

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

Report and Consolidated Financial Statements

Year ended 30 June 2002



REPORT AND CONSOLIDATED FINANCIAL STATEMENTS 2002

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

**Deloitte
& Touche**

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J Chambers
J Johnson
A Knowles
G McKay
J McMahon
P Wykes

SECRETARY

TLT Secretaries Limited

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
Bristol

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the group for the year ended 30 June 2002.

PRINCIPAL ACTIVITIES

The Group's principal activity throughout the year was the promotion of professional snooker and billiards through the organisation and promotion of tournaments. The Group aims to ensure a thriving circuit of events and to maximise returns to the members from these.

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

REVIEW OF THE BUSINESS

Review of group results for the year

This has been an eventful year, in which the Directors and members have had to make some difficult decisions about the sport and its commercial future. The short term effect of these has been to increase costs above expected levels in the year ended 30 June 2002, but the medium and long term paybacks should benefit the sport and the members.

In the year ended 30 June 2002, the Group reports an operating loss before exceptional items of £2.2 million. This compares to a Group operating profit before exceptional items of £0.6 million in the year ended 30 June 2001.

It is important to understand the underlying cause for the difference between these figures.

- Payments within the existing broadcast agreements are contractually staged. These stage payments generated £1 million more in revenues year ended 30 June 2001, compared to year ended 30 June 2002.
- In the year ended 30 June 2002, player promotional contracts were in place for the entire financial year, whereas they were in place for only part of the year ended 30 June 2001. This accounted for an additional £0.4 million of expenditure.
- In year ended 30 June 2002, an additional £1.6 million was allocated towards prizes from WPBSA reserves. This took total prize money for the season to £7.4 million.

As shown above, at least £2 million of the Group loss this year is accounted for by the increased returns to members in prize money and promotional contracts. It should be noted that the decision to use anticipated profits from year ended 30 June 2001 to fund increased member prizes in the 2001/02 season was taken before WPBSA was forced to defend itself from a High Court action brought by a competitor. The history of this action was reported in last year's Directors Report and, in October 2001, the judge ruled in favour of the WPBSA on 7 of the 8 actions brought. This confirmed that the directors were right to vigorously defend the action. Significantly, whilst the costs of defence (exceptional costs in year ended 30 June 2001 were £1.2 million) completely wiped out the profit earmarked for increased prizes, the ultimate cost of not defending the action would have been far higher to the WPBSA and its members.

It does mean however that prize levels cannot be sustained in the short term. Members are already aware that prize money in 2002/03 will return to slightly in excess of £6 million.

Exceptional items incurred in year ended 30 June 2002 accounted for a sum in excess of £600,000 (see note 25 to the accounts).

**THE WORLD PROFESSIONAL BILLIARDS AND
SNOOKER ASSOCIATION LIMITED****DIRECTORS' REPORT (continued)****Review of group results for the year (continued)**

In the longer term the sport needs a continued commercial income stream to fund tournament prizes. In the middle of the 2001/02 season, the Board concluded that it would seek to maximise the sports commercial potential by bringing in professional sports management from outside the group. The Directors invited interested commercial partners to submit proposals for the exploitation of the WPBSA's commercial properties. Three bids were subsequently received.

The Directors, concerned at all stages to ensure that the bid process was fair and equal to all bidders and the membership, took advice on how the bid process should be conducted from the professional firms retained to advise on the best interests of the membership. It was concluded that all the bid proposals should be presented to the voting members in an open forum.

A free and fair vote took place on 28 June 2002 and resulted in a tie between two of the bidders. These then went through to a further phase of the bid process wherein members would be provided with further information, including an independent financial review of each bid by the company's advisers. A further vote would then take place late in August 2002.

Disappointingly, one of the remaining bidders unexpectedly and formally withdrew from the bid process very shortly before the August vote. This meant that a second vote was no longer required and the Directors accordingly entered into contractual discussions with the remaining bidder, World Snooker Enterprises Ltd ("WSE"). The Board are pleased to confirm that contracts with WSE were completed on 14 October 2002.

At a recent Extraordinary General Meeting the members gave a vote of confidence in the existing Board and, by implication, the appointment of WSE.

The group now has the requisite structure and commercial expertise in place to exploit the WPBSA's commercial properties and maximise returns on these. Whilst it is recognised that it is not commercially realistic to expect to sustain the recently increased prize fund levels in the short term, WSE have made a commitment that means that total prize money should remain above £6.0 million in 2002/03.

