

REGISTERED NUMBER: 00174692

WIGAN RUGBY LEAGUE CLUB LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2017

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WIGAN RUGBY LEAGUE CLUB LIMITED

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WIGAN RUGBY LEAGUE CLUB LIMITED

COMPANY INFORMATION
for the Year Ended 30 November 2017

DIRECTORS:	I F Lenagan W Higham K. J Radlinski M.B.E Dr C Brookes D J Moore
SECRETARY:	D J Moore
REGISTERED OFFICE:	Central Park Montrose Avenue Pemberton Wigan Lancashire WN5 9XL
REGISTERED NUMBER:	00174692 (England and Wales)
AUDITORS:	Fairhurst Statutory Auditors Chartered Accountants Douglas Bank House Wigan Lane Wigan Lancashire WN1 2TB
BANKERS:	Barclays Bank PLC 1st Floor 3 Hardman Street Spinningfields Manchester M3 3HF
SOLICITORS:	Platt & Fishwick The Old Bank King Street Wigan WN1 1DB

**STRATEGIC REPORT
for the Year Ended 30 November 2017**

The directors present their strategic report for the year ended 30 November 2017.

REVIEW OF BUSINESS

The company reported an operating loss of £432k (2016: £605k) for the year, with the results comprising the following major factors:

- Turnover increased by 0.8% to £7.096m, with large gains in match receipts from the club's appearances in the World Club Challenge and Challenge Cup Final, together with a 13% increase in sponsorship revenue.
- Turnover gains were partially offset by declines in revenue from performance based prize money, season ticket revenue and merchandise sales.
- "Like-for-like" salaries and wages (excluding performance related bonuses) increased by £240k (6.2%) in 2017 as a result of the company's continuing investment in the playing squad.

On the pitch, the Wigan Warriors First Team began the 2017 season by defeating NRL side Cronulla Sharks 22-6 at the DW Stadium in the World Club Challenge, making Wigan World Club Champions for a record fourth time. The club also reached the final of the Challenge Cup for a record extending 32nd time, narrowly losing 14-18 to Hull FC at Wembley. In Super League however, the club finished a disappointing 6th, missing out on the end-of-season playoffs for only the 4th time in the 21 years of Super League.

The Under 19's reached the Academy Grand Final for the ninth time in the last ten seasons, winning 37-12 against Castleford to become Academy Champions. The success of the academy is vital for the club to maintain its commitment to producing a team of home town and Wigan-developed players, with over 30 academy graduates making their first team debuts since 2012.

Off the pitch the club, in partnership with Wigan Council, has announced plans to relocate their entire operations, including first team and academy training and performance facilities, to a new headquarters at Robin Park Arena. The deal includes investment of over £3.5m in a refurbishment of the existing facility and a complete "new build" extension. The transition will be completed by mid-2019, and the modern office and recreation amenities, "state of the art" training facilities, and location adjacent to the DW Stadium will transform the club's performance, community, commercial and administration departments.

The club has shown its commitment to innovation and retaining its place at the forefront of rugby league, making history by organising the first Super League game outside the UK, which took place in Wollongong, New South Wales in February 2018 against Hull FC, with Wigan winning 24-10 in front of a crowd of more than 12,000 at WIN Stadium.

PRINCIPAL RISKS AND UNCERTAINTIES


The Board are responsible for continually assessing the risks applicable to the business.

Like all Super League Clubs, the Company continues to rely upon British Sky Broadcasting Group PLC (Sky) for a material part of its income.

In respect of other significant aspects of revenue recognition the Company faces the risks and uncertainties inherent in all businesses engaged in professional sport, where financial outcome is directly linked to a team's on-field performance.

A significant element of the Company's revenue is generated through the attendance of the public at the home fixtures of Wigan Warriors. These numbers may rise or fall depending upon factors such as the team's on-field performance, the affordability of admission tickets and the time and day when Wigan Warriors are required to play home fixtures.

