

**ST HELENS RUGBY FOOTBALL  
CLUB LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 OCTOBER 2001



Company no 331905

# ST HELENS RUGBY FOOTBALL CLUB LIMITED

## FINANCIAL STATEMENTS

For the year ended 31 October 2001

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Company registration number: 331905

Registered office: Dunriding Lane  
St Helens  
Merseyside  
WA10 4AD

Directors: E McManus (Chairman)  
E Ashton MBE  
A Thomas  
J Spencer  
J Hartley

Secretary: J Bullough

Bankers: National Westminster Bank Plc  
St Helens

Solicitors: Hill Dickinson  
Liverpool  
  
Widdows Mason  
Leigh

Auditors: Grant Thornton  
Registered Auditors  
Chartered Accountants  
Warrington

# **ST HELENS RUGBY FOOTBALL CLUB LIMITED**

## **FINANCIAL STATEMENTS**

For the year ended 31 October 2001

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# **ST HELENS RUGBY FOOTBALL CLUB LIMITED**

## **REPORT OF THE DIRECTORS**

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The directors present their report together with the financial statements for the year ended 31 October 2001.

### **Principal activity**

The company is principally engaged in promoting rugby league football.

### **Business review**

There was a loss for the year amounting to £940,745 (2000: £1,557,767). The directors do not recommend the payment of a dividend and the loss has therefore been added to the deficit on the profit and loss account.

The club continues to progress with its plan to establish a new location for the club that will enhance both playing and spectating facilities.

### **Post balance sheet events**

On 30 November 2001 the company entered into a share for share exchange with a newly-formed holding company, Sporting Club St Helens Limited. The purpose of the share for share exchange was to form a new holding company that will own and operate the proposed new stadium.

On 18 April 2002, Sporting Club St Helens Limited, the holding company of St Helens Rugby Football Club Limited held an Extraordinary General Meeting. The purpose of the meeting was to propose the following measures to improve the financial position of the group:

- i Placing of 31,250 new ordinary shares of £1 each in Sporting Club St Helens Limited at £20 per share to raise £625,000.
- ii Conversion of £1,065,000 of loans in St Helens Rugby Football Club Limited from the directors into 53,250 new ordinary shares of £1 each in Sporting Club St Helens Limited at £20 per share.

The proposals were approved by the shareholders at the meeting.

The company has agreed the disposal of the present stadium site for an amount of £2,500,000, conditional upon the grant of planning permission on the present stadium site and the company entering into an agreement to relocate to a proposed new site.

A joint planning application between Sporting Club St Helens Limited, the immediate parent undertaking of St Helens Rugby Football Club Limited, and Greenbank Development has been filed, though not yet processed, for a 15,000 to 17,000 capacity stadium to be situated at the Burtonwood Road end of the Ravenhead Retail Park. Its formal submission is intended upon completion of traffic impact and retail studies to the satisfaction of relevant parties.

# ST HELENS RUGBY FOOTBALL CLUB LIMITED

## REPORT OF THE DIRECTORS

### Directors

The present membership of the Board is set out below.

The interests of the directors, and their families, in the shares of the company as at 1 November 2000 and 31 October 2001 were as follows:

Mr J Spencer retires by rotation and being eligible offers himself for re-election.

	31 October 2001 Number of shares	1 November 2000 Number of shares
E McManus - appointed 29 January 2002	100	-
E Ashton MBE	128	128
A Thomas	100	100
J Spencer	569	569
J Hartley - appointed 20 November 2001	100	-
H Morris - resigned 26 March 2002	300	300
T Ellard - resigned 7 September 2001	542	542
M Kay - resigned 26 March 2002	393	393

### Directors' responsibilities for the financial statements

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 company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

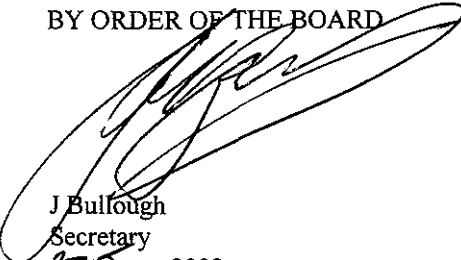
- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD

  
J Bullough  
Secretary  
27. June 2002

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
ST HELENS RUGBY FOOTBALL CLUB LIMITED**

We have audited the financial statements of St Helens Rugby Football Club Limited for the year ended 31 October 2001 which comprise the profit and loss account, the balance sheet, the cash flow statement, the statement of total recognised gains and losses, the note of historical cost profits and losses and notes 1 to 26. These financial statements have been prepared under the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. This other information comprises only the directors' report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of opinion**

We conducted our audit in accordance with United Kingdom 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. However, the evidence available to us was limited because the company had not kept proper accounting records so as to disclose with reasonable accuracy, on a timely basis, the financial position of the company, although adequate records were collated as at the balance sheet date.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
ST HELENS RUGBY FOOTBALL CLUB LIMITED (CONTINUED)**

**Qualified opinion arising from limitation in audit scope**

Except for any further adjustments that might have been found to be necessary had proper accounting records been maintained, in our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 October 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work arising from the lack of proper accounting records, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.



**GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS  
WARRINGTON**

*2 July* 2002

# **ST HELENS RUGBY FOOTBALL CLUB LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES**

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### **BASIS OF PREPARATION**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention except that freehold land and buildings are shown at their revalued amount.

The principal accounting policies of the company are set out below. The policies have remained unchanged from the previous year.

### **GOING CONCERN**

The company meets its day to day working capital requirements through an overdraft facility which is repayable on demand. The nature of the company's business is such that there can be considerable variation in the timing of cash inflows. The directors have prepared projected cash flow information for the period ending twelve months from the date of their approval of these financial statements. On the basis of this cash flow information and discussions with the company's bankers, the directors consider that the company will continue to operate within the facility currently agreed. However, the margin of facilities over requirements is not large and, inherently, there can be no certainty in relation to these matters. The financial statements do not include any adjustments that would result from a withdrawal of the overdraft facility by the company's bankers or the failure to meet the projected cash flows.

On 18 April 2002, Sporting Club St Helens Limited, the holding company of St Helens Rugby Football Club Limited held an Extraordinary General Meeting. The purpose of the meeting was to propose the following measures to improve the financial position of the group:

- i Placing of 31,250 new ordinary shares of £1 each in Sporting Club St Helens Limited at £20 per share to raise £625,000.
- ii Conversion of £1,065,000 of loans in St Helens Rugby Football Club Limited from the directors into 53,250 new ordinary shares of £1 each in Sporting Club St Helens Limited at £20 per share.

The proposals were approved by the shareholders at the meeting.

The effect of the implementation of these restructuring proposals is to increase consolidated shareholders' funds by £1,690,000.

Taken together with the projected cash flow information, the directors consider that the restructuring proposals represent a sound basis for concluding that it is appropriate to prepare the financial statements on the going concern basis.

### **TURNOVER**

Turnover is the total amount receivable by the company, excluding VAT and trade discounts.

### **DEPRECIATION**

Depreciation is calculated to write down the cost or valuation, less estimated residual value of tangible fixed assets other than freehold land by annual amounts over their expected useful lives. The rates/periods generally applicable are:-

Freehold buildings	50 years on a straight line basis
Fixtures, fittings and equipment	10% on written down value or 3 years on a straight line basis



# **ST HELENS RUGBY FOOTBALL CLUB LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES**

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### **INTANGIBLE FIXED ASSETS**

The costs associated with the acquisition of players' registrations are capitalised as intangible fixed assets. These costs are fully amortised, in equal instalments, over the period of the player's initial contract.

The cost of the repurchase of restaurant and bar lease is capitalised as an intangible fixed asset and is amortised by annual amounts over its expected useful life of 5 years.

### **SIGNING-ON FEES**

Signing-on fees payable to players are recognised as part of wages and salaries in the profit and loss account, charged evenly over the football seasons covered by the player's contract.

### **INVESTMENTS**

Investments are included at cost.

### **STOCKS**

Stocks are stated at the lower of cost and net realisable value.