Further information on this post balance sheet event is detailed in note 28.

Financial position

The Group reports a retained loss for the year of £2.4 million – described above - and consequent reduction in members' funds to £640,000.

The group's cash resources are, however, good. These should provide a solid base for the Group as the new commercial team works towards delivering improved returns from the group's commercial properties.

DIRECTORS' REPORT (continued)

FUTURE PROSPECTS

The Group faces several commercial challenges in the short to medium term, most particularly the imminent cessation of all tobacco sponsorship, other than the World Championship, the flagship snooker event which has been identified as exempt until 2006. A number of new revenue streams will be targeted with a view to replacing the projected reduction in sponsorship income next season.

In order to realise its commercial potential, it is vital that the group now has a period of internal stability. For several years now, the group's ability to exploit its commercial assets has been severely hampered by internal politics. Now that the Group has retained commercial expertise and put an appropriate corporate structure in place it is hoped that such stability will be granted.

The recent Extraordinary General Meeting of members on 13 November gave a vote of confidence in the existing Board and, by implication, the appointment of WSE. As long as members now allow the new commercial team and structure the necessary time and stability to deliver future prosperity, the Directors believe that this company is in the best position it has ever been to benefit the sport and the members.

CORPORATE GOVERNANCE

The Board reaffirms its commitment to the principles of good corporate governance.

The company endeavours to comply with many of the principles laid down in the Combined Code but, because the constitution does not allow the appointment of non-executive directors on fair commercial terms, it has been unable to comply in the specific area of "significant participation of non-executive directors".

The Board believes that the participation of appropriate independent non-executive directors is important for corporate governance and also to enhance commercial performance. Accordingly, the corporate structure now in place will allow non-executive director appointments to the group's commercial arm World Snooker Ltd ("WSL"), without changes to the current constitution. WSL's directors expect to select and appoint non-executive directors to its Board in the near future.

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	
J Johnson	
J McMahon	
J E Ferguson	(resigned 30 June 2002)
A Murphy	(appointed 2 October 2001, resigned 30 June 2002)
M Wildman	(resigned 23 September 2002)

In the period since the year-end, the following directors were appointed:

A Knowles	(appointed 25 September 2002)
G McKay	(appointed 2 July 2002)
P Wykes	(appointed 31 October 2002)

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.

No directors had any interest in the share capital of any other group companies at the beginning or end of the year.

DONATIONS

Charitable donations made by the group during the year amounted to £5,550 (2001: £775). No donation was made in the year to the players' Benevolent Fund (2001: £nil). There were no political donations.

AUDITORS

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

TLT Secretaries Limited
Secretary


**FOR AND ON BEHALF OF
TLT SECRETARIES LIMITED**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 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 company 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 2002 which comprise the consolidated profit and loss account, the balance sheets, the consolidated cash flow statement and the related notes 1 to 28. 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 as at 30 June 2002 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

Bristol *30 January 2003*

**Deloitte
Touche
Tohmatsu**

Aberdeen, Belfast, Birmingham, Bracknell, Bristol, Cambridge, Cardiff, Crawley, Edinburgh, Glasgow, Leeds, Liverpool, London, Manchester, Milton Keynes, Newcastle upon Tyne, Nottingham, St Albans and Southampton.

Principal place of business at which a list of partners' names is available: Stonecutter Court, 1 Stonecutter Street, London EC4A 4TR.

Authorised by the Financial Services Authority in respect of regulated activities.

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

**Deloitte
& Touche**

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 30 June 2002

	Note	2002 Total £	2001 Total £
TURNOVER: continuing activities	2	12,662,605	13,969,996
Cost of sales	3	(11,909,615)	(10,475,063)
GROSS PROFIT	4	752,990	3,494,933
Administrative expenses (includes exceptional costs of £627,000; 2001: £1,224,673)	5, 25	(3,531,045)	(4,106,827)
OPERATING LOSS: continuing activities	5	(2,778,055)	(611,894)
Profit on sale of fixed assets		-	216,918
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		(2,778,055)	(394,976)
Interest receivable and similar income	8	246,714	344,273
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	25	(2,531,341)	(50,703)
Tax credit/(charge) on loss on ordinary activities	9	98,072	(92,006)
RETAINED LOSS FOR THE FINANCIAL YEAR	18	(2,433,269)	(142,709)

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**

**Deloitte
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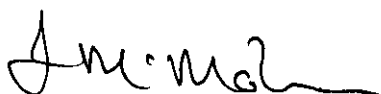
CONSOLIDATED BALANCE SHEET

