

**ST HELENS RUGBY FOOTBALL
CLUB LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 OCTOBER 1997

COMPANY NUMBER 331905



ST HELENS RUGBY FOOTBALL CLUB LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 1997

Company registration number:

331905

Registered office:

Dunriding Lane
St Helens
Merseyside
WA10 4AD

Directors:

T Ellard (Chairman)
H Morris (Vice-Chairman)
E Ashton MBE
W Jelley
M Kay
E Latham

Chief executive:

D Howes

Secretary:

G Sutcliffe

Bankers:

National Westminster Bank Plc
St Helens

Solicitors:

Frodshams
St Helens

Auditors:

Grant Thornton
Registered auditors
Chartered accountants
Warrington

ST HELENS RUGBY FOOTBALL CLUB LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 1997

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ST HELENS RUGBY FOOTBALL CLUB LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with the financial statements for the year ended 31 October 1997.

Principal activity

The company is principally engaged in promoting rugby league football.

Business review

There was a profit for the year amounting to £293,314. The directors do not recommend the payment of a dividend and the profit has therefore been deducted from the deficit on the profit and loss account.

Directors

The present membership of the Board is set out below. All directors served throughout the period, apart from Mr J Pickavance who resigned as a director on 10 March 1997. The Board wishes to thank Mr Pickavance for his services to the club. The Board do not intend to fill the ensuing vacancy.

Mr E Ashton and Mr W Jelley retire by rotation and being eligible offer themselves for re-election.

The interests of the directors in the shares of the company as at 1 November 1996 and 31 October 1997, were as follows:-

	31 October 1997	1 November 1996
	Number of	Number of
	shares	shares
T Ellard	562	562
H Morris	300	300
E Ashton MBE	128	128
W Jelley	125	100
M Kay	393	393
E Latham	198	198

ST HELENS RUGBY FOOTBALL CLUB LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

Directors' responsibilities for the financial statements

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss 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;
- state whether applicable 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 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.

Land and buildings

During the previous period the land and buildings were revalued and the revised values incorporated in the financial statements.

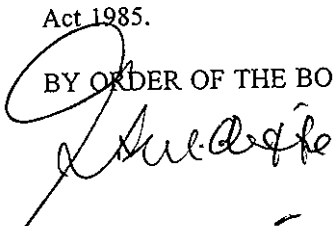
Charitable and political contributions

Donations to charitable organisations amounted to £596.

Auditors

Grant Thornton offer themselves for re-appointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



G Sutcliffe
Secretary
27 January 1998

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

We have audited the financial statements on pages 4 to 18 which have been prepared under the accounting policies set out on pages 4 and 5.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

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

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

In forming our opinion, we have considered the adequacy of the disclosures made on page 4 of the financial statements concerning the continuation and renewal of the company's bank overdraft facility. In view of the significance of this matter we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 October 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
WARRINGTON

27 January 1998

ST HELENS RUGBY FOOTBALL CLUB LIMITED

PRINCIPAL ACCOUNTING POLICIES

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 amounts.

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 9 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 and within that which they expect will be agreed on 10 May 1998 when the company's bankers are due to consider renewing the facility for a further period. However, the margin of facilities over requirements is not large and, inherently, there can be no certainty in relation to these matters. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of the overdraft facility by the company's bankers.

Turnover

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

Depreciation

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

Fixtures, fittings and equipment	10% on written down value or 3 years on a straight line basis
Motor vehicles	25% on written down value

Depreciation is not provided on freehold property. This is a departure from Statement of Standard Accounting Practice 12, which states that depreciation should be provided on all fixed assets with a finite useful economic life. It is the policy of the company to maintain the property in such a condition that the residual values are at least equal to book value and consequently, any element of depreciation would, in the opinion of the directors, be immaterial. Residual values are appraised on a regular basis by reference to professional valuers. Provision will be made against the book value in the event of any permanent diminution in value.

Transfer fees

Fees payable to and receivable from other rugby football clubs on the transfer of player's registrations are dealt with through the profit and loss account in the accounting period in which the transfer of the player's registration takes place.

Investments

Investments are included at cost.

