company | | |
| Total recognised gains | 622,206 | 354,690 |
| Opening members' funds | 3,932,877 | 3,578,187 |
| | <u> </u> | <u> </u> |
| Closing members' funds | 4,555,083 | 3,932,877 |
| | <u> </u> | <u> </u> |

19. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

| | 1998 £ | 1997 £ |
|--|-----------------------------|-----------------------------|
| Operating profit | 505,588 | 145,251 |
| Depreciation | 118,161 | 79,494 |
| (Profit)/loss on sale of tangible fixed assets | (2,265) | 1,550 |
| Net increase/(decrease) in provisions for future tournament losses | 103,250 | (364,500) |
| Increase in debtors | (3,670) | (313,034) |
| Increase in creditors | 100,426 | 312,148 |
| | <u> </u> | <u> </u> |
| Net cash inflow/(outflow) from operating activities | 821,490 | (139,091) |
| | <u> </u> | <u> </u> |

NOTES TO THE FINANCIAL STATEMENTS

30 June 1998

20. RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET CASH

| | 1998 £ | 1997 £ |
|---|-------------|-------------|
| (Decrease)/increase in cash | (169,166) | 96,731 |
| Cash inflow/(outflow) from movement in liquid resources | 992,780 | (308,609) |
| | <hr/> | <hr/> |
| Increase/(decrease) in net cash | 823,614 | (211,878) |
| Net cash at 1 July 1997 | 4,605,561 | 4,817,439 |
| | <hr/> | <hr/> |
| Net cash at 30 June 1998 | 5,429,175 | 4,605,561 |
| | <hr/> <hr/> | <hr/> <hr/> |

21. ANALYSIS OF NET CASH

| | 1 July 1997 £ | Cashflow £ | 30 June 1998 £ |
|--------------------------|------------------|---------------|-------------------|
| Cash at bank and in hand | 334,170 | (169,166) | 165,004 |
| Money market deposits | 4,271,391 | 992,780 | 5,264,171 |
| | <hr/> | <hr/> | <hr/> |
| Net cash | 4,605,561 | 823,614 | 5,429,175 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

22. CONTINGENCIES

Legal actions

The nature of the company's business means that from time to time legal action, or threats of legal action, arise against the company or its directors. After consultation with legal advisors, the directors have not considered it necessary to make any further provision in the financial statements for the cost of actions not settled at 30 June 1998.