At 30 June 2002

	Note	2002 £	2001 £
FIXED ASSETS			
Tangible assets	10	481,392	315,605
CURRENT ASSETS			
Stocks	12	6,631	8,726
Debtors	13	1,188,448	1,125,800
Investments	14	2,500,000	10,500,000
Cash at bank and in hand		1,030,811	652,614
		4,725,890	12,287,140
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	15	(4,369,651)	(9,531,845)
NET CURRENT ASSETS		356,239	2,755,295
TOTAL ASSETS LESS CURRENT LIABILITIES		837,631	3,070,900
PROVISIONS FOR LIABILITIES AND CHARGES	16	(200,000)	-
NET ASSETS		637,631	3,070,900
CAPITAL AND RESERVES			
Capital reserve	18	22,238	22,238
Profit and loss account	18	615,393	3,048,662
TOTAL MEMBERS' FUNDS	19	637,631	3,070,900

These financial statements were approved by the Board of Directors on 22 November 2002

Signed on behalf of the Board of Directors



J McMahon
Director

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

**Deloitte
& Touche**

**COMPANY BALANCE SHEET
At 30 June 2002**

	Note	2002 £	2001 £
FIXED ASSETS			
Tangible assets	10	481,392	315,605
Investments	11	104	104
		<u>481,496</u>	<u>315,709</u>
CURRENT ASSETS			
Stocks	12	6,631	6,054
Debtors	13	1,190,799	1,211,043
Investments	14	2,500,000	10,500,000
Cash at bank and in hand		1,030,361	567,462
		<u>4,727,791</u>	<u>12,284,559</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	15	(4,367,203)	(9,530,280)
NET CURRENT ASSETS		<u>360,588</u>	<u>2,754,279</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		842,084	3,069,988
PROVISIONS FOR LIABILITIES AND CHARGES	16	(200,000)	-
NET ASSETS		<u>642,084</u>	<u>3,069,988</u>
CAPITAL AND RESERVES			
Capital reserve	18	22,238	22,238
Profit and loss account	18	619,846	3,047,750
TOTAL MEMBERS' FUNDS	19	<u>642,084</u>	<u>3,069,988</u>

These financial statements were approved by the Board of Directors on 22 November 2002

Signed on behalf of the Board of Directors



J McMahon
Director

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

**Deloitte
& Touche**

**CONSOLIDATED CASH FLOW STATEMENT
Year ended 30 June 2002**

	Note	2002 £	2001 £
Net cash (outflow)/inflow from operating activities	20	(7,484,318)	6,494,171
Returns on investments and servicing of finance			
Interest received		261,760	346,322
Interest paid		(576)	-
Net cash inflow from returns on investments and servicing of finance		261,184	346,322
Taxation			
UK corporation tax paid		(100,499)	-
UK corporation tax refund received		-	62,358
Tax (paid)/received		(100,499)	62,358
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(324,941)	(240,293)
Receipts from sales of tangible fixed assets		26,771	576,238
Net cash (outflow)/inflow from capital expenditure and financial investment		(298,170)	335,945
Cash (outflow)/inflow before use of liquid resources		(7,621,803)	7,238,796
Management of liquid resources			
Net movement in money market deposits		7,456,000	(7,425,000)
Decrease in cash	21	(165,803)	(186,204)

NOTES TO THE ACCOUNTS
Year ended 30 June 2002

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and 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

Depreciation is provided evenly on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rates for depreciation of assets are:

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

The group has adopted FRS 19 *Deferred Tax*. Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Tournament sets

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

NOTES TO THE ACCOUNTS
Year ended 30 June 2002

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. A 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.

Turnover

Turnover is shown net of value added tax. Sponsorship and media rights income are recognised in the season to which they relate.

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

**Deloitte
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NOTES TO THE ACCOUNTS
Year ended 30 June 2002

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:

	2002	2001
	£	£
Tournament income:		
Prize money received from sponsors	2,642,150	2,969,288
Other income derived from promoting tournaments	9,959,783	10,904,185
	<u>12,601,933</u>	<u>13,873,473</u>
Non tournament income:		
Members' annual subscription fees and joining fees	54,925	71,754
Other	5,747	24,769
	<u>12,662,605</u>	<u>13,969,996</u>

Geographical analysis of turnover by location

	£	£
United Kingdom	12,395,999	13,887,406
Rest of Europe	34,594	2,000
Asia	188,685	80,590
Australasia	43,327	-
	<u>12,662,605</u>	<u>13,969,996</u>

