

Company Registration No. 00331905 (England and Wales)

**ST HELENS RUGBY FOOTBALL CLUB LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 OCTOBER 2016**

WEDNESDAY



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# ST HELENS RUGBY FOOTBALL CLUB LIMITED

## COMPANY INFORMATION

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

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# ST HELENS RUGBY FOOTBALL CLUB LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 OCTOBER 2016

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The directors present the strategic report for the year ended 31 October 2016.

#### **Fair 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**

All revenue streams, both rugby and non-rugby related, remained similar to the levels of 2015.

Total revenue decreased by approximately 4% from £7,771,921 in 2015 to £7,471,318 in 2016. Operating losses increased from £(403,588) in 2015 to £(495,806) in 2016.

Earnings before interest, taxation, depreciation and amortisation decreased from a profit of £30,715 in 2015 to a profit of £12,908 in 2016.

#### **Key business areas**

The new 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.

#### **Future developments**

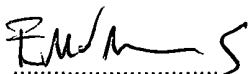
The financial performance of the company in 2017 will be adversely affected by the deterioration in the performances and results of the rugby team during the first half of the season.

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

#### **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.

On behalf of the board



E McManus

Director

29/08/17

# ST HELENS RUGBY FOOTBALL CLUB LIMITED

## DIRECTORS' REPORT

~~FOR THE YEAR ENDED 31 OCTOBER 2016~~

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The directors present their report and financial statements for the year ended 31 October 2016.

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 (Appointed 22 July 2016)

C R Whitehead replaced P J Kitchen as company secretary on 22 July 2016.

### Results and dividends

The results for the year are set out on page 6.

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

### Disabled persons

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled persons wherever appropriate.

### 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 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 the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors 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.

# ST HELENS RUGBY FOOTBALL CLUB LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

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### 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



# **ST HELENS RUGBY FOOTBALL CLUB LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

**FOR THE YEAR ENDED 31 OCTOBER 2016**

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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 MEMBERS OF ST HELENS RUGBY FOOTBALL CLUB LIMITED

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## Opinion on financial statements

We have audited the financial statements on pages 6 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2016 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.

## Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

## Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

## Matters on which we are required to report by exception

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.

## Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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  
One City Place  
Queens Road  
Chester  
CH1 3BQ

*29 August 2017*

# ST HELENS RUGBY FOOTBALL CLUB LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2016

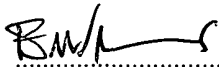
	Notes	2016 £	2015 £
Turnover	3	7,471,318	7,771,921
Administrative expenses		(7,967,124)	(8,175,509)
<b>Operating loss</b>	<b>5</b>	<b>(495,806)</b>	<b>(403,588)</b>
Interest payable and similar charges	6	(220,976)	(220,691)
<b>Loss before taxation</b>		<b>(716,782)</b>	<b>(624,279)</b>
Taxation	7	-	-
<b>Loss for the financial year</b>	<b>18</b>	<b>(716,782)</b>	<b>(624,279)</b>
<b>Other comprehensive income net of taxation</b>			
Tax relating to other comprehensive income	7	322,050	605,359
<b>Total comprehensive income for the year</b>		<b>(394,732)</b>	<b>(18,920)</b>



**ST HELENS RUGBY FOOTBALL CLUB LIMITED****BALANCE SHEET****AS AT 31 OCTOBER 2016**

	Notes	2016		2015	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8	30,690,623		31,124,487	
Investments	9		2		2
		<u>30,690,625</u>		<u>31,124,489</u>	
<b>Current assets</b>					
Stocks	10	129,346		132,868	
Debtors	11	390,756		609,540	
Cash at bank and in hand		338,041		592,028	
		<u>858,143</u>		<u>1,334,436</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(1,953,513)</u>		<u>(2,364,892)</u>	
<b>Net current liabilities</b>			<u>(1,095,370)</u>		<u>(1,030,456)</u>
<b>Total assets less current liabilities</b>			<u>29,595,255</u>		<u>30,094,033</u>
<b>Creditors: amounts falling due after more than one year</b>	13		<u>(17,267,007)</u>		<u>(17,049,003)</u>
<b>Provisions for liabilities</b>	14		<u>(4,632,636)</u>		<u>(4,954,686)</u>
<b>Net assets</b>			<u><u>7,695,612</u></u>		<u><u>8,090,344</u></u>
<b>Capital and reserves</b>					
Called up share capital	17		7,000		7,000
Revaluation reserve	18		17,179,322		17,272,623
Profit and loss reserves	18		(9,490,710)		(9,189,279)
<b>Total equity</b>			<u><u>7,695,612</u></u>		<u><u>8,090,344</u></u>

The financial statements were approved by the board of directors and authorised for issue on 29/08/17 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 2016