### **LEASED ASSETS**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

### **CONTRIBUTIONS TO PENSION FUNDS**

#### ***Defined contribution scheme***

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period. The assets of the pension scheme are held separately from those of the company in independently administered funds.

### **GOVERNMENT GRANTS**

Government grants of a revenue nature are credited to the profit and loss account in the same period as the related expenditure.

**ST HELENS RUGBY FOOTBALL CLUB LIMITED****PROFIT AND LOSS ACCOUNT**

For the year ended 31 October 2001

	Note	2001 £	2000 £
<b>Turnover</b>	1	<b>3,930,987</b>	3,374,344
Direct and other administrative costs	2	<u>(4,714,623)</u>	<u>(4,700,141)</u>
<b>Operating loss before amortisation of players and profit on disposal of players</b>		<b>(783,636)</b>	(1,325,797)
Amortisation of players	6	<u>(84,718)</u>	<u>(148,980)</u>
<b>Operating loss</b>		<b>(868,354)</b>	(1,474,777)
Net interest payable	3	(72,391)	(82,990)
<b>Net loss for the year</b>	15	<u><b>(940,745)</b></u>	<u>(1,557,767)</u>

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

The accompanying accounting policies and notes form an integral part of these financial statements.

# ST HELENS RUGBY FOOTBALL CLUB LIMITED

BALANCE SHEET AT 31 OCTOBER 2001

	Note	2001 £	2000 £
<b>Fixed assets</b>			
Intangible assets	6	90,710	184,428
Tangible assets	7	2,586,644	2,603,041
Investments	8	2	2
		<u>2,677,356</u>	<u>2,787,471</u>
<b>Current assets</b>			
Stocks	9	93,731	64,059
Debtors	10	446,816	405,400
Cash in hand		821	1,400
		<u>541,368</u>	<u>470,859</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(2,172,088)</u>	<u>(1,940,461)</u>
<b>Net current liabilities</b>		<u>(1,630,720)</u>	<u>(1,469,602)</u>
<b>Total assets less current liabilities</b>		<b>1,046,636</b>	<b>1,317,869</b>
<b>Creditors: amounts falling due after more than one year</b>	12	<u>(2,144,860)</u>	<u>(1,475,348)</u>
		<u>(1,098,224)</u>	<u>(157,479)</u>
<b>Capital and reserves</b>			
Called up share capital	14	7,000	7,000
Revaluation reserve	15	1,948,345	1,967,864
Profit and loss account	15	(3,053,569)	(2,132,343)
<b>Shareholders' funds</b>	16	<u>(1,098,224)</u>	<u>(157,479)</u>

The financial statements were approved by the Board of Directors on 27 June 2002.



E McManus

Director



A Thomas

Director

The accompanying accounting policies and notes form an integral part of these financial statements.

**ST HELENS RUGBY FOOTBALL CLUB LIMITED****CASH FLOW STATEMENT**

For the year ended 31 October 2001

	Note	2001 £	2000 £
<b>Net cash outflow from operating activities</b>	17	<u>(686,226)</u>	<u>(463,938)</u>
<b>Returns on investments and servicing of finance</b>			
Interest paid		(83,116)	(85,733)
Finance lease interest paid		(901)	-
Interest received		11,626	2,743
<b>Net cash outflow from returns on investments and servicing of finance</b>		<u>(72,391)</u>	<u>(82,990)</u>
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		-	(16,415)
Purchase of intangible fixed assets		(15,000)	-
<b>Net cash outflow from capital expenditure and financial investment</b>		<u>(15,000)</u>	<u>(16,415)</u>
<b>Financing</b>			
Receipts from borrowing		767,926	794,000
Repayment of borrowing		(18,557)	(230,826)
Capital element of finance lease rentals		(2,964)	(1,644)
<b>Net cash inflow from financing</b>		<u>746,405</u>	<u>561,530</u>
<b>Decrease in cash</b>	18	<u>(27,212)</u>	<u>(1,813)</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

**ST HELENS RUGBY FOOTBALL CLUB LIMITED**

**OTHER PRIMARY STATEMENTS**

For the year ended 31 October 2001

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**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