ON BEHALF OF THE BOARD:


D J Moore - Director

Date: 29/08/2018

WIGAN RUGBY LEAGUE CLUB LIMITED (REGISTERED NO: 00174692)

**REPORT OF THE DIRECTORS
for the Year Ended 30 November 2017**

The directors present their report with the financial statements of the company for the year ended 30 November 2017.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a professional Rugby League club, known as Wigan Warriors.

RESULTS AND DIVIDENDS

The results for the year and financial position of the Company are as shown in the annexed financial statements. The Company made an operating loss for the year of £431,784 (2016 - £605,286). After deducting interest payable and similar charges, the Company's loss for the year after taxation was £442,792 (2016 - £622,894). This amount is to be transferred to reserves and no dividend can be paid (2016 - £nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 December 2016 to the date of this report.

I F Lenagan
W Higham
K J Radlinski M.B.E
Dr C Brookes

Other changes in directors holding office are as follows:

D Tully - resigned 6 January 2017

D J Moore was appointed as a director after 30 November 2017 but prior to the date of this report.

GOING CONCERN

After making enquiries the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. This includes the offer of continued financial support from the parent company, Lenagan Investments Limited and Barclays Bank PLC, subject to ongoing periodic reviews. On this basis, along with recent trading results and forecasts, the Directors consider it appropriate to prepare the financial statements on the going concern basis.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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;
- 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.

WIGAN RUGBY LEAGUE CLUB LIMITED (REGISTERED NO: 00174692)

**REPORT OF THE DIRECTORS
for the Year Ended 30 November 2017**

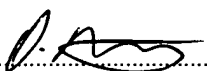
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Fairhurst, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


.....
D J Moore - Director

Date:29/01/2018.....

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WIGAN RUGBY LEAGUE CLUB LIMITED

Opinion

We have audited the financial statements of Wigan Rugby League Club Limited (the 'company') for the year ended 30 November 2017 which comprise Statement of Comprehensive Income, Statement of Financial Position, 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 Financial Reporting Standard FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 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 Auditors' 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Opinion 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WIGAN RUGBY LEAGUE CLUB LIMITED (REGISTERED NO: 00174692)**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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 Statement of Directors' Responsibilities set out on page three, 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 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.

Auditors' 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 a Report of the Auditors 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

John B S Fairhurst BA(Hons) FCA (Senior Statutory Auditor)
for and on behalf of Fairhurst
Statutory Auditors
Chartered Accountants
Douglas Bank House
Wigan Lane
Wigan
Lancashire
WN1 2TB



Date: 20/8/18

WIGAN RUGBY LEAGUE CLUB LIMITED
STATEMENT OF COMPREHENSIVE INCOME
for the Year Ended 30 November 2017

	Notes	2017 £	2016 £
TURNOVER		7,096,137	7,041,033
Cost of sales		<u>760,045</u>	<u>882,523</u>
GROSS PROFIT		6,336,092	6,158,510
Administrative expenses		<u>6,983,754</u>	<u>7,045,585</u>
		(647,662)	(887,075)
Other operating income		<u>215,878</u>	<u>281,789</u>
OPERATING LOSS		(431,784)	(605,286)
Interest payable and similar expenses	5	<u>10,337</u>	<u>17,608</u>
LOSS BEFORE TAXATION	6	(442,121)	(622,894)
Tax on loss	7	<u>671</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u><u>(442,792)</u></u>	<u><u>(622,894)</u></u>

The notes form part of these financial statements

WIGAN RUGBY LEAGUE CLUB LIMITED

**OTHER COMPREHENSIVE INCOME
for the Year Ended 30 November 2017**

	Notes	2017 £	2016 £
LOSS FOR THE YEAR		(442,792)	(622,894)
OTHER COMPREHENSIVE INCOME			
Freehold property revaluation gain		-	2,100,000
Long leasehold property revaluation gain		85,542	-
Income tax relating to components of other comprehensive income		<u>6,188</u>	<u>(346,842)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>91,730</u>	<u>1,753,158</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(351,062)</u>	<u>1,130,264</u>