ST HELENS RUGBY FOOTBALL CLUB LIMITED

PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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 1997

		12 months to 31 October 1997 £	17 months to 31 October 1996 £
	Note		
Turnover	1	3,465,383	3,443,637
Direct and other administrative costs	2	(3,150,582)	(3,490,744)
Operating profit/(loss)		314,801	(47,107)
Net interest payable	3	(48,987)	(75,144)
Profit/(loss) before transfer fees		265,814	(122,251)
Net transfer fees	4	27,500	(97,200)
Net profit/(loss) for the year	15	293,314	(219,451)



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 1997

	Note	1997 £	1996 £
Fixed assets			
Tangible assets	7	1,454,806	1,439,045
Investments	8	27	26
		<u>1,454,833</u>	<u>1,439,071</u>
Current assets			
Stocks	9	39,321	18,124
Debtors	10	147,663	182,123
Cash at bank and in hand		1,160	1,140
		<u>188,144</u>	<u>201,387</u>
Creditors: amounts falling due within one year	11	<u>(1,034,347)</u>	<u>(1,323,347)</u>
Net current liabilities		<u>(846,203)</u>	<u>(1,121,960)</u>
Total assets less current liabilities		608,630	317,111
Creditors: amounts falling due after more than one year	12	<u>(83,280)</u>	<u>(85,075)</u>
		<u>525,350</u>	<u>232,036</u>
Capital and reserves			
Called up share capital	14	7,000	7,000
Revaluation reserve	15	790,606	790,606
Profit and loss account	15	(272,256)	(565,570)
Shareholders' funds	16	<u>525,350</u>	<u>232,036</u>

The financial statements were approved by the Board of Directors on 27 January 1998.

T Ellard  Directors
H Morris 

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 1997

	Note	1997 £	1996 £
Net cash inflow from operating activities	17	243,201	94,743
Returns on investments and servicing of finance			
Interest received		-	190
Interest paid		(46,059)	(72,226)
Finance lease interest paid		(2,928)	(3,108)
Net cash outflow from returns on investments and servicing of finance		(48,987)	(75,144)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(26,528)	(143,960)
Sale of tangible fixed assets		4,000	300
Purchase of investments		(1)	-
Net cash outflow from capital expenditure and financial investment		(22,529)	(143,390)
Financing			
Receipts from borrowing		-	59,500
Repayment of borrowing		(16,752)	(87,482)
Capital element of finance lease rentals		(15,687)	(13,946)
Net cash outflow from financing		(32,439)	(41,928)
Increase/(decrease) in cash	18	139,246	(165,719)

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

ST HELENS RUGBY FOOTBALL CLUB LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 OCTOBER 1997

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	1997	1996
	£	£
Profit/(loss) for the financial year	293,314	(219,451)
Unrealised deficit on revaluation of land and buildings	-	(118,794)
	<hr/>	<hr/>
Total recognised profit/(loss) for the year	293,314	(338,245)
	<hr/>	<hr/>

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 1997

1 Turnover

Turnover is attributable to the following classes of continuing business:

	12 months to 31 October 1997 £	17 months to 31 October 1996 £
Gate receipts and programme sales	1,181,721	1,393,108
Television fees	997,083	866,750
Sponsorship and advertising	533,109	567,122
Suite hire and executive promotions	90,996	71,365
Merchandising and other	605,485	462,384
Lottery donations	28,489	45,641
Rent	28,500	37,267
	<u>3,465,383</u>	<u>3,443,637</u>
Note: Gross profit on shop sales	575,189	398,658
Sales	293,494	300,394
Cost of sales	<u>281,695</u>	<u>98,264</u>
Gross profit on shop sales		

Included within sponsorship and advertising income is a government grant of £25,000. The related expenditure is included within other operating charges.