3. COST OF SALES

	2002	2001
	£	£
Prize monies paid to players	7,445,286	5,821,090
Tournament and other direct operating costs	4,454,395	4,653,973
Non tournament activity	9,934	-
	<u>11,909,615</u>	<u>10,475,063</u>

**THE WORLD PROFESSIONAL BILLIARDS AND
SNOOKER ASSOCIATION LIMITED**
NOTES TO THE ACCOUNTS
Year ended 30 June 2002
4. GROSS PROFIT

	2002	2001
	£	£
Gross profit comprises:		
Contribution to prize monies by the group	(4,803,136)	(2,851,802)
Returns from tournament activities	5,505,388	6,250,212
	<u>702,252</u>	<u>3,398,410</u>
Returns from non tournament activity	50,738	96,523
	<u>752,990</u>	<u>3,494,933</u>

5. OPERATING LOSS

	2002	2001
	£	£
Operating loss is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	132,610	137,718
Rentals under operating leases:		
- Hire of plant and machinery	7,245	5,608
- Other operating leases	63,060	34,179
Auditors' remuneration:		
- Group audit fees	18,500	17,750
- Other services	150,372	10,295
(Profit)/loss on disposal of fixed assets	(227)	3,427
Exceptional items included within administrative expenses (see note 25)	627,000	1,224,673

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:	2002 No.	2001 No.
Directors – all non-executive	6	6
Full time administration staff	24	25
Tournament board staff: officials	6	5
referees	8	-
	<u>44</u>	<u>36</u>

Employee costs during the year:

	£	£
Wages and salaries	1,270,270	1,039,387
Social security costs	109,706	99,327
Other pension costs	72,071	30,524
	<u>1,452,047</u>	<u>1,169,238</u>

NOTES TO THE ACCOUNTS
Year ended 30 June 2002

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 £
J Chambers	1,519	11,163	399	13,081
J Ferguson	2,298	10,815	1,407	14,520
J Johnson	1,769	6,744	761	9,274
J McMahon	2,506	9,218	1,054	12,778
A Murphy	3,791	12,434	1,109	17,334
M Wildman	4,270	15,732	2,901	22,903
Total this year	<u>16,153</u>	<u>66,106</u>	<u>7,631</u>	<u>89,890</u>
Previous year	<u>13,007</u>	<u>59,430</u>	<u>8,614</u>	<u>81,051</u>

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.

During the year the company used the professional services of Unique Promotions Limited to aid the company in carrying out the review and implementation of a restructure of the company. The restructure related to both corporate and staff structures. Payments made to Unique Promotions under this contract were £16,725 in consultancy fees and £1,488 in relation to reimbursement of travelling expenses.

Unique Promotions Limited is a company where A Murphy, a director of WPBSA who resigned on 30 June 2002, was a director and majority shareholder.

The Board concluded that Unique Promotions was best placed to provide the professional services required in the restructure. These services were outside the role of that required of Mr Murphy as a director of the company.

In the opinion of the directors, the benefit to the company of the staff restructure was to reduce staff salary costs by in excess of £200,000 per annum in a full year.

NOTES TO THE ACCOUNTS
Year ended 30 June 2002

8.	INTEREST RECEIVABLE	2002 £	2001 £
	Interest received on bank deposits	246,698	340,093
	Other interest receivable	16	4,180
		<u>246,714</u>	<u>344,273</u>

9. TAX CREDIT/(CHARGE) ON LOSS ON ORDINARY ACTIVITIES

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

	2002 £	2001 £
United Kingdom corporation tax at 30% (2001: 30%) based on the loss for the year	-	(98,072)
Adjustment in respect of prior years	98,072	6,066
	<u>98,072</u>	<u>(92,006)</u>
Deferred tax:		
Timing differences, origination and reversal	(295,832)	-
Adjustments to the estimated recoverable amounts of deferred tax assets arising in previous periods	232,526	-
Adjustments in respect of prior years	63,306	-
	<u>98,072</u>	<u>(92,006)</u>

The standard rate of tax for the period, based on United Kingdom standard rate of corporation tax is 30% (2001: 30%). The actual tax credit/(charge) for the current and the previous period differ from the standard rate for the reasons set out in the following reconciliation:

	2002 £	2001 £
Loss on ordinary activities before taxation	<u>2,531,341</u>	<u>50,703</u>