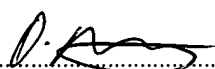
The notes form part of these financial statements

WIGAN RUGBY LEAGUE CLUB LIMITED (REGISTERED NUMBER: 00174692)

STATEMENT OF FINANCIAL POSITION
30 November 2017

	Notes	2017	2016
		£	£
FIXED ASSETS			
Intangible assets	8	73,331	176,667
Tangible assets	9	3,968,224	3,954,943
Investments	10	<u>1</u>	<u>1</u>
		4,041,556	4,131,611
CURRENT ASSETS			
Stocks	11	127,707	230,818
Debtors	12	2,290,530	2,684,056
Cash at bank and in hand		<u>333,841</u>	<u>847,239</u>
		2,752,078	3,762,113
CREDITORS			
Amounts falling due within one year	13	<u>8,483,195</u>	<u>9,226,706</u>
NET CURRENT LIABILITIES		<u>(5,731,117)</u>	<u>(5,464,593)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(1,689,561)	(1,332,982)
PROVISIONS FOR LIABILITIES	17	<u>444,447</u>	<u>449,964</u>
NET LIABILITIES		<u>(2,134,008)</u>	<u>(1,782,946)</u>
CAPITAL AND RESERVES			
Called up share capital	18	128,000	128,000
Revaluation reserve	19	2,614,199	2,522,469
Retained earnings	19	<u>(4,876,207)</u>	<u>(4,433,415)</u>
SHAREHOLDERS' FUNDS		<u>(2,134,008)</u>	<u>(1,782,946)</u>

The financial statements were approved by the Board of Directors on 29/03/2018 and were signed on its behalf by:


.....
D J Moore - Director

The notes form part of these financial statements

WIGAN RUGBY LEAGUE CLUB LIMITED

**STATEMENT OF CHANGES IN EQUITY
for the Year Ended 30 November 2017**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 December 2015	128,000	(3,810,521)	769,311	(2,913,210)
Changes in equity				
Total comprehensive income	<u>-</u>	<u>(622,894)</u>	<u>1,753,158</u>	<u>1,130,264</u>
Balance at 30 November 2016	<u>128,000</u>	<u>(4,433,415)</u>	<u>2,522,469</u>	<u>(1,782,946)</u>
Changes in equity				
Total comprehensive income	<u>-</u>	<u>(442,792)</u>	<u>91,730</u>	<u>(351,062)</u>
Balance at 30 November 2017	<u><u>128,000</u></u>	<u><u>(4,876,207)</u></u>	<u><u>2,614,199</u></u>	<u><u>(2,134,008)</u></u>

The notes form part of these financial statements

WIGAN RUGBY LEAGUE CLUB LIMITED

STATEMENT OF CASH FLOWS
for the Year Ended 30 November 2017

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	(985,329)	(169,137)
Interest paid		<u>(10,337)</u>	<u>(17,608)</u>
Net cash from operating activities		<u>(995,666)</u>	<u>(186,745)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(37,965)</u>	<u>(99,662)</u>
Net cash from investing activities		<u>(37,965)</u>	<u>(99,662)</u>
Cash flows from financing activities			
Amounts received from parent company		<u>63,701</u>	<u>1,135,004</u>
Net cash from financing activities		<u>63,701</u>	<u>1,135,004</u>
		<u> </u>	<u> </u>
(Decrease)/increase in cash and cash equivalents		(969,930)	848,597
Cash and cash equivalents at beginning of year	2	469,182	(379,415)
Cash and cash equivalents at end of year	2	<u>(500,748)</u>	<u>469,182</u>