	2001 £	2000 £
Loss for the financial year	(940,745)	(1,557,767)
Unrealised surplus on revaluation of freehold land and buildings	-	223,000
<b>Total recognised losses for the year</b>	<b>(940,745)</b>	<b>(1,334,767)</b>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

	2001 £	2000 £
Loss on ordinary activities before taxation	(940,745)	(1,557,767)
Difference between historical cost depreciation charge and depreciation charge based upon revalued amounts	19,519	17,519
<b>Historical cost loss on ordinary activities before taxation</b>	<b>(921,226)</b>	<b>(1,540,248)</b>
<b>Historical cost loss transferred from reserves</b>	<b>(921,226)</b>	<b>(1,540,248)</b>

The accompanying accounting policies and notes form an integral part of these financial statements.

# ST HELENS RUGBY FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2001

### 1 TURNOVER

Turnover is attributable to the following classes of continuing business:

	2001 £	2000 £
Prize money	325,000	290,000
Gate receipts and programme sales	1,280,446	840,463
Television fees	706,936	682,000
Sponsorship and advertising	508,310	583,547
Suite hire and executive promotions	55,414	101,084
Merchandising and other	653,688	457,331
Lottery donations	205,900	180,445
Rent	12,210	21,700
Restaurant and bar sales	183,083	217,774
	<u>3,930,987</u>	<u>3,374,344</u>

Note: Gross profit on shop sales

Sales	541,597	454,081
Cost of sales	(375,237)	(235,697)
Gross profit on shop sales	<u>166,360</u>	<u>218,384</u>

Note: Gross profit on restaurant and bar income

Sales	183,083	217,774
Cost of sales	(137,924)	(119,383)
Gross profit on restaurant and bar income	<u>45,159</u>	<u>98,391</u>

### 2 DIRECT AND OTHER ADMINISTRATIVE COSTS

	2001 £	2000 £
Staff costs (note 4)	2,717,600	2,621,958
Depreciation:		
Tangible fixed assets, owned	35,304	34,449
Tangible fixed assets, held under finance leases and hire purchase contracts	2,101	-
Amortisation of bar and restaurant lease	24,000	24,000
Hire of plant and machinery	39,401	23,917
Other operating leases	6,644	2,994
Audit fees	6,500	6,000
Provision against sponsorship income	-	241,000
Other operating charges	1,883,073	1,745,823
	<u>4,714,623</u>	<u>4,700,141</u>

# ST HELENS RUGBY FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2001

### 3 NET INTEREST

	2001 £	2000 £
On bank loans and overdrafts	59,992	74,435
Finance charges in respect of finance leases	901	-
Other interest payable and similar charges	23,124	11,298
	<u>84,017</u>	<u>85,733</u>
Interest received	(11,626)	(2,743)
	<u>72,391</u>	<u>82,990</u>

### 4 EMPLOYEES

Staff costs during the year were as follows:

	2001 £	2000 £
Players wages	1,716,515	1,619,310
Other staff	746,280	785,472
Social security costs	246,492	213,176
Pension costs	8,313	4,000
	<u>2,717,600</u>	<u>2,621,958</u>

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

	2001 Number	2000 Number
Playing staff	45	52
Other staff	40	31
	<u>85</u>	<u>83</u>

Remuneration in respect of directors was as follows:

	2001 £	2000 £
Benefits in kind	15,324	11,716

During the year Mr M Kay had the use of two company vehicles.

### 5 TAX ON LOSS ON ORDINARY ACTIVITIES

Unrelieved tax losses of approximately £3,323,000 remain available to offset against future taxable trading profits.

