

Company Registration No. 1607454

**THE WORLD PROFESSIONAL BILLIARDS
AND SNOOKER ASSOCIATION LIMITED**

Report and Financial Statements

Year ended 30 June 2001



Deloitte & Touche
Queen Anne House
69-71 Queen Square
Bristol
BS1 4JP

**THE WORLD PROFESSIONAL BILLIARDS AND
SNOOKER ASSOCIATION LIMITED**

REPORT AND FINANCIAL STATEMENTS 2001

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**THE WORLD PROFESSIONAL BILLIARDS AND
SNOOKER ASSOCIATION LIMITED**

OFFICERS AND PROFESSIONAL ADVISERS

PRESIDENT

Ian Woosnam

DIRECTORS

M Wildman (Chairman)

J Chambers

J E Ferguson

J Johnson

J McMahon

A Murphy

SECRETARY

E J Walker

REGISTERED OFFICE

Ground Floor, Albert House

111-117, Victoria Street

Bristol

BS1 6AX

BANKERS

Barclays Bank PLC

40 Corn Street

Bristol

BS99 4AJ

SOLICITORS

Denton Wilde Sapte

5 Chancery Lane

Clifford's Inn

London

EC4A 1BU

TLT

Bush House

72 Prince Street

Bristol

BS99 7JZ

AUDITORS

Deloitte & Touche

Queen Anne House

69-71 Queen Square

Bristol

BS1 4JP

THE WORLD PROFESSIONAL BILLIARDS AND SNOOKER ASSOCIATION LIMITED

CHAIRMAN'S REPORT

This report, covering the 2000/2001 season and trading year, is my third as Chairman and I am pleased to present it to the members.

I am able to report a significant improvement in trading performance this year over that achieved in the past two financial years. Turnover has increased by £2.3 million to just under £14.0 million. Accordingly the group's gross profit doubled from £1.7 million in 2000 to £3.5 million this year.

The members, however, are well aware of the considerable commercial threat posed during the financial year by 110 Sport, formerly The Sportsmasters Network (TSN). The defence of the Association's position against TSN has had a significant impact on the net profitability of the group.

In December 2000 TSN announced the formation of a rival tour that TSN reported would replace that of the WPBSA. The Board was anxious during this time to ensure the membership was kept well informed, not only of the Association's future plans but also the impact of business changes that the Association had already made, so that the members could make a balanced judgement should they be asked to make a choice between the TSN and WPBSA tour offers.

Although TSN subsequently announced the abandonment of their tour for 2001/2002 they commenced a High Court case against WPBSA challenging amongst other things the right of the Association to act both as regulator and promoter.

The Board and its advisers were of the opinion that the High Court challenge should be defended. This decision proved to be the correct course of action as the legal action was successfully defended.

The exceptional costs incurred from December 2000 through to October 2001 (when judgement was handed down by the High Court) in defending the challenges brought by TSN were unfortunately substantial. The pre-tax profit before taking into account these costs was £1,174,000 (this compares to a loss of £792,000 in the previous year). However the exceptional costs of defending TSN's challenges have completely wiped-out the Association's trading profit. A loss before tax of £51,000 is the net result.

Whilst the profit and loss account outlines the financial cost of TSN's challenges, the true cost to the Association has been far greater. A considerable amount of time of the board, the executive and the staff has been lost in defending the Court case, precious time that would have otherwise been devoted to developing the sport.

It is pleasing, however, that the Court case is now in the past. The Board, the central management team under the leadership of its Chief Executive Jim McKenzie and our business advisors can now concentrate on developing the sport and realising its true potential.

Our business advisors are all experts in their respective fields and the players meeting in February this year was the first opportunity we had to introduce them to the members. Since that meeting we have further added to the team who now include Hill & Knowlton (PR), World Sport Group (event management), Media Content (media strategy) and Deloitte & Touche (auditors and financial advisors). We will shortly be announcing the organisation that has been selected to act as our sponsorship consultants.

The members are already aware that the prize fund for 2001/2002 has increased by in excess of 30% and part of future development will concentrate upon increasing the number of playing opportunities.