NOTES TO THE ACCOUNTS
Year ended 30 June 2002

9. TAX CREDIT/(CHARGE) ON LOSS ON ORDINARY ACTIVITIES (continued)

	£	£
Loss on ordinary activities at standard rate	759,402	15,211
Effects of:		
Expenses not deductible for tax purposes	(97,884)	(121,268)
Capital allowances in excess of depreciation	22,830	(12,611)
Tax losses	(698,164)	16,602
Movement in short term timing differences	13,816	-
Rate difference on tax charge	-	3,994
Prior period adjustments	98,072	6,066
Tax credit/(charge) on loss on ordinary activities	98,072	(92,006)

A deferred tax asset has not been recognised in respect of timing differences relating to trading losses carried forward of £957,000. The company is not currently aware of any other factors that will materially affect the future tax charge.

10. TANGIBLE FIXED ASSETS

Group and company	Motor vehicles £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 July 2001	53,855	701,158	755,013
Additions	-	324,941	324,941
Disposals	(53,855)	(27,553)	(81,408)
At 30 June 2002	-	998,546	998,546
Accumulated depreciation			
At 1 July 2001	31,688	407,720	439,408
Charge for the year	-	132,610	132,610
Disposals	(31,688)	(23,176)	(54,864)
At 30 June 2002	-	517,154	517,154
Net book value			
At 30 June 2002	-	481,392	481,392
At 30 June 2001	22,167	293,438	315,605

NOTES TO THE ACCOUNTS
Year ended 30 June 2002

11. 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 2001 and 30 June 2002	104
	<u> </u>

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

12. STOCKS

	Group		Company	
	2002 £	2001 £	2002 £	2001 £
Finished goods	6,631	8,726	6,631	6,054
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

13. DEBTORS

	Group		Company	
	2002 £	2001 £	2002 £	2001 £
Trade debtors	138,427	504,555	138,427	495,112
Amounts owed by group undertakings	-	-	13,510	104,297
Corporation tax	100,436	-	98,499	-
Other debtors	202,844	191,552	193,878	182,545
Prepayments and accrued income	746,741	429,693	746,485	429,089
	<u>1,188,448</u>	<u>1,125,800</u>	<u>1,190,799</u>	<u>1,211,043</u>

NOTES TO THE ACCOUNTS
Year ended 30 June 2002

14. INVESTMENTS HELD AS CURRENT ASSETS

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Money market deposits	<u>2,500,000</u>	<u>10,500,000</u>	<u>2,500,000</u>	<u>10,500,000</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Trade creditors	576,650	481,417	576,650	481,417
Corporation tax	-	98,067	-	98,066
Other taxation and social security	91,363	941,946	91,363	941,946
Other creditors	18,594	15,473	18,594	15,439
Accruals and deferred income	<u>3,683,044</u>	<u>7,994,942</u>	<u>3,680,596</u>	<u>7,993,412</u>
	<u>4,369,651</u>	<u>9,531,845</u>	<u>4,367,203</u>	<u>9,530,280</u>

16. PROVISIONS FOR LIABILITIES AND CHARGES

Provisions for liabilities and charges relate to ongoing legal disputes as follows:

	£
Provision	
At 1 July 2001	-
Charged during the year	<u>200,000</u>
At 30 June 2002	<u>200,000</u>

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. Following legal advice, during the year the Company paid into Court an amount of £200,000. The Directors consider that the provision for this amount is more than sufficient to bring the dispute to resolution, and settle the associated legal costs.

17. COMPANY STATUS

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

NOTES TO THE ACCOUNTS
Year ended 30 June 2002

18. RESERVES

	Capital reserve £	Profit and loss account £
Group		
At 1 July 2001	22,238	3,048,662
Retained loss for the year	-	(2,433,269)
At 30 June 2002	<u>22,238</u>	<u>615,393</u>
Company	£	£
At 1 July 2001	22,238	3,047,750
Retained loss for the year	-	(2,427,904)
At 30 June 2002	<u>22,238</u>	<u>619,846</u>

19. RECONCILIATION OF MOVEMENTS IN MEMBERS' FUNDS

	2002 £	2001 £
Group		
Total recognised losses	(2,433,269)	(142,709)
Opening members' funds	<u>3,070,900</u>	<u>3,213,609</u>
Closing members' funds	<u>637,631</u>	<u>3,070,900</u>
Company	£	£
Total recognised losses	(2,427,904)	(143,724)
Opening members' funds	<u>3,069,988</u>	<u>3,213,712</u>
Closing members' funds	<u>642,084</u>	<u>3,069,988</u>