# ST HELENS RUGBY FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2001

### 6 INTANGIBLE FIXED ASSETS

	Players registrations £	Bar and restaurant lease £	Total £
Cost			
At 1 November 2000	929,755	120,000	1,049,755
Additions	15,000	-	15,000
At 31 October 2001	944,755	120,000	1,064,755
Amortisation			
At 1 November 2000	833,327	32,000	865,327
Charge for the year	84,718	24,000	108,718
At 31 October 2001	918,045	56,000	974,045
Net book amount at 31 October 2001	26,710	64,000	90,710
Net book amount at 31 October 2000	96,428	88,000	184,428

### 7 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Fixtures, fittings and equipment £	Total £
Cost or valuation			
At 1 November 2000	2,500,000	258,314	2,758,314
Additions	-	21,008	21,008
At 31 October 2001	2,500,000	279,322	2,779,322
Depreciation			
At 1 November 2000	-	155,273	155,273
Provided in the year	25,000	12,405	37,405
At 31 October 2001	25,000	167,678	192,678
Net book amount at 31 October 2001	2,475,000	111,644	2,586,644
Net book amount at 31 October 2000	2,500,000	103,041	2,603,041



# ST HELENS RUGBY FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2001

### 7 TANGIBLE FIXED ASSETS (continued)

The figures stated above include assets held under finance leases as follows:

	Fixtures, fittings and equipment £
Net book amount at 31 October 2001	<u>18,907</u>
Net book amount at 31 October 2000	<u>-</u>
Depreciation provided in the year	<u>2,101</u>

The figures stated above for cost or valuation include a valuation as follows:

	Freehold land and buildings	
	2001 £	2000 £
At cost	548,102	548,102
At valuation:		
2001	200,000	200,000
1999	971,777	971,777
1996	(118,794)	(118,794)
1995	898,915	898,915
	<u>2,500,000</u>	<u>2,500,000</u>

On 23 January 1996, the land and buildings were revalued by Messrs. Edwards Symmons and Partners (FRICS). The basis of the valuation used was open market value, on an existing use basis.

Based upon an independent valuation, in the opinion of the directors, the freehold land and buildings had a value in excess of £2,500,000 as at 31 October 2000 on an open market value basis and the carrying value within these financial statements was revalued to this amount.

No provision has been made in the deferred taxation account for the estimated corporation tax that would be payable on disposal at this valuation because, in the opinion of the directors, whilst the freehold land and buildings are likely to be disposed of in the foreseeable future, this is unlikely to occur without being able to rollover any gain arising against the cost of new assets.

# ST HELENS RUGBY FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2001

### 7 TANGIBLE FIXED ASSETS (continued)

If the freehold land and buildings had not been revalued, they would have been included on the historical cost basis at the following amounts:

	Freehold land and buildings £
Cost	548,102
Accumulated depreciation	(21,447)
Net book amount at 31 October 2001	<u>526,655</u>
Net book amount at 31 October 2000	<u>532,136</u>

### 8 FIXED ASSET INVESTMENTS

Total fixed asset investments comprise:

	2001 £	2000 £
Unlisted investments	<u>2</u>	<u>2</u>

### 9 STOCKS

	2001 £	2000 £
Goods for resale	<u>93,731</u>	<u>64,059</u>

### 10 DEBTORS

	2001 £	2000 £
Trade debtors	395,931	405,400
Other debtors	<u>50,885</u>	<u>-</u>
	<u>446,816</u>	<u>405,400</u>

# ST HELENS RUGBY FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2001

### 11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £	2000 £
Bank overdraft	785,430	758,797
Trade creditors	475,004	412,107
Social security and other taxes	514,002	371,626
Other creditors	81,926	77,190
Accruals and deferred income	308,729	320,741
Amounts due under finance leases	6,997	-
	<u>2,172,088</u>	<u>1,940,461</u>

The bank overdraft is secured by a legal mortgage over the freehold land and buildings and by a fixed and floating charge over all the assets of the company.

### 12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2001 £	2000 £
Social security and others taxes	-	47,478
Other creditors	1,523,813	806,370
Accruals and deferred income	610,000	621,500
Amounts due under finance leases	11,047	-
	<u>2,144,860</u>	<u>1,475,348</u>

Other creditors includes a brewery loan totalling £111,313 which is secured by a second charge over the freehold land and buildings. Assuming the terms and conditions of the brewery loan are complied with no interest is charged otherwise interest is charged at 4% over bank base rate.