The notes form part of these financial statements

WIGAN RUGBY LEAGUE CLUB LIMITED

**NOTES TO THE STATEMENT OF CASH FLOWS
for the Year Ended 30 November 2017**

1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2017	2016
	£	£
Loss before taxation	(442,121)	(622,894)
Depreciation charges	213,562	234,336
Finance costs	<u>10,337</u>	<u>17,608</u>
	(218,222)	(370,950)
Decrease/(increase) in stocks	103,111	(83,579)
Decrease/(increase) in trade and other debtors	393,526	(174,249)
(Decrease)/increase in trade and other creditors	<u>(1,263,744)</u>	<u>459,641</u>
Cash generated from operations	<u><u>(985,329)</u></u>	<u><u>(169,137)</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 30 November 2017

	30/11/17	1/12/16
	£	£
Cash and cash equivalents	333,841	847,239
Bank overdrafts	<u>(834,589)</u>	<u>(378,057)</u>
	<u><u>(500,748)</u></u>	<u><u>469,182</u></u>

Year ended 30 November 2016

	30/11/16	1/12/15
	£	£
Cash and cash equivalents	847,239	12,111
Bank overdrafts	<u>(378,057)</u>	<u>(391,526)</u>
	<u><u>469,182</u></u>	<u><u>(379,415)</u></u>

The notes form part of these financial statements

WIGAN RUGBY LEAGUE CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 November 2017

1. STATUTORY INFORMATION

Wigan Rugby League Club Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

These financial statements have been prepared on the basis that the company continues to be a going concern.

The following decisions and actions have been taken by the directors to manage the working capital requirements of the company:

- Profit and loss and cashflow forecasts have been prepared for 2018/19, which indicate that working capital requirements will be met by existing facilities and additional loan funding from the parent company, Lenagan Investments Limited and funds under the control of Mr I F Lenagan and his immediate family.
- Meetings have been held with Barclays Bank and, subject to periodic reviews, the Bank have indicated their continuing support.

On this basis, the directors believe the company has adequate resources to continue in operational existence for the foreseeable future and that it is therefore appropriate to prepare the financial statements on the going concern basis.

The financial statements include the results of the company's principal activity described in the Report of the Directors, which is continuing.

Turnover

Turnover represents income receivable from the Company's principal activity of operating a professional rugby league club and is net of Value Added Tax. Match day revenue is recognised over the period of the rugby league season as games are played. Sponsorship and similar commercial income is recognised over the duration of the respective contracts. The fixed element of broadcasting revenues is recognised over the duration of the rugby league season whilst facility fees for live coverage or highlights are recognised as games are played.

Player registrations

Transfer fees for player registrations are capitalised as intangible fixed assets and are amortised on a straight line basis over the period of the respective players' contracts.

Transfer fees receivable are included in profit or loss in the period in which they relate.

Player registrations are assessed on an annual basis and impairment losses arising are charged to profit or loss in the period in which they arise. Any surpluses arising are not accounted for.

WIGAN RUGBY LEAGUE CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 30 November 2017

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less depreciation and impairment. Depreciation of tangible fixed assets has been calculated so as to write off the cost or revalued amount less estimated residual value of each asset over its estimated useful life as follows:

Freehold property	- 2% per annum on straight line basis
Long leasehold property	- 2% per annum on straight line basis
Improvements to leasehold property	- 10% per annum on straight line basis
Fixtures and fittings	- 20% per annum on straight line basis
Computer equipment	- 33% per annum on straight line basis

Depreciation on freehold property

It is the company's policy to provide depreciation on freehold property on a straight line basis of 2%. The company maintains the training ground and gymnasium at Edge Hall Road, Orrell, in a state of sound repair and makes regular improvements, which are charged to profit or loss in the year expensed. The directors consider the life of this asset and its residual value is such that depreciation in the current year would be immaterial, and hence no depreciation has been charged.

Impairment of tangible fixed assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in the profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not to exceed the amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised immediately in the profit or loss.

Stocks

Stocks are measured at the lower of cost and selling price. Cost is measured at the most recent purchase price and other costs incurred in bringing the stocks to their present location and condition.