THE WORLD PROFESSIONAL BILLIARDS AND SNOOKER ASSOCIATION LIMITED

CHAIRMAN'S REPORT (continued)

To exploit the full value of the Association's commercial assets for the benefit of the sport as a whole we will need to make major changes to the professional game. These changes will include the need to invest in our product in the short term to ensure we gain the available financial returns in the medium and long term. Some of these changes will need constitutional reform and hence the support of the membership. Without such changes I believe we will be unable to follow a route to success.

I am pleased that David Sheepshanks, the Chairman of Ipswich Town Football Club, has agreed to be the Association's first independent non-executive director. This appointment can be ratified once the members have formally agreed the necessary constitutional changes to enable such appointments. In time David will be joined by other independent non-executive directors from the worlds of sport, media or finance. Once in place we will be in a position to finalise the group's scheme of good corporate governance, crucial to ensuring the business adopts best business practices.

In closing I would like to thank the membership for the support given to the Board and myself over what has been a particularly challenging year. Without your support the Association would not be where it is now. I believe we have never been in a better position to realise the value of snooker within the hierarchy of sport.



Mark Wildman
CHAIRMAN
21 November 2001

THE WORLD PROFESSIONAL BILLIARDS AND SNOOKER ASSOCIATION LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the group for the year ended 30 June 2001.

PRINCIPAL ACTIVITIES

The principal activities of the group throughout the year were the promotion of professional snooker and billiards. The company organises and promotes tournaments to ensure a thriving circuit and to maximise returns to the members from the events.

The company is also the association for professional snooker and billiards players throughout the world.

REVIEW OF THE BUSINESS

Group results for the year

In the past 18 months the company has focussed on the re-establishment of financial stability as its primary short-term goal and in the Directors Report last year a return to trading profitability was forecast. The directors are hence pleased to report that a profit before taxation (and before exceptional items) of £957,000 has resulted compared with a loss in excess of £792,000 in the previous period.

This return to profitability before exceptional items has arisen from a 20% increase in turnover giving rise to the consequent improvement in tournament profitability and, in particular, in relation to television facility fee income received.

Prize money has continued at a similar level to 2000 with just under £6 million being paid this year. (2001: £5.8 million; 2000: £5.9 million).

Last year's financial statements were signed by the directors approximately a month before the announcement by a competitor to establish a rival professional snooker tour to replace that run by the group. Although this competitor subsequently announced the abandonment of its 2001/2002 tour in March 2001, they however commenced a High Court action against WPBSA challenging WPBSA's position and rules under competition laws.

The directors were of the opinion that the action should be vigorously defended and the company took appropriate action. In October 2001 the judgement handed down by the Court confirmed that the directors were right to defend the action. Note 24 to the Accounts gives further and fuller details of the action and the outcome.

The total costs incurred in keeping Members fully informed of developments and defending the High Court action were in excess of £1.2 million. These costs were exceptional and have been treated as such in the profit and loss account on page 9.

In addition, the group sold its only freehold property generating a profit of £217,000. This income is not part of the group's normal trading activity and again has been reported as exceptional.

A net loss before tax of £51,000 resulted after taking into account these two exceptional items. Had the threatened rival tour and legal case not arisen then a profit before tax of £1,174,000 would have been reported.

THE WORLD PROFESSIONAL BILLIARDS AND SNOOKER ASSOCIATION LIMITED

DIRECTORS' REPORT (continued)

Financial position

Shareholders' funds at the year-end were in excess of £3 million. The group is highly liquid and with net current assets of £2.8 million the directors believe the group is soundly based to take advantage of the opportunities and challenges of the immediate future.

FUTURE PROSPECTS

During the year the group re-negotiated the broadcast rights contract it has with the BBC and that now has five years still to run. With this as a base the directors are optimistic about the long-term prospects for future growth. In addition the group structures and business partnerships now in place mean that the group is well placed to deliver long-term financial success within a bigger sport.

CORPORATE GOVERNANCE

In the Directors' Report, last year, the Board advised that it would this year set out how principles of good corporate governance would be applied.

