

Super League (Europe) Limited

**Directors' report and financial
statements**

Registered number - 3238540

31 December 2006

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Chairman's statement

I am very pleased to report that the 2006 engage Super League season proved to be the best in the competition's 11 year history setting a number of significant milestones

Statistically, the campaign was a major success. It drew record television audiences, created a record crowd of 75,582 for a Grand Final and broke the record for the highest weekly average attendance.

For the first time in the competition's history more than 1.5 million supporters turned out over the 28 Rounds of the Regular season. The average weekly attendance rose to 9,026 - the fifth consecutive season attendances have increased.

St Helens were again the team to beat. In October they defeated Hull FC in the Grand Final to add to a trophy collection that already included the Challenge Cup and engage Super League Leaders Shield. The campaign also saw a last day relegation thriller with Wakefield Trinity Wildcats defeating Castleford Tigers to maintain their top flight status.

Off the pitch St Helens were awarded the BBC Sports Personality Team of the Year for their exploits, beating off competition which included the Ryder Cup winning European golf squad. Daniel Anderson also received Coach of the Year at the same awards ceremony.

engage Super League also witnessed some *galic* flair with the Catalans Dragons successfully completing their inaugural season. The Perpignan based outfit have already defeated the majority of their league rivals at least once and have seen their average home crowd swell to over 8,000 at the Gilbert Brutus Stadium.

During 2006 the Super League clubs took the ground-breaking decision to stage one round of fixtures in the following season at a central venue. May 2007 saw this latest innovation to the sport with the staging of the first Millennium Magic event in Wales. Nearly 60,000 supporters attended a feast of rugby league under the roof of Cardiff's Millennium Stadium.

The unique atmosphere created both in the stadium and the city itself meant the concept now has the potential to become the third major event in the Super League calendar.

engage Super League now has a pool of full-time Match Officials for the benefit of the sport. This initiative represents a significant investment by the clubs who through Super League (Europe) Ltd are part contributing together with the RFL.

I would like to take this opportunity to thank everyone for their efforts over the previous year. I believe the year was one of success and this is because of the hard work of clubs, volunteers, employees and everyone associated with engage Super League.

R Lewis
Chairman

Operating and financial review

Super League (Europe) Limited ("SLE") is an agency of the twelve clubs that participate in Super League from time to time

To this end SLE distributes all revenues it receives in excess of the costs needed to run the organisation. Therefore the annual profit figure will always be £nil

As a consequence the statutory profit and loss account does not reflect the total income flows which pass through the company

Income flowing through SLE Ltd comprises television fees for broadcast rights, sponsorship revenues from the principle competition sponsor and other commercial supplementary partnerships and match receipts from the Grand final and Play Offs, together with the World Club Challenge. An analysis of these items is provided in the Detailed Analysis of Trading

SLE Ltd also makes significant payments to other rugby league organisations, namely the National League competition and the Rugby League Conference

SLE Ltd also pays the Rugby Football League a management charge for the provision of executives and resource

During 2006 there was a significant change to the Memorandum and Articles of the Association for SLE Ltd in that the Rugby Football League (RFL) was granted a non participating share. A fuller explanation of this is detailed below under Corporate Governance and Board of Directors

Detailed Analysis of Trading

The result for the year is shown on page 5. The company has made neither a profit nor a loss for the year, which reflects the nature of the operations of SLE. The company acts as an agent for the Super League clubs, and its turnover represents amounts received to cover administrative expenses and other disbursements properly incurred on the clubs' behalf

Income from the Grand Final and Play Off was at its highest level as a consequence of 72,582 spectators witnessing St Helens beating Hull 26-4 in the ninth **engage** Super League Grand Final at Old Trafford. This was the most successful Grand Final since the competition began and helped to confirm the final as one of sport's best family occasions

The World Club Challenge saw an exciting contest between Bradford Bulls and Wests Tigers at the Galpharm Stadium in Huddersfield. Bradford emerged victorious, the third consecutive win for a UK-based side. The attendance of 19,207 was very satisfactory but income from the game was significantly lower than the previous year when 39,000 people attended Leeds Rhinos v Canterbury Bulldogs

The organisation was also commercially successful, with title-sponsor **engage** signing up for another two years to cover 2007 and 2008

Other partners and suppliers who have contributed to Super League are *Gillette, Powergen, DnB, Nestle, XXXX, William Hill, Steeden* and *ITW*

Operating and financial review *(continued)*

Future forecasts

2007 should continue the success of 2006 with the World Club Challenge between St Helens and Brisbane Broncos being successfully staged at Reebok Stadium, Bolton. Revenues from this will be broadly in line with those for 2006.

In May 2007 SLE staged Millennium Magic in Cardiff when one of the rounds of Super League was played at Millennium Stadium. This new event, yet another innovative concept devised by Super League, was extremely well attended and promises to become a major highlight of the season and a significant income stream going forward.

As the existing television contracts enter their final 18 months, SLE will soon begin the process of re-negotiating its broadcasting arrangements from 2009 onwards.

Key Performance Indicators

The Key Financial Performance Indicators of the company are Turnover, Operating Costs and Operating Profit, all of which are reviewed monthly by the directors.