Taxation

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting period using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Leases

Rentals payable under operating leases are charged to the profit or loss on a straight-line basis over the lease term. The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

Employee benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Short term employee benefits are recognised as an expense in the period in which they are incurred.

WIGAN RUGBY LEAGUE CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 30 November 2017

2. ACCOUNTING POLICIES - continued

Financial instruments

Short term financial assets, including trade debtors are measured at transaction price less any impairment.

Short term financial liabilities, including trade creditors, are measured at transaction price. Group loans and associated undertaking loans (being repayable on demand) are measured at the undiscounted amount due.

Financial assets and liabilities payable after one year are initially measured at fair value and are measured subsequently at amortised cost using the effective interest rate method.

Fixed asset investments

Fixed asset investments are stated at cost less impairment.

3. 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.

These 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 freehold and leasehold land and buildings. The basis on which this has been reflected in these financial statements is set out in note 9.

4. EMPLOYEES AND DIRECTORS

	2017	2016
	£	£
Wages and salaries	4,158,219	4,337,261
Social security costs	<u>394,939</u>	<u>407,536</u>
	<u>4,553,158</u>	<u>4,744,797</u>

Included in the above are contract termination payments of £5,000 to former players and coaches (2016 - £164,675).

The average monthly number of employees during the year was as follows:

	2017	2016
Playing and coaching staff	68	62
Administration	<u>30</u>	<u>27</u>
	<u>98</u>	<u>89</u>

No director received any remuneration for his services as director (2016: £Nil). Mr K Radlinski received remuneration as Rugby General Manager and David Moore as financial controller, and these costs are included within wages and salaries.

WIGAN RUGBY LEAGUE CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 November 2017**

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017	2016
	£	£
Bank interest	<u>10,337</u>	<u>17,608</u>

6. LOSS BEFORE TAXATION

The loss is stated after charging/(crediting):

	2017	2016
	£	£
Depreciation - owned assets	110,226	98,159
Player registration fees amortisation	103,336	136,177
Stadium rental costs	307,177	378,750
Auditor's remuneration - audit fees	9,500	9,500
Auditor's remuneration - accountancy and taxation	2,350	1,265
Transfer fees received	-	(37,500)
Loan fees received	<u>(81,560)</u>	<u>(105,665)</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the loss for the year was as follows:

	2017	2016
	£	£
Deferred tax	<u>671</u>	<u>-</u>
Tax on loss	<u>671</u>	<u>-</u>

WIGAN RUGBY LEAGUE CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 November 2017

7. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2017 £	2016 £
Loss before tax	<u>(442,121)</u>	<u>(622,894)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19.330% (2016 - 20%)	(85,462)	(124,579)
Effects of:		
Expenses not deductible for tax purposes	54	-
Income not taxable for tax purposes	(24,524)	(26,233)
Adjustments to tax charge in respect of previous periods	431	-
Fixed asset differences	(51,690)	2,537
Other permanent differences	180	92
Adjust closing deferred tax to average rate	216,294	252,400
Adjust opening deferred tax to average rate	(195,974)	(195,039)
Chargeable (losses)/gains	(7,036)	415,903
Deferred tax recognised in equity	6,188	(346,842)
Deferred tax not recognised	<u>142,210</u>	<u>21,761</u>
Total tax charge	<u>671</u>	<u>-</u>

Tax effects relating to effects of other comprehensive income

	Gross £	2017 Tax £	Net £
Freehold property revaluation gain	85,542	6,188	91,730
Long leasehold property revaluation gain	<u>85,542</u>	<u>6,188</u>	<u>91,730</u>
	Gross £	2016 Tax £	Net £
Freehold property revaluation gain	<u>2,100,000</u>	<u>(346,842)</u>	<u>1,753,158</u>

A deferred tax asset of £2,021,332 (2016 - £1,880,233) has not been provided within the financial statements due to the uncertainty of when or if the asset will crystallise.