The company already complies with many of the principles laid down in the Combined Code including a number of standing committees of the Board. These include the Audit Committee and the Appointments Committee that are yet to be fully functional. The Combined Code requires that these committees should have the significant participation of independent non-executive directors.

Unfortunately, however, the formal appointment of independent non-executive directors is not possible until changes are made to the company's constitution. These changes will shortly be presented to the members and if approved will be quickly followed by the appointment of the required number of independent non-executive directors.

Once these appointments are made the company will then be in a position to finalise its corporate governance scheme and subsequently set out in full how the principles of corporate governance have been applied.

DIVIDENDS

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

THE WORLD PROFESSIONAL BILLIARDS AND SNOOKER ASSOCIATION LIMITED

DIRECTORS' REPORT (continued)

DIRECTORS AND THEIR INTERESTS

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

J Chambers	
S Davis	(resigned 19 March 2001)
J E Ferguson	
T Griffiths	(resigned 8 February 2001)
J Johnson	(appointed 9 January 2001)
J McMahon	
D Taylor	(resigned 27 December 2000)
M Wildman	
A Murphy	(appointed 2 October 2001)

Under the company's Articles of Association the maximum number of directors is seven.

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

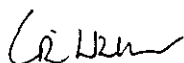
DONATIONS

Charitable donations made by the group during the year amounted to £775 (2000: £12,500). No donation was made in the year to the players' Benevolent Fund. There were no political donations.

AUDITORS

Since the report and financial statements for the year ended 30 June 2000 were issued, Robson Rhodes resigned as auditors and Deloitte & Touche were appointed. Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



E J Walker
Secretary
21 November 2001

THE WORLD PROFESSIONAL BILLIARDS AND SNOOKER ASSOCIATION LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit or loss of the group 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

We have audited the financial statements of The World Professional Billiards and Snooker Association Limited for the year ended 30 June 2001 which comprise the profit and loss account, the note of historical cost profits and losses, the balance sheets, the cash flow statement and the related notes 1 to 27. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 and other members of the group is not disclosed.

We read the directors' report and other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group affairs at 30 June 2001 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte + Touche

DELOITTE & TOUCHE
Chartered Accountants and
Registered Auditors

21 November 2001

**THE WORLD PROFESSIONAL BILLIARDS AND
SNOOKER ASSOCIATION LIMITED**

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 30 June 2001

	Note	2001 Before exceptional items £	2001 Exceptional items (note 24) £	2001 Total £	2000 Total £
TURNOVER: continuing activities	2	13,969,996	-	13,969,996	11,689,022
Cost of sales	3	(10,475,063)	-	(10,475,063)	(10,031,760)
GROSS PROFIT	4	3,494,933	-	3,494,933	1,657,262
Administrative expenses		(2,882,064)	(1,224,763)	(4,106,827)	(2,665,467)
OPERATING PROFIT/(LOSS): continuing activities	5	612,869	(1,224,763)	(611,894)	(1,008,205)
(Loss)/profit on sale of fixed assets		-	216,918	216,918	(9,132)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST		612,869	(1,007,845)	(394,976)	(1,017,337)
Interest receivable and similar income	8	344,273	-	344,273	225,289
Interest payable and similar charges	9	-	-	-	(90)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		957,142	(1,007,845)	(50,703)	(792,138)
Tax on profit/(loss) on ordinary activities	10	(253,166)	161,160	(92,006)	-
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR	18	703,976	(846,685)	(142,709)	(792,138)

There are no recognised gains or losses for the current financial year and preceding financial year other than as stated in the profit and loss account. Accordingly no statement of recognised gains and losses has been presented.