Other creditors also includes loans from the company's directors and other parties amounting to £725,000 (2000: £700,000) which are secured by debenture. There is a tacit agreement that they will not be called in for a five year period from the date of creation and that they are free of interest. In addition, the company's directors and other parties advanced unsecured loans amounting to £755,426 (2000: £26,000).

On 18 April 2002, Sporting Club St Helens Limited, the holding company of St Helens Rugby Football Club Limited held an Extraordinary General Meeting, at which the conversion of £1,065,000 of loans in St Helens Rugby Football Club Limited from the directors into 53,250 new ordinary shares of £1 each in Sporting Club St Helens Limited at £20 per share was approved.

Accordingly, from this date the liability is owed to Sporting Club St Helens Limited, constituting an amount owed to group undertakings.

# ST HELENS RUGBY FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2001

### 13 BORROWINGS

	2001 £	2000 £
Bank overdrafts	785,430	758,797
Other creditors	1,641,739	842,370
Amounts due under finance leases	18,044	-
	<u>2,445,213</u>	<u>1,601,167</u>

Borrowings are repayable as follows:

	2001 £	2000 £
Within one year		
Bank and other borrowings	867,356	808,797
Finance leases	6,997	-
After one and within two years		
Bank and other borrowings	24,000	24,000
Finance leases	6,997	-
After two and within five years		
Bank and other borrowings	1,535,813	768,370
Finance leases	4,050	-
	<u>2,445,213</u>	<u>1,601,167</u>

### 14 SHARE CAPITAL

	2001 and 2000 £
Authorised, allotted, called up and fully paid 14,000 ordinary shares of 50p each	<u>7,000</u>

### 15 RESERVES

	Revaluation reserve £	Profit and loss account £
At 1 November 2000	1,967,864	(2,132,343)
Loss for the year	-	(940,745)
Transfer from revaluation reserve to profit and loss account	(19,519)	19,519
At 31 October 2001	<u>1,948,345</u>	<u>(3,053,569)</u>

The balance on the revaluation reserve may not be distributed under Section 263 of the Companies Act 1985.

**ST HELENS RUGBY FOOTBALL CLUB LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 October 2001

**16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2001 £	2000 £
Loss for the financial year	(940,745)	(1,557,767)
Surplus on revaluation of land and buildings	-	223,000
Net decrease in shareholders' funds	(940,745)	(1,334,767)
Shareholders' funds at 1 November 2000	(157,479)	1,177,288
Shareholders' funds at 31 October 2001	(1,098,224)	(157,479)

**17 NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

	2001 £	2000 £
Operating loss	(868,354)	(1,474,777)
Depreciation	37,405	34,449
Amortisation of bar and restaurant lease	24,000	24,000
Amortisation of players	84,718	148,980
Increase in stock	(29,672)	(29,940)
Increase in debtors	(41,416)	(245,655)
Increase in creditors	107,093	1,079,005
Net cash outflow from operating activities	(686,226)	(463,938)

**18 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	2001 £	2000 £
Decrease in cash in the year	(27,212)	(1,813)
Cash inflow from financing	(749,369)	(563,174)
Cash outflow from finance leases	2,964	1,644
Change in net debt resulting from cash flows	(773,617)	(563,343)
Inception of finance leases	(21,008)	-
Change in total net debt	(794,625)	(563,343)
Net debt at 1 November 2000	(1,599,767)	(1,036,424)
Net debt at 31 October 2001	(2,394,392)	(1,599,767)

# ST HELENS RUGBY FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2001

### 19 ANALYSIS OF CHANGES IN NET DEBT

	At 1 November 2000 £	Cash flow £	Non cash items	At 31 October 2001 £
Cash in hand	1,400	(579)	-	821
Overdraft	(758,797)	(26,633)	-	(785,430)
	(757,397)	(27,212)	-	(784,609)
Debt	(842,370)	(749,369)	-	(1,591,739)
Finance leases	-	2,964	(21,008)	(18,044)
	(1,599,767)	(773,617)	(21,008)	(2,394,392)

### 20 CAPITAL COMMITMENTS

The company had no capital commitments at 31 October 2001 or 31 October 2000.