WIGAN RUGBY LEAGUE CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 November 2017**

8. INTANGIBLE FIXED ASSETS

	Player registration fees £
COST	
At 1 December 2016 and 30 November 2017	<u>423,533</u>
AMORTISATION	
At 1 December 2016	246,866
Amortisation for year	<u>103,336</u>
At 30 November 2017	<u>350,202</u>
NET BOOK VALUE	
At 30 November 2017	<u>73,331</u>
At 30 November 2016	<u>176,667</u>

9. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold property £	Improvements to leasehold property £
COST OR VALUATION			
At 1 December 2016	3,600,000	67,713	154,914
Additions	-	-	820
Revaluations	<u>-</u>	<u>52,287</u>	<u>-</u>
At 30 November 2017	<u>3,600,000</u>	<u>120,000</u>	<u>155,734</u>
DEPRECIATION			
At 1 December 2016	-	29,927	44,385
Charge for year	-	3,328	8,858
Revaluation adjustments	<u>-</u>	<u>(33,255)</u>	<u>-</u>
At 30 November 2017	<u>-</u>	<u>-</u>	<u>53,243</u>
NET BOOK VALUE			
At 30 November 2017	<u>3,600,000</u>	<u>120,000</u>	<u>102,491</u>
At 30 November 2016	<u>3,600,000</u>	<u>37,786</u>	<u>110,529</u>

WIGAN RUGBY LEAGUE CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 November 2017**

9. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Computer equipment £	Totals £
COST OR VALUATION			
At 1 December 2016	457,824	211,660	4,492,111
Additions	28,313	8,832	37,965
Revaluations	-	-	52,287
At 30 November 2017	<u>486,137</u>	<u>220,492</u>	<u>4,582,363</u>
DEPRECIATION			
At 1 December 2016	379,934	82,922	537,168
Charge for year	30,515	67,525	110,226
Revaluation adjustments	-	-	(33,255)
At 30 November 2017	<u>410,449</u>	<u>150,447</u>	<u>614,139</u>
NET BOOK VALUE			
At 30 November 2017	<u>75,688</u>	<u>70,045</u>	<u>3,968,224</u>
At 30 November 2016	<u>77,890</u>	<u>128,738</u>	<u>3,954,943</u>

Cost or valuation at 30 November 2017 is represented by:

	Freehold property £	Long leasehold property £	Improvements to leasehold property £
Valuation	2,905,671	52,287	-
Cost	<u>694,329</u>	<u>67,713</u>	<u>155,734</u>
	<u>3,600,000</u>	<u>120,000</u>	<u>155,734</u>

	Fixtures and fittings £	Computer equipment £	Totals £
Valuation	-	-	2,957,958
Cost	<u>486,137</u>	<u>220,492</u>	<u>1,624,405</u>
	<u>486,137</u>	<u>220,492</u>	<u>4,582,363</u>

Freehold property was valued on an open market basis on 30 September 2016 by Parkinson Property Consultants Ltd. An informal desktop valuation of long leasehold property was undertaken by Parkinson Property Consultants Ltd during the year.

These valuations have been relied upon by the Directors in arriving at the net book value as at 30 November 2017.

WIGAN RUGBY LEAGUE CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 November 2017**

10. FIXED ASSET INVESTMENTS

	Participating interests £
COST	
At 1 December 2016	
and 30 November 2017	<u>1</u>
NET BOOK VALUE	
At 30 November 2017	<u>1</u>
At 30 November 2016	<u>1</u>

The company holds 1 £1 ordinary share in Super League (Europe) Limited which represents 8.3% of the issued share capital. The financial statements of Super League (Europe) Ltd disclose that its activities are to act as agents of each participating club in the promotion of Rugby League. The company receives a distribution each year from Super League (Europe) Limited based on the results of that company for the year, and that income is included within turnover.