**THE WORLD PROFESSIONAL BILLIARDS AND
SNOOKER ASSOCIATION LIMITED**

NOTE OF HISTORICAL COST PROFITS AND LOSSES
Year ended 30 June 2001

	2001 £	2000 £
Loss on ordinary activities before taxation	(50,703)	(792,138)
Excess of actual depreciation charge over historical cost depreciation	-	2,449
Historical cost loss on ordinary activities before taxation	<u>(50,703)</u>	<u>(789,689)</u>
Historical cost loss for the year after taxation and dividends	<u>(142,709)</u>	<u>(789,689)</u>

**THE WORLD PROFESSIONAL BILLIARDS AND
SNOOKER ASSOCIATION LIMITED**

**CONSOLIDATED BALANCE SHEET
At 30 June 2001**

	Note	2001 £	2000 £
FIXED ASSETS			
Tangible assets	11	315,605	575,777
CURRENT ASSETS			
Stocks	13	8,726	2,672
Debtors	14	1,125,800	742,278
Investments	15	10,500,000	3,600,000
Cash at bank and in hand		652,614	313,818
		12,287,140	4,658,768
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	16	(9,531,845)	(2,020,936)
NET CURRENT ASSETS		2,755,295	2,637,832
TOTAL ASSETS LESS CURRENT LIABILITIES		3,070,900	3,213,609
CAPITAL AND RESERVES			
Capital reserve	18	22,238	22,238
Revaluation reserve	18	-	127,942
Profit and loss account	18	3,048,662	3,063,429
MEMBERS' FUNDS	19	3,070,900	3,213,609

These financial statements were approved by the Board of Directors on 21 November 2001

Signed on behalf of the Board of Directors



M Wildman
Director

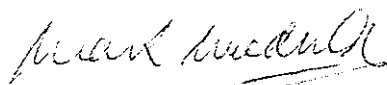
**THE WORLD PROFESSIONAL BILLIARDS AND
SNOOKER ASSOCIATION LIMITED**

**COMPANY BALANCE SHEET
At 30 June 2001**

	Note	2001 £	2000 £
FIXED ASSETS			
Tangible assets	11	315,605	575,777
Investments	12	104	103
		<u>315,709</u>	<u>575,880</u>
CURRENT ASSETS			
Stocks	13	6,054	-
Debtors	14	1,211,043	795,836
Investments	15	10,500,000	3,600,000
Cash at bank and in hand		567,462	257,693
		<u>12,284,559</u>	<u>4,653,529</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	16	(9,530,280)	(2,015,697)
NET CURRENT ASSETS		<u>2,754,279</u>	<u>2,637,832</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,069,988</u>	<u>3,213,712</u>
CAPITAL AND RESERVES			
Capital reserve	18	22,238	22,238
Revaluation reserve	18	-	127,942
Profit and loss account	18	3,047,750	3,063,532
MEMBERS' FUNDS	19	<u>3,069,988</u>	<u>3,213,712</u>

These financial statements were approved by the Board of Directors on 21 November 2001

Signed on behalf of the Board of Directors



M Wildman
Director

**THE WORLD PROFESSIONAL BILLIARDS
AND SNOOKER ASSOCIATION LIMITED**

CONSOLIDATED CASH FLOW STATEMENT
Year ended 30 June 2001

	Note	2001 £	2000 £
Net cash inflow/(outflow) from operating activities	20	6,494,171	(777,255)
Returns on investments and servicing of finance			
Interest received		346,322	225,289
Interest paid		-	(90)
Net cash inflow from returns on investments and servicing of finance		346,322	225,199
Taxation			
UK corporation tax paid		-	(36,840)
UK corporation tax refund received		62,358	-
Tax received/(paid)		62,358	(36,840)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(240,293)	(94,686)
Receipts from sales of tangible fixed assets		576,238	59,095
Net cash inflow/(outflow) from capital expenditure and financial investment		335,945	(35,591)
Cash inflow/(outflow) before use of liquid resources		7,238,796	(624,487)
Management of liquid resources			
Net movement in money market deposits		(7,425,000)	825,000
(Decrease)/increase in cash	21	(186,204)	200,513

THE WORLD PROFESSIONAL BILLIARDS AND SNOOKER ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS **Year ended 30 June 2001**

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Basis of group consolidation

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

Tangible fixed assets

The land and buildings were included at valuation. The valuations were not updated as a result of the impending disposal of the assets made during the current year.