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
<b>Balance at 1 November 2014</b>	7,000	16,891,782	(8,789,518)	8,109,264
<b>Year ended 31 October 2015:</b>				
Loss for the year	-	-	(624,279)	(624,279)
Other comprehensive income net of taxation: Tax relating to other comprehensive income	-	605,359	-	605,359
Total comprehensive income for the year	-	605,359	(624,279)	(18,920)
Transfers	-	(224,518)	224,518	-
<b>Balance at 31 October 2015</b>	7,000	17,272,623	(9,189,279)	8,090,344
<b>Year ended 31 October 2016:</b>				
Loss for the year	-	-	(716,782)	(716,782)
Other comprehensive income net of taxation: Tax relating to other comprehensive income	-	322,050	-	322,050
Total comprehensive income for the year	-	322,050	(716,782)	(394,732)
Transfers	-	(415,351)	415,351	-
<b>Balance at 31 October 2016</b>	7,000	17,179,322	(9,490,710)	7,695,612

# ST HELENS RUGBY FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 OCTOBER 2016

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#### 1 Accounting policies

##### Company information

St Helens Rugby Football Club Limited is a private company limited by shares incorporated in England and Wales. 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.

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.

##### Transition to FRS 102

These financial statements are the first financial statements of St Helens Rugby Football Club Limited prepared in accordance with FRS 102. The financial statements of St Helens Rugby Football Club Limited for the year ended 31 October 2015 were prepared in accordance with previous UK GAAP. The date of transition was 1 November 2014.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended the accounting policy for deferred taxation to comply with FRS 102.

Comparative figures have been restated to reflect the adjustments made. Adjustments are recognised directly in retained earnings at the transition date and are detailed in note 21.

##### Reduced disclosure exemptions

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- 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.

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# ST HELENS RUGBY FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2016

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#### 1 Accounting policies (Continued)

##### Going concern

During the year the company has made a loss of £394,732 and at the balance sheet date has net current liabilities of £1,095,370.

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.

##### 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.

##### 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 varying rates on reducing balance
Computer equipment	at varying rates 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.

# ST HELENS RUGBY FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2016

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#### 1 Accounting policies (Continued)

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.

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.

#### **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.

# ST HELENS RUGBY FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2016

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#### 1 Accounting policies (Continued)

##### ***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.

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.

##### ***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. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

# ST HELENS RUGBY FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2016

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#### 1 Accounting policies (Continued)

##### **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.

##### **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 lease asset are consumed.

# ST HELENS RUGBY FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2016

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#### 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.

##### Critical judgements

At the end of the year, the directors do not consider that there were any critical judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

##### Key sources of estimation uncertainty

The main judgements 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 8.

#### 3 Turnover and other revenue

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

	2016	2015
	£	£
<b>Turnover analysed by class of business</b>		
Rugby related income	6,121,249	6,420,885
Catering and hospitality	1,350,069	1,351,036
	<u>7,471,318</u>	<u>7,771,921</u>
<b>Turnover analysed by geographical market</b>		
	2016	2015
	£	£
United Kingdom	<u>7,471,318</u>	<u>7,771,921</u>



# ST HELENS RUGBY FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2016

#### 4 Employees

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

	2016 Number	2015 Number
Playing and coaching staff	73	69
Other staff	69	66
Catering and stewards	418	513
	<u>560</u>	<u>648</u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	4,040,516	3,862,447
Social security costs	392,033	371,096
Pension costs	14,461	140,596
	<u>4,447,010</u>	<u>4,374,139</u>

#### 5 Operating loss

	2016 £	2015 £
Operating loss for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	15,500	15,000
Depreciation of owned tangible fixed assets	508,714	434,303
Cost of stocks recognised as an expense	1,005,737	1,140,550
Operating lease charges	159,042	169,101
	<u>1,728,993</u>	<u>1,768,954</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).

#### 6 Interest payable and similar charges

	2016 £	2015 £
Interest payable to group undertakings	218,004	218,004
Other interest	2,972	2,687
	<u>220,976</u>	<u>220,691</u>

# ST HELENS RUGBY FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

### 7 Taxation

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:

	2016 £	2015 £
Loss before taxation	(716,782)	(624,279)
Expected tax credit based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	(143,356)	(124,856)
Tax effect of expenses that are not deductible in determining taxable profit	2,794	6,397
Group relief	7,287	45,746
Permanent capital allowances in excess of depreciation	65,842	46,265
Deferred tax not recognised	67,433	26,448
Taxation for the year	-	-

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

	2016 £	2015 £
Deferred tax arising on: Revaluation of property	(322,050)	(605,359)

The company has a deferred tax asset of £2,169,000 (2015 - £2,483,000) 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.

Reductions to the UK Corporation tax rates were substantively enacted as part of the Finance Bill 2015 on 2 July 2015. These reduced the main rate to 20% from 1 April 2015.

Further reductions to 19% from 1 April 2017 and to 18% from 1 April 2020 were substantively enacted 26 October 2015. On 6 September 2016, a further reduction to 17% was substantively enacted to take effect from 1 April 2020.