2 Direct and other administrative costs

	12 months to 31 October 1997 £	17 months to 31 October 1996 £
Staff costs (note 5)	2,205,762	2,484,413
Depreciation	25,451	29,197
Hire of plant and machinery	9,559	13,775
Other operating leases	3,196	3,196
Audit fees	6,000	5,000
Surplus on disposal of fixed assets	(1,905)	(300)
Other operating charges	902,519	955,463
	<u>3,150,582</u>	<u>3,490,744</u>

ST HELENS RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 1997

3	Net interest	12 months to	17 months to
		31 October 1997 £	31 October 1996 £
	On bank loans and overdrafts	46,059	72,226
	Finance charges in respect of finance leases	2,928	3,108
		<u>48,987</u>	<u>75,334</u>
	Other interest receivable and similar income	-	(190)
		<u>48,987</u>	<u>75,144</u>
4	Net transfer fees	12 months to	17 months to
		31 October 1997 £	31 October 1996 £
	Transfer fees receivable	123,000	621,850
	Transfer fees payable	(95,500)	(719,050)
		<u>27,500</u>	<u>(97,200)</u>
5	Employees	12 months to	17 months to
		31 October 1997 £	31 October 1996 £
	Staff costs during the year were as follows:-		
	Players wages	1,474,546	1,694,314
	Other staff	496,234	520,830
	Social security costs	222,515	252,651
	Pension costs	12,467	16,618
		<u>2,205,762</u>	<u>2,484,413</u>

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

	1997 Number	1996 Number
Playing staff	61	60
Other staff	28	27
	<u>89</u>	<u>87</u>

The directors did not receive any remuneration in either the current or previous period.

ST HELENS RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 1997

6 Tax on profit/(loss) on ordinary activities

Unrelieved tax losses of approximately £1,200,000 remain available to offset against future taxable trading profits.

7 Tangible fixed assets

	Freehold land and buildings £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 November 1996	1,315,264	201,364	17,851	1,534,479
Additions	12,959	30,348	-	43,307
Disposals	-	-	(8,056)	(8,056)
At 31 October 1997	<u>1,328,223</u>	<u>231,712</u>	<u>9,795</u>	<u>1,569,730</u>
Depreciation				
At 1 November 1996	-	84,803	10,631	95,434
Provided in the period	-	24,025	1,426	25,451
Eliminated on disposals	-	-	(5,961)	(5,961)
At 31 October 1997	<u>-</u>	<u>108,828</u>	<u>6,096</u>	<u>114,924</u>
Net book amount at 31 October 1997	<u>1,328,223</u>	<u>122,884</u>	<u>3,699</u>	<u>1,454,806</u>
Net book amount at 31 October 1996	<u>1,315,264</u>	<u>116,561</u>	<u>7,220</u>	<u>1,439,045</u>

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

	Fixtures fittings and equipment £	Motor vehicles £
Net book amount at 31 October 1997	<u>38,601</u>	<u>3,699</u>
Net book amount at 31 October 1996	<u>38,586</u>	<u>4,937</u>
Depreciation provided in the year	<u>2,129</u>	<u>1,236</u>

ST HELENS RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR 31 OCTOBER 1997

7 Tangible fixed assets (continued)

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

	Land and buildings	
	1997	1996
	£	£
At cost	548,102	535,143
At valuation:		
1996	(118,794)	(118,794)
1995	898,915	898,915
	<u>1,328,223</u>	<u>1,315,264</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.

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, the land and buildings are unlikely to be disposed of in the foreseeable future.

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

	Land and buildings £
Cost	548,102
Accumulated depreciation	(26,183)
Net book amount at 31 October 1997	<u>521,919</u>
Net book amount at 31 October 1996	<u>508,960</u>

ST HELENS RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 1997

8 Fixed asset investments

Total fixed asset investments comprise:-

	1997 £	1996 £
Unlisted investments	27	26

9 Stocks

Goods for resale

	1997 £	1996 £
Goods for resale	39,321	18,124

10 Debtors

Trade debtors
Other debtors
Prepayments and accrued income

	1997 £	1996 £
Trade debtors	108,100	152,665
Other debtors	2,190	11,204
Prepayments and accrued income	37,373	18,254
	147,663	182,123

Included in the above is the following amount which is due after more than one year.

	1997 £	1996 £
Trade debtors	-	33,333

11 Creditors: amounts falling due within one year

Bank loans and overdrafts
Trade creditors
Social security and other taxes
Loans from the Rugby Football League
Accruals and deferred income
Amounts due under finance leases

	1997 £	1996 £
Bank loans and overdrafts	511,933	651,159
Trade creditors	105,610	100,769
Social security and other taxes	91,045	96,817
Loans from the Rugby Football League	778	1,752
Accruals and deferred income	313,501	461,979
Amounts due under finance leases	11,480	10,871
	1,034,347	1,323,347

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.