Depreciation is provided evenly on the cost (or valuation where appropriate) of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. Where there is evidence of impairment, fixed assets are written down to their recoverable amounts. Any such write down would be charged to operating profits unless it was a reversal of a past revaluation surplus in which case it would be taken to the statement of total recognised gains and losses. No depreciation is provided on freehold land. The principal annual rates for other assets are:

Freehold buildings	2% per annum
Fixtures, fittings and equipment	10% - 20% per annum
Motor vehicles	25% per annum

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis. Net realisable value is based on the estimated sales value.

Deferred taxation

Deferred taxation is provided at the anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

Tournament sets

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

**THE WORLD PROFESSIONAL BILLIARDS
AND SNOOKER ASSOCIATION LIMITED**

NOTES TO THE ACCOUNTS
Year ended 30 June 2001

1. ACCOUNTING POLICIES (continued)

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Pension costs

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

Leases

Operating lease rentals are charged to profit and loss in equal annual amounts over the lease term.

Investments

Investments held as fixed and current assets are shown at cost less provision for any impairment. Those held as current assets are stated at the lower of cost and net realisable value.

**THE WORLD PROFESSIONAL BILLIARDS
AND SNOOKER ASSOCIATION LIMITED**

NOTES TO THE ACCOUNTS
Year ended 30 June 2001

2. TURNOVER

Class of business

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

	2001 £	2000 £
Tournament income		
Prize money received from sponsors	2,969,288	2,786,608
Maximum break prizes funded by insurers	-	60,000
Other income derived from promoting tournaments	10,904,185	8,651,526
	<u>13,873,473</u>	<u>11,498,134</u>
Non tournament income:		
Members' annual subscription fees and joining fees	71,754	8,192
Other	24,769	182,696
	<u>13,969,996</u>	<u>11,689,022</u>

Turnover for the year ended 30 June 2000 has been restated so as to exclude £144,000 of prize monies in relation to a sanctioned event and to include £60,000 of monies from insurers in relation to maximum break prizes. Cost of sales for the year ended 30 June 2000 has also been restated, as appropriate, for these matters.

Geographical analysis of turnover by location

	£	£
United Kingdom	13,887,406	11,379,517
Rest of Europe	2,000	261,875
Asia	80,590	44,521
Australasia	-	3,109
	<u>13,969,996</u>	<u>11,689,022</u>

3. COST OF SALES

	2001 £	2000 £
Prize monies paid to players (includes televised maximum break prizes - 2001 £ Nil - 2000 £82,500)	5,821,090	5,892,011
Tournament and other direct operating costs	4,653,973	3,987,030
Non tournament activity	-	152,719
	<u>10,475,063</u>	<u>10,031,760</u>

Cost of sales for the year ended 30 June 2000 has been restated, as appropriate, for the matters described in note 2 (above). In addition, £160,000 of appearance fee monies has been reclassified from 'prize monies paid to players' to 'tournament and other direct operating costs'.

**THE WORLD PROFESSIONAL BILLIARDS AND
SNOOKER ASSOCIATION LIMITED**

NOTES TO THE ACCOUNTS
Year ended 30 June 2001

4. GROSS PROFIT

	2001	2000
	£	£
Gross profit comprises:		
Contribution to prize monies by the group	(2,851,802)	(3,182,903)
Returns from tournament activities	6,250,212	4,801,996
	<hr/>	<hr/>
	3,398,410	1,619,093
Returns from non tournament activity	96,523	38,169
	<hr/>	<hr/>
	<u>3,494,933</u>	<u>1,657,262</u>

5. OPERATING LOSS

	2001	2000
	£	£
Operating loss is arrived at after charging:		
Depreciation of tangible fixed assets	137,718	115,049
Rentals under operating leases:		
- Hire of plant and machinery	5,608	1,381
- Other operating leases	34,179	-
Auditors' remuneration:		
- Group audit fees	17,750	16,000
- Other services	10,295	6,599
	<hr/>	<hr/>

6. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Directors' emoluments:

Directors receive no remuneration - see note 7

Average number of persons employed by the group in the year, including directors:	2001	2000
	No.	No.
Directors - all non-executive	6	7
Full time administration staff	25	28
Part time tournament staff	5	4
	<hr/>	<hr/>
	36	39
	<hr/>	<hr/>

Employee costs during the year:

	£	£
Wages and salaries	1,039,387	1,159,096
Social security costs	99,327	80,945
Other pension costs	30,524	45,091
	<hr/>	<hr/>
	<u>1,169,238</u>	<u>1,285,132</u>

Employee costs for the year ended 30 June 2000 have been restated so as to include £77,346 of costs for tournament officials that had been excluded from the figure disclosed in last year's financial statements.