# ST HELENS RUGBY FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 OCTOBER 2016

#### 8 Tangible fixed assets

	Long leasehold land and buildings	Plant and machinery	Computer equipment	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 1 November 2015	30,006,345	1,839,473	409,541	32,255,359
Additions	-	68,140	6,710	74,850
At 31 October 2016	30,006,345	1,907,613	416,251	32,330,209
<b>Depreciation and impairment</b>				
At 1 November 2015	272,207	530,750	327,915	1,130,872
Depreciation charged in the year	329,209	128,942	50,563	508,714
At 31 October 2016	601,416	659,692	378,478	1,639,586
<b>Carrying amount</b>				
At 31 October 2016	29,404,929	1,247,921	37,773	30,690,623
At 31 October 2015	29,734,138	1,308,723	81,626	31,124,487

The leasehold land and buildings were valued at 31 October 2014 on an open market basis by a firm of independent Chartered Surveyors. The directors believe that there has been no significant change in this value to 31 October 2016.

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:

	2016 £	2015 £
Cost	7,984,483	7,984,483
Accumulated depreciation	(392,142)	(312,297)
Carrying value	7,592,341	7,672,186

#### 9 Fixed asset investments

	2016 £	2015 £
Unlisted investments	2	2

# ST HELENS RUGBY FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2016

### 9 Fixed asset investments (Continued)

#### Movements in fixed asset investments

	Investments other than loans £
<b>Cost or valuation</b>	
At 1 November 2015 & 31 October 2016	2
<b>Carrying amount</b>	
At 31 October 2016	2
At 31 October 2015	2

### 10 Stocks

	2016 £	2015 £
Finished goods and goods for resale	129,346	132,868

During the year, an impairment loss on finished goods of £1,645 was reversed within administrative expenses (2015 - £549 loss recognised).

### 11 Debtors

	2016 £	2015 £
<b>Amounts falling due within one year:</b>		
Trade debtors	185,328	230,918
Other debtors	106,197	276,006
Prepayments and accrued income	99,231	102,616
	<u>390,756</u>	<u>609,540</u>

### 12 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	293,432	389,621
Other taxation and social security	332,743	356,896
Deferred income	937,336	1,155,277
Other creditors	24,744	123,721
Accruals	365,258	339,377
	<u>1,953,513</u>	<u>2,364,892</u>

# ST HELENS RUGBY FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2016

### 13 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Amounts due to group undertakings	17,267,007	17,049,003

### 14 Provisions for liabilities

	Notes	2016 £	2015 £
Deferred tax liabilities	15	4,632,636	4,954,686
		<u>4,632,636</u>	<u>4,954,686</u>

### 15 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:

Balances:	Liabilities 2016 £	Liabilities 2015 £
Revaluations	3,686,808	3,953,221
Rolled over gains	945,828	1,001,465
	<u>4,632,636</u>	<u>4,954,686</u>

Movements in the year:	2016 £
Liability at 1 November 2015	4,954,686
Credit to other comprehensive income	(49,542)
Effect of change in tax rate - other comprehensive income	(272,508)
Liability at 31 October 2016	<u>4,632,636</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.

# ST HELENS RUGBY FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

### 16 Retirement benefit schemes

	2016	2015
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	14,461	140,596

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 2016 pension contributions of £60,500 (2015 - £9,000) were outstanding.

### 17 Share capital

	2016	2015
	£	£
Ordinary share capital Issued and fully paid		
14,000 Ordinary shares of 50p each	7,000	7,000

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.

### 18 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.

#### Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

### 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:

	2016	2015
	£	£
Within one year	50,599	36,879
Between two and five years	73,859	50,621
	<u>124,458</u>	<u>87,500</u>

# ST HELENS RUGBY FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2016

### 20 Controlling party

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

The ultimate parent company is Sporting Club St Helens Limited. 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.

### 21 Reconciliations on adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on; (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are given below.

#### Reconciliation of equity

	Notes	1 November 2014 £	31 October 2015 £
Equity as reported under previous UK GAAP		13,669,309	13,045,030
Adjustments arising from transition to FRS 102:			
Deferred taxation on revalued property	a	(4,447,306)	(3,953,221)
Deferred taxation on rolled over gains	a	(1,112,739)	(1,001,465)
Equity reported under FRS 102		<u>8,109,264</u>	<u>8,090,344</u>

#### Reconciliation of loss for the financial period

	2015 £
Loss as reported under previous UK GAAP and under FRS 102	<u>(624,279)</u>

#### Notes to reconciliations on adoption of FRS 102

##### a. Deferred taxation

FRS 102 requires deferred tax to be provided for in relation to all timing differences. As a result deferred tax has been provided for in conjunction with land and buildings being included in these accounts at fair value. The result is a deferred tax liability at transition of £4,447,306, which had reduced to £3,953,221 at 31 October 2015, with corresponding reductions in equity. This does not impact on profit reported for the period as the deferred tax is recognised along with any valuation gains and losses as part of other comprehensive income.

FRS 102 requires deferred tax to be provided for in relation to all timing differences. As a result deferred tax has been provided for in conjunction with rolled over gains. The result is a deferred tax liability at transition of £1,112,739, which had reduced to £1,001,465 at 31 October 2015, with corresponding reductions in equity. This does not impact on profit reported for the period as the deferred tax is recognised along with any valuation gains and losses as part of other comprehensive income.