11. STOCKS

	2017 £	2016 £
Goods for resale	<u>127,707</u>	<u>230,818</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	512,613	1,043,350
Other debtors	1,268,094	1,156,428
Accrued income	208,596	364,058
Prepayments	<u>301,227</u>	<u>120,220</u>
	<u>2,290,530</u>	<u>2,684,056</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Bank loans and overdrafts (see note 14)	834,589	378,057
Trade creditors	347,767	1,422,470
Social security and other taxes	282,647	349,582
Other creditors	-	5,985
Amounts owed to group undertakings	5,956,946	5,893,245
Deferred income	988,808	1,050,890
Accrued expenses	<u>72,438</u>	<u>126,477</u>
	<u>8,483,195</u>	<u>9,226,706</u>

WIGAN RUGBY LEAGUE CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 November 2017**

14. LOANS

An analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>834,589</u>	<u>378,057</u>

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2017 £	2016 £
Between one and five years	<u>17,000</u>	<u>34,000</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	2017 £	2016 £
Bank overdrafts	834,589	378,057
Amounts owed to parent company	<u>5,956,947</u>	<u>5,893,245</u>
	<u>6,791,536</u>	<u>6,271,302</u>

Banking facilities are reviewed periodically and repayable on demand, subject to such reviews. Barclays Bank PLC has a fixed and floating charge over the assets of the Company. Mr I F Lenagan, a Director of the Company, has provided personal guarantees to the Bank on behalf of the Company.

The loan from the parent company is secured by a debenture, has no fixed repayment date and any interest accruing for the period has been waived.

17. PROVISIONS FOR LIABILITIES

	2017 £	2016 £
Deferred tax		
Short term timing differences	(275)	(946)
Capital gains/(losses)	<u>444,722</u>	<u>450,910</u>
	<u>444,447</u>	<u>449,964</u>
		Deferred tax
		£
Balance at 1 December 2016		449,964
Charge to Statement of Comprehensive Income		671
Credit to other comprehensive income		<u>(6,188)</u>
Balance at 30 November 2017		<u>444,447</u>

WIGAN RUGBY LEAGUE CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 30 November 2017

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017 £	2016 £
128,000	Ordinary	£1	<u>128,000</u>	<u>128,000</u>

19. RESERVES

	Retained earnings £	Revaluation reserve £	Totals £
At 1 December 2016	(4,433,415)	2,522,469	(1,910,946)
Deficit for the year	(442,792)	-	(442,792)
Revaluation reserve	-	85,542	85,542
Deferred tax on revaluation gain	-	6,188	6,188
At 30 November 2017	<u>(4,876,207)</u>	<u>2,614,199</u>	<u>(2,262,008)</u>

Retained earnings includes all current and prior retained profits and losses.

The revaluation reserve relates to the freehold and long leasehold property.

20. PENSION COMMITMENTS

The company operates a defined contribution pension scheme in respect of certain staff members. The scheme is managed by independent fund managers and its assets/liabilities are held separately from that of the company.

The pension charge represents the amount paid by the company and amounted to £18,658 (2016 - £14,827). There was £Nil (2016 - £Nil) of outstanding contributions to the fund as at the year end.

21. ULTIMATE PARENT COMPANY

The company is an 89% owned subsidiary of Lenagan Investments Limited, a company under the control of Mr I F Lenagan and his immediate family.

22. OTHER FINANCIAL COMMITMENTS

The Club has a 25 year renewable licence to use the DW Stadium, at rates determined by match revenues. The stadium is owned by Wigan Football Company Limited, whose ultimate parent company is Wigan Athletic Holdings Limited.

23. RELATED PARTY DISCLOSURES

Loans from associated undertakings

During the year the Company had loan transactions with associated companies as follows: loans paid of £174,000 and repaid of £54,000. At 30 November 2017 there is an amount of £897,364 (2016 - £802,325) owing to associated undertakings.

Transactions with associated undertakings

During the year the Company has recharged wages and certain expenses and have paid rent to associated undertakings. At 30 November 2017 an amount of £80,481 (2016: £353,645) was owed to the company.