**THE WORLD PROFESSIONAL BILLIARDS AND
SNOOKER ASSOCIATION LIMITED**

NOTES TO THE ACCOUNTS
Year ended 30 June 2001

7. DIRECTORS

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

The Articles of Association do, however, allow the directors to be reimbursed for expenses incurred in performing their business duties as directors of the company.

Detailed below are all of the expenses paid by the company (including reimbursements to directors) and incurred to allow directors to perform further business duties:

Directors	Accommodation for meetings £	Travelling expenses £	Telephone and sundry expenses £	Total £
M Wildman	5,535	19,294	4,805	29,634
J Chambers	1,766	12,671	475	14,912
J Johnson	1,062	4,156	344	5,562
S Davis	-	-	-	-
J E Ferguson	2,217	14,465	1,205	17,887
T Griffiths	725	2,250	300	3,275
J McMahon	1,581	6,447	1,131	9,159
D Taylor	121	147	354	622
Total this year	13,007	59,430	8,614	81,051
Previous year	11,085	48,327	10,133	69,545

Related party transactions

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

8. INTEREST RECEIVABLE

	2001 £	2000 £
Interest received on bank deposits	340,093	224,157
Other interest receivable	4,180	1,132
	344,273	225,289

**THE WORLD PROFESSIONAL BILLIARDS
AND SNOOKER ASSOCIATION LIMITED**

NOTES TO THE ACCOUNTS
Year ended 30 June 2001

9. INTEREST PAYABLE	2001	2000
	£	£
Bank borrowings	-	90
	<u> </u>	<u> </u>

10. TAXATION

The tax charge is based on the profit/(loss) on ordinary activities for the year and comprises:

	2001	2000
	£	£
United Kingdom corporation tax at 29% (2000 - 30%) based on the (loss)/profit for the year	98,072	-
Overprovision in respect of prior years	(6,066)	-
	<u> </u>	<u> </u>
	92,006	-
	<u> </u>	<u> </u>

The tax charge arises on investment income. The Association's taxable trading profit has been reduced to nil by the offset of brought forward trade losses. These are not recognised for deferred tax purposes.

11. TANGIBLE FIXED ASSETS

Group and company	Land and buildings £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 July 2000	374,481	42,105	688,410	1,104,996
Additions	-	26,750	213,543	240,293
Disposals	(374,481)	(15,000)	(200,795)	(590,276)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30 June 2001	-	53,855	701,158	755,013
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Accumulated depreciation				
At 1 July 2000	23,090	25,255	480,874	529,219
Charge for the year	-	17,214	120,504	137,718
Disposals	(23,090)	(10,781)	(193,658)	(227,529)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30 June 2001	-	31,688	407,720	439,408
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value				
At 30 June 2001	-	22,167	293,438	315,605
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30 June 2000	351,391	16,850	207,536	575,777
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

**THE WORLD PROFESSIONAL BILLIARDS
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NOTES TO THE ACCOUNTS
Year ended 30 June 2001

11. TANGIBLE FIXED ASSETS (continued)

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

	Land and buildings £
Cost	
At 1 July 2000	307,042
Disposals	(307,042)
	<hr/>
At 30 June 2001	-
	<hr/>
Depreciation	
At 1 July 2000	57,794
Disposal	(57,794)
	<hr/>
At 30 June 2001	-
	<hr/>
Net book value	
At 30 June 2001	-
	<hr/>
	<hr/>
At 30 June 2000	249,248
	<hr/>

All fixed assets other than freehold property and held at historical cost.