### 21 CONTINGENT LIABILITIES

Mr M Kay, a director and shareholder of St Helens Rugby Football Club Limited during the year, is also a director and shareholder of Prenton Construction Limited. During the year ended 31 October 2001, this company submitted invoices to St Helens Rugby Football Club Limited with a total value of £45,600 (2000: £56,000). These invoices have not currently been approved and, accordingly, have not been accounted for within these financial statements.

### 22 PENSIONS

#### Defined Contribution Scheme

The company operates a defined contribution pension scheme. The assets of the scheme are administered by trustees in a fund independent from those of the company.

### 23 LEASING COMMITMENTS

Operating lease payments amounting to £39,133 (2000: £62,157) are due within one year. The leases to which these amounts relate expire as follows:

	2001		2000	
	Land and buildings £	Other £	Land and buildings £	Other £
In one year or less	1,500	6,793	-	8,207
Between one and five years	-	29,740	9,000	42,780
In five years or more	1,100	-	1,100	1,070
	<u>2,600</u>	<u>36,533</u>	<u>10,100</u>	<u>52,057</u>

# ST HELENS RUGBY FOOTBALL CLUB LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2001

### 24 POST BALANCE SHEET EVENTS

On 30 November 2001 the company entered into a share for share exchange with a newly-formed holding company, Sporting Club St Helens Limited. The purpose of the share for share exchange was to form a new holding company that will own and operate the proposed new stadium.

On 18 April 2002, Sporting Club St Helens Limited, the holding company of St Helens Rugby Football Club Limited held an Extraordinary General Meeting. The purpose of the meeting was to propose the following measures to improve the financial position of the group:

- i Placing of 31,250 new ordinary shares of £1 each in Sporting Club St Helens Limited at £20 per share to raise £625,000.
- ii Conversion of £1,065,000 of loans in St Helens Rugby Football Club Limited from the directors into 53,250 new ordinary shares of £1 each in Sporting Club St Helens Limited at £20 per share.

The proposals were approved by the shareholders at the meeting.

The company has agreed the disposal of the present stadium site for an amount of £2,500,000, conditional upon the grant of planning permission on the present stadium site and the company entering into an agreement to relocate to a proposed new site.

A joint planning application between Sporting Club St Helens Limited, the immediate parent undertaking of St Helens Rugby Football Club Limited, and Greenbank Development has been filed, though not yet processed, for a 15,000 to 17,000 capacity stadium to be situated at the Burtonwood Road end of the Ravenhead Retail Park. Its formal submission is intended upon completion of traffic impact and retail studies to the satisfaction of relevant parties.

### 25 RELATED PARTY TRANSACTIONS

Mr A Thomas, a director and shareholder of St Helens Rugby Football Club Limited, is also a director and shareholder of AWT Painters Limited and Concrete TS Limited. Transactions and balances with these companies were as follows:

2001	Sales £	Debtor £	Purchases £	Creditor £
AWT Painters Limited	15,000	-	-	13,630
Concrete TS Limited	400	-	-	8,669
	<u>15,400</u>	<u>-</u>	<u>-</u>	<u>22,299</u>
2000	Sales £	Debtor £	Purchases £	Creditor £
AWT Painters Limited	8,000	-	11,600	42,030
Concrete TS Limited	5,095	-	26,952	31,669
	<u>13,095</u>	<u>-</u>	<u>38,552</u>	<u>73,699</u>

# **ST HELENS RUGBY FOOTBALL CLUB LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 October 2001

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### **RELATED PARTY TRANSACTIONS (CONTINUED)**

Mr M Kay, a director and shareholder of St Helens Rugby Football Club Limited during the year, is also a director and shareholder of Prenton Construction Limited.

During the year payments totalling £29,652 (2000: £29,200) were made to Prenton Construction Limited. In both years these have been treated as payments to Mr M Kay personally and have therefore been charged to his director's loan account.

The amount owing to St Helens Rugby Football Club Limited has been provided against in full.

### **26 ULTIMATE PARENT UNDERTAKING**

The directors consider that the ultimate parent undertaking of this company is Sporting Club St Helens Limited, which is registered in England and Wales.