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

	2002 £	2001 £
Operating loss	(2,778,055)	(611,894)
Depreciation	132,610	137,718
(Profit)/loss on disposal of fixed assets	(227)	3,427
Decrease/ (increase) in debtors	223,312	(441,863)
(Decrease)/ increase in creditors	(5,064,053)	7,412,837
Decrease/ (increase) in stock	2,095	(6,054)
Net cash (outflow)/inflow from operating activities	<u>(7,484,318)</u>	<u>6,494,171</u>

NOTES TO THE ACCOUNTS
Year ended 30 June 2002

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

	2002	2001
	£	£
Decrease in cash	(165,803)	(186,204)
Cash (outflow)/inflow from movement in liquid resources	(7,456,000)	7,425,000
(Decrease)/increase in net funds	(7,621,803)	7,238,796
Net funds at 1 July 2001	11,152,614	3,913,818
Net funds at 30 June 2002	3,530,811	11,152,614

22. ANALYSIS OF NET FUNDS

	At 30 June 2001	Cash flow	At 30 June 2002
	£	£	£
Cash at bank and in hand	127,614	(165,803)	(38,189)
Money market deposits	11,025,000	(7,456,000)	3,569,000
Net cash	11,152,614	(7,621,803)	3,530,811

Cash at bank and in hand on the balance sheet as at 30 June 2002 includes £1,069,000 (2001: £525,000) of money market deposits, which were repayable within one day of the year-end.

23. PENSION SCHEME

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the group in an independently administered fund.

During the period the company contributed £72,071 (2001: £30,524) in respect of the scheme. £3,946 was outstanding at the balance sheet date (2001: debtor of £4,553).

24. 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.

NOTES TO THE ACCOUNTS
Year ended 30 June 2002

25. EXCEPTIONAL ITEMS

Operating profit is arrived at after charging the following exceptional items within Administrative Expenses:

- a) An amount of £320,000 in relation to a legal claim against the Company, as described in Note 16, for legal and other costs incurred in defence of the action.
- b) An amount of £232,000 in relation to the termination of certain employment contracts.
- c) The costs of carrying out the process of identifying a potential commercial partner interested in the long term development and commercial exploitation of snooker. Up to 30 June 2002, these costs amounted to approximately £75,000.

Operating profit in the year to 30 June 2001 was arrived at after charging an exceptional cost of £1,224,673. This related to a High Court action brought by The Sportsmasters Network (TSN). TSN were challenging the WPBSA's market position, and announcing their intention to put on a series of professional snooker tournaments to rival the WPBSA professional snooker Main Tour.

The case was closed during the current year and no additional costs have been included in operating profit.

Profit before taxation in the previous year was arrived at after crediting profit on disposal of freehold properties of £216,918. This related to the moving of the company's administrative headquarters to leased premises which were more suitable for business purposes. No comparable disposals have been made in the current year.

26. 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 retained loss for the financial year amounted to £2,427,904 (2001: £143,724).

27. OPERATING LEASE COMMITMENTS

At 30 June 2002 the group was committed to making the following payments during the next year in respect of operating leases:

	2002		2001	
	Land and buildings £	Other £	Land and buildings £	Other £
Leases which expire:				
Within two to five years	<u>63,060</u>	<u>-</u>	<u>63,060</u>	<u>5,523</u>

NOTES TO THE ACCOUNTS
Year ended 30 June 2002

28. POST BALANCE SHEET EVENTS

On 14 October 2002 the company formally executed two contracts.

The first contract, between the company and one of its subsidiaries World Snooker Limited ("WSL"), was a business transfer agreement to transfer the business, assets, employees and liabilities pertaining to the commercial activities of the group from WPBSA to WSL. The terms of this agreement, effective from the start of the 2002/03 season, obligate WSL to discharge responsibility for all commercial activities of the group whilst WPBSA remains as the world governing body with responsibility for managing certain aspects of the sport including all regulatory functions.

The second contract, between WPBSA, WSL and World Snooker Enterprises Limited ("WSE"), was a long-term (10 year) management contract to allow WSE to control and autonomously manage the commercial and marketing activities of the group, subject to specific performance criteria. The terms of this agreement have effectively brought the necessary commercial expertise into the group to exploit the group's commercial rights. The performance criteria against which WSE will be judged include prize money and the minimum number of ranking events in each season.

On execution of the two contracts, the financial effect of the transaction is internal to the group. There will be no impact on the group's consolidated financial position.