**THE WORLD PROFESSIONAL BILLIARDS
AND SNOOKER ASSOCIATION LIMITED**

NOTES TO THE ACCOUNTS
Year ended 30 June 2001

12. INVESTMENTS HELD AS FIXED ASSETS

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

	£
Shares at cost	
At 1 July 2000	103
Additions	1
	<hr/>
At 30 June 2001	104
	<hr/>

The parent undertaking holds shareholdings in the following subsidiaries, all of which are incorporated in Great Britain:

Name of company	Proportion of ordinary shares held	Principal activity
World Snooker Limited	100%	Newly formed company to undertake, in the future, the commercial activities of the parent company
EASB Limited	100%	Promotion and regulation of amateur snooker and billiards in England
WPBSA (Promotions) Limited	100%	Dormant in the year

13. STOCKS

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Finished goods	8,726	2,672	6,054	-
	<hr/>	<hr/>	<hr/>	<hr/>

14. DEBTORS

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Trade debtors	504,555	339,471	495,112	325,583
Amounts owed by group undertakings	-	-	104,297	69,224
Corporation tax	-	56,180	-	56,180
Other debtors	191,552	9,762	182,545	9,762
Prepayments and accrued income	429,693	336,865	429,089	335,087
	<hr/>	<hr/>	<hr/>	<hr/>
	1,125,800	742,278	1,211,043	795,836
	<hr/>	<hr/>	<hr/>	<hr/>

**THE WORLD PROFESSIONAL BILLIARDS
AND SNOOKER ASSOCIATION LIMITED**

NOTES TO THE ACCOUNTS
Year ended 30 June 2001

15. INVESTMENTS HELD AS CURRENT ASSETS

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Money market deposits	10,500,000	3,600,000	10,500,000	3,600,000

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Trade creditors	481,417	228,906	481,417	228,906
Corporation tax	98,067	-	98,066	-
Other taxation and social security	941,946	472,272	941,946	471,566
Other creditors	15,473	-	15,439	-
Accruals and deferred income	7,994,942	1,319,758	7,993,412	1,315,225
	<u>9,531,845</u>	<u>2,020,936</u>	<u>9,530,280</u>	<u>2,015,697</u>

17. COMPANY STATUS

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

18. RESERVES

	Capital reserve	Revaluation reserve	Profit and loss account
Group	£	£	£
At 1 July 2000	22,238	127,942	3,063,429
Retained loss for the year	-	-	(142,709)
Sale of revalued freehold property	-	(127,942)	127,942
At 30 June 2001	<u>22,238</u>	<u>-</u>	<u>3,048,662</u>
Company	£	£	£
At 1 July 2000	22,238	127,942	3,063,532
Retained loss for the year	-	-	(143,724)
Sale of revalued freehold property	-	(127,942)	127,942
At 30 June 2001	<u>22,238</u>	<u>-</u>	<u>3,047,750</u>

**THE WORLD PROFESSIONAL BILLIARDS
AND SNOOKER ASSOCIATION LIMITED**

NOTES TO THE ACCOUNTS

Year ended 30 June 2001

19. RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS

	2001	2000
	£	£
Group		
Total recognised losses	(142,709)	(792,138)
Opening members' funds	3,213,609	4,005,747
Closing members' funds	3,070,900	3,213,609
Company	£	£
Total recognised losses	(143,724)	(890,481)
Opening members' funds	3,213,712	4,104,193
Closing members' funds	3,069,988	3,213,712

**20. RECONCILIATION OF OPERATING LOSS TO NET CASH
INFLOW FROM OPERATING ACTIVITIES**

	2001	2000
	£	£
Operating loss	(611,894)	(1,008,205)
Depreciation	137,718	115,049
Loss on disposal of fixed assets	3,427	-
(Increase)/decrease in debtors	(441,863)	119,822
Increase/(decrease) in creditors	7,412,837	(8,348)
(Increase)/decrease in stock	(6,054)	4,427
Net cash inflow/(outflow) from operating activities	6,494,171	(777,255)

The operating cashflow includes an outflow of £240,000 in relation to exceptional items as described in Note 24 (a).