ST HELENS RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 1997

12 Creditors: amounts falling due after more than one year

	1997 £	1996 £
Loans from the Rugby Football League	238	1,016
Other creditors	59,000	74,000
Accruals and deferred income	13,500	-
Amounts due under finance leases	10,542	10,059
	<u>83,280</u>	<u>85,075</u>

13 Borrowings

Bank loans and overdrafts	511,933	651,159
Loans from the Rugby Football League	1,016	2,768
Other creditors	59,000	74,000
Amounts due under finance leases	22,022	20,930
	<u>593,971</u>	<u>748,857</u>

Borrowings are repayable as follows:-

	1997 £	1996 £
Within one year		
Bank and other borrowings	512,711	652,911
Finance leases	11,480	10,871
After one and within two years		
Bank and other borrowings	49,738	65,278
Finance leases	8,788	5,918
After two and within five years		
Bank and other borrowings	9,500	9,738
Finance leases	1,754	4,141
	<u>593,971</u>	<u>748,857</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 1997

14 Share capital

	1997 and 1996 £
Authorised, allotted, called up and fully paid 14,000 ordinary shares of 50p each	7,000

15 Reserves

	Revaluation reserve £	Profit and loss account £
At 1 November 1996	790,606	(565,570)
Profit for the year	-	293,314
At 31 October 1997	790,606	(272,256)

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

16 Reconciliation of movements in shareholders' funds

	1997 £	1996 £
Profit/(loss) for the financial year	293,314	(219,451)
Movement on revaluation reserve	-	(118,794)
Net increase/(decrease) in shareholders' funds	293,314	(338,245)
Shareholders' funds at 1 November 1996	232,036	570,281
Shareholders' funds at 31 October 1997	525,350	232,036

ST HELENS RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 1997

17 Net cash inflow/(outflow) from operating activities

	1997	1996
	£	£
Operating profit/(loss)	342,301	(144,307)
Depreciation	25,451	29,197
Profit on sale of tangible fixed assets	(1,905)	(300)
(Increase)/decrease in stock	(21,197)	21,089
Decrease/(increase) in debtors	34,460	(176,227)
(Decrease)/increase in creditors	(135,909)	365,291
Net cash inflow from operating activities	<u>243,201</u>	<u>94,743</u>

18 Reconciliation of net cashflow to movement in net debt

	1997	1996
	£	£
Increase/(decrease) in cash in the year	139,246	(165,719)
Cash outflow/(inflow) from financing	16,752	(57,018)
Cash outflow from finance leases	15,687	11,522
Change in net debt resulting from cashflows	<u>171,685</u>	<u>(211,215)</u>
Inception of finance leases	(16,779)	(16,587)
Movement in net debt in the year	<u>154,906</u>	<u>(227,802)</u>
Net debt at 1 November 1996	(747,717)	(519,915)
Net debt at 31 October 1997	<u>(592,811)</u>	<u>(747,717)</u>

19 Analysis of changes in net debt

	At 1 November	Cashflow	Non-cash	At 31 October
	1996		items	1997
	£	£	£	£
Cash in hand	1,140	20	-	1,160
Overdraft	(651,159)	139,226	-	(511,933)
	<u>(650,019)</u>	<u>139,246</u>	<u>-</u>	<u>(510,773)</u>
Debt	(76,768)	16,752	-	(60,016)
Finance leases	(20,930)	15,687	(16,779)	(22,022)
	<u>(747,717)</u>	<u>171,685</u>	<u>(16,779)</u>	<u>(592,811)</u>

ST HELENS RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 1997

20 Capital commitments

The company had no capital commitments at 31 October 1997 or 31 October 1996.

21 Contingent liabilities

There were no contingent liabilities at 31 October 1997 or 31 October 1996.

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 £3,560 (1996: £2,371) are due within one year. The leases to which these amounts relate expire as follows:-

	1997	1997	1996	1996
	Land and	Other	Land and	Other
	buildings		buildings	
	£	£	£	£
In one year or less	-	-	-	275
Between one and five years	-	2,460	-	996
In five years or more	1,100	-	1,100	-
	<u>1,100</u>	<u>2,460</u>	<u>1,100</u>	<u>1,271</u>