**21. RECONCILIATION OF NET CASHFLOW TO MOVEMENT
IN NET FUNDS**

	2001	2000
	£	£
(Decrease)/increase in cash	(186,204)	200,513
Cash inflow/(outflow) from movement in liquid resources	7,425,000	(825,000)
Increase/(decrease) in net funds	7,238,796	(624,487)
Net funds at 1 July 2000	3,913,818	4,538,305
Net funds at 30 June 2001	11,152,614	3,913,818

**THE WORLD PROFESSIONAL BILLIARDS
AND SNOOKER ASSOCIATION LIMITED**

NOTES TO THE ACCOUNTS
Year ended 30 June 2001

22. ANALYSIS OF NET FUNDS

	At 30 June 2000 £	Cash flow £	At 30 June 2001 £
Cash at bank and in hand	313,818	(186,204)	127,614
Money market deposits	3,600,000	7,425,000	11,025,000
Net cash	3,913,818	7,238,796	11,152,614

Cash at bank and in hand on the balance sheet as at 30 June 2001 includes £525,000 of money market deposits, which were repayable within two and seven days of the year-end.

23. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption contained in Financial Reporting Standard No. 8 from the requirement to disclose related party transactions within the group.

24. EXCEPTIONAL ITEMS

(a) Operating profit is arrived at after charging the following exceptional items:

	2001 £	2000 £
Administrative expenses	1,224,763	-

On 6 December 2000 The Sportsmasters Network Ltd (TSN) announced that it intended from the 2001/2000 season to put on a series of professional snooker tournaments to rival the WPBSA professional snooker Main Tour. TSN further stated that it was their intention to replace the existing professional snooker tour run by the company.

Subsequently, in February 2001, TSN commenced a High Court action against the company. The action included challenges to:

- alleged abuses by WPBSA of its dominant position in relevant markets,
- the operation of the ranking points system,
- WPBSA's tournament sanctioning policies,
- the requirement for players to perform promotional work,
- the number of player's logos,
- the right of the company to act both as regulator and promoter in snooker,
- the management of WPBSA,
- abusive incorporation of WPBSA rules.

On 8 March 2001, TSN announced the abandonment of its intended 2001/2002 tour

At the year-end the case was still in the process of being heard in the High Court, with 27 July as the final date of the hearing

THE WORLD PROFESSIONAL BILLIARDS AND SNOOKER ASSOCIATION LIMITED

NOTES TO THE ACCOUNTS Year ended 30 June 2001

24. EXCEPTIONAL ITEMS (continued)

In the judgement handed down on 5 October 2001 the Judge ruled against TSN in seven out of the above eight issues. The only argument accepted by the Judge related to a rule which was no longer in effect at the time the action was brought.

The cost of keeping members fully informed of developments from December 2000 to the commencement of the actual High Court hearing amount to £30,713. The legal and other costs incurred in defence of the action brought by TSN amounted to £1,194,050. As detailed in Note 23 the legal costs include full provision for the costs of this case even though the action was continuing on 30 June 2001.

(b) Profit before tax is arrived at after crediting the following exceptional items:

	2001 £	2000 £
Disposal of freehold property	216,918	-

In December 2000, the company moved its administrative headquarters to leased premises that were more suitable for business purposes. The freehold property vacated by this move was sold generating a net profit on sale of £216,918.

25. LOSS OF PARENT COMPANY

As permitted by Section 230 of the Companies Act, the profit and loss account of the parent company is not presented as part of these accounts. The parent company's loss for the financial year amounted to £143,724 (2000 - £890,481).

26. OPERATING LEASE COMMITMENTS

At 30 June 2001 the group was committed to making the following payments during the next year in respect of operating leases:

	2001		2000	
	Land and buildings £	Other £	Land and buildings £	Other £
Leases which expire:				
Within two to five years	63,060	5,523	-	5,523

27. CONTINGENT LIABILITY

The Company is currently in dispute with a third party regarding a claim for services. The matter is being dealt with by the Company's legal advisors. At this stage, it is not possible for the directors to disclose an estimate of any payment that may be required to bring the claim to a resolution, but the payment, if any, is not expected to be material.