The company also regularly monitors attendances at centrally staged and club games, television viewing figures and financial performance of the individual member clubs.

Corporate Governance

SLE is committed to high standards of corporate governance, and is continually looking at ways to improve this governance.

Board of Directors

At a General Meeting held on 21 June 2006, the members of Super League (Europe) Ltd voted unanimously to change the Articles of Association of the Company in order to improve the governance of the company and the League. As a result there were two major changes to the Articles of Association.

The first was to amend the share structure of the Company. One of the 50 Ordinary Shares was made a Special share. This permitted the re-introduction of the special share in the name of the RFL (Governing Body) Limited (The Governing Body Share). This share is a Special Rights preference Share of £1. It does not entitle the Governing Body Shareholder to any revenues or dividends in the Company. The share grants the Governing Body certain areas of exclusive jurisdiction and veto on other issues. The Ordinary Shareholders, being Super League clubs, also enjoy certain exclusive rights.

The second major change to the Articles of Association was to amend the composition of the company's Board of Directors. The Board was previously composed of Directors from each of the 12 clubs and the Executive Chairman of the RFL who was chair of the Company. With effect from 21 June 2006, the Board of Directors of Super League (Europe) Limited now comprises The Executive Chairman of the RFL, who shall ex officio be the Chairman of Super League (Europe) Limited, and the Chief Operating Officer of the RFL who shall ex officio be a director of Super League (Europe) Limited. The shareholders retain the right to appoint an additional Director or to revert to the previous structure.

As a consequence of the RFL's shareholding and by reference to the mutuality of directorships of the Executive Chairman and Chief Operating Officer, RFL(GB) Ltd is classified as a related company and detailed related parties disclosures can be found in the Notes to the Accounts (Note 15).

Operating and financial review *(continued)*

Internal Control

The board is responsible for establishing and maintaining the RFL's system of internal controls. Internal control systems are intended to meet the needs of the organisation and the risks to which it is exposed. By their nature, such systems and procedures are designed to manage rather than eliminate the risk of failure to achieve objectives and can therefore provide reasonable and not absolute reassurance against material loss or misstatement.

Key elements of the internal control systems are

- Clearly defined management structure and delegation of authority to committees of the board and the management team
- High recruitment standards and formal career development and training to ensure the integrity and competence of staff
- Regular information provided to management and staff, covering financial performance and key performance indicators
- A detailed budgeting process where departmental managers participate in the budget formation before approval by the board
- Procedures for the approval of capital expenditure, investments and significant trading purchases
- Monthly monitoring and re-forecasting of results against budget, with management action taken and recorded against major variances
- Ongoing procedures to maintain the risk register, evaluate the risks faced by the business and monitor the systems to control and reduce the risks

Summary

SLE will continue to focus on creating and generating commercial opportunities. Similarly, management will continue to evaluate internal procedures and processes to ensure that the advancements made in recent years are developed further to ensure that our aspiration to become one of the country's leading sporting competitions is realised.



N Wood
Director

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2006

Principal activity

The company's principal activity is that of the management and promotion of the Rugby Football League competition known as the Super League. The company acts as an agent for the 12 (2006/12) rugby league clubs who participated in the Super League competition in 2006.

Dividends

The directors do not recommend the payment of a dividend.

Directors and directors' interests

The directors who held office during the year were as follows:

Richard Alan Lewis	
Peter Michael Quarmby Hood	(appointed 1 January 2006, resigned 21 June 2006)
Richard Wright	(appointed 1 January 2006, resigned 21 June 2006)
Nigel Jonathon Wood	(appointed 21 June 2006)
Gary Hetherington	(appointed 1 January 2006, resigned 21 June 2006)
Andrew John Gatchliffe	(appointed 1 January 2006, resigned 21 June 2006)
Kathryn Mary Hetherington	(appointed 1 January 2006, resigned 21 June 2006)
Dave Mark Tarry	(appointed 1 January 2006, resigned 21 June 2006)
Nicholas Huw Cartwright	(appointed 1 January 2006, resigned 21 June 2006)
Ralph William James Rimmer	(appointed 1 January 2006, resigned 21 June 2006)
Sean McGuire	(appointed 1 January 2006, resigned 21 June 2006)
Diane Rogerson	(appointed 1 January 2006, resigned 21 June 2006)
Simon Collinson	(appointed 1 January 2006, resigned 21 June 2006)
Nicolas Rayer	(appointed 1 January 2006, resigned 21 June 2006)

The directors who held office during the financial year had no disclosable interests in the shares of the company at the year end. However, the following directors were also directors of Super League clubs who are/were members of the company:

Gary Hetherington	The Leeds Cricket, Football & Athletic Company Limited (Leeds Rhinos)
Andrew John Gatchliffe	Warrington Football Club Limited (Warrington Wolves)
Kathryn Mary Hetherington	Hull Super League Limited (Hull FC)
Dave Mark Tarry	Salford Football Club Company (1914) Limited (Salford City Reds)
Nicholas Huw Cartwright	London Broncos Limited/Eaglecraft Limited (Harlequins RL (formerly London Broncos))
Ralph William James Rimmer	Huddersfield Sporting Price Limited (Huddersfield Giants)
Sean McGuire	St Helens Rugby Football Club Limited (St Helens)
Diane Rogerson	Wakefield Trinity Rugby League Football Club Limited (Wakefield Trinity Wildcats)
Simon Collinson	Wigan Football Club Limited (Wigan Warriors)
Peter Michael Quarmby Hood	Bradford Bulls Holdings Limited (Bradford Bulls)
Richard Wright	Castleford Rugby League Football Club Limited (Castleford Tigers)
Nicolas Rayer	SSAP UTC Perpignan St Esteve Mediterranee (Catalans Dragons)

During the year subsequent share transfers occurred as follows:

1 January 2006	- Widnes Rugby League Football Club Limited (Widnes Vikings) to Castleford Rugby League Football Limited (Castleford Tigers)
1 January 2006	- Sporting Club Leigh Limited (Leigh Centurions) to SASP UTC Perpignan St Esteve Mediterranee (Catalans Dragons)

Directors' report *(continued)*

Immediately after the year-end further share transfers occurred as follows

1 January 2007 - Castleford Rugby League Football Limited (Castleford Tigers) to Hull Kingston Rovers Rugby League Football Club (Hull KR)

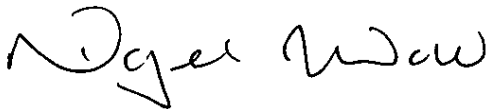
Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

A resolution for the reappointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting

By order of the board



N Wood
Director

Red Hall
Red Hall Lane
Leeds
LS17 8NB

20 June 2007

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

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Neville Street
Leeds
LS1 4DW
United Kingdom

Independent auditors' report to the members of Super League (Europe) Limited

We have audited the financial statements of Super League (Europe) Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 7, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

Independent auditors' report to the members of Super League (Europe) Limited
(continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its result for the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985
- the information given in the Director's Report is consistent with the financial statements

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditors

20 June 2007

Profit and loss account
for the year ended 31 December 2006

	<i>Note</i>	Continuing operations	
		2006 £	2005 £
Turnover	<i>1</i>	3,768,370	3,886,600
Cost of sales		(2,652,015)	(2,792,417)
Gross profit		1,116,355	1,094,183
Administrative expenses		(1,159,955)	(1,178,657)
Operating loss		(43,600)	(84,474)
Interest receivable	<i>4</i>	43,600	84,474
Profit on ordinary activities before taxation	<i>2</i>	-	-
Tax on profit on ordinary activities	<i>5</i>	-	-
Profit for the financial year	<i>10</i>	-	-

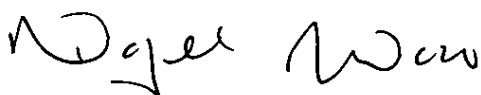
There are no recognised gains or losses in the year other than the result for the year as shown above

There is no difference between the results as stated above and those as stated on a historical cost basis

Balance sheet
at 31 December 2006

	<i>Note</i>	2006	2005
		£	£
Fixed assets			
Tangible assets	6	16,532	44,323
Current assets			
Debtors	7	3,962,898	3,704,666
Cash at bank and in hand		534,328	554,046
		<u>4,497,226</u>	<u>4,258,712</u>
Creditors amounts falling due within one year	8	(4,513,744)	(4,303,021)
		<u>(16,518)</u>	<u>(44,309)</u>
Net current liabilities			
		<u>14</u>	<u>14</u>
Total assets less current liabilities			
		<u>14</u>	<u>14</u>
Net assets			
		<u>14</u>	<u>14</u>
Capital and reserves			
Called up share capital	9	12	12
Profit and loss account	10	-	-
Capital redemption reserve	10	2	2
		<u>14</u>	<u>14</u>
Equity shareholders' funds	11	14	14

These financial statements were approved by the board of directors on 20 June 2007 and were signed on its behalf by


N Wood
Director

Notes

(forming part of the financial statements)

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 accounting rules

The accounts are prepared on a going concern basis despite the net current liabilities of the company

The Super League clubs have undertaken, in the event of SLE having net liabilities, to permit SLE to release, unconditionally for its own accounts & benefit an amount equivalent to such net liabilities. This amount shall then be treated as a reduction in the liabilities of SLE, being a release from the amount owing to the clubs

Under Financial Reporting Standard No 1 (Revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a small company

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Fixtures and fittings	- 3 years
Motor vehicles	- 3 years

Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account and the capital element which reduces the outstanding obligation for future instalments

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight-line basis over the life of the lease

Taxation

Taxation is only payable on interest receivable as the company acts as agent for the Rugby League Clubs in the Super League who are members of the company

Turnover

Turnover represents amounts to directly cover administrative expenses and other disbursements properly incurred on the clubs' behalf, in accordance with the disclosed agency agreement between the company and the Super League clubs

Notes (continued)

1 Accounting policies (continued)

Translation of foreign currencies

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at exchange rates ruling at the date of the balance sheet. Transactions in foreign currencies are translated at the rate of exchange on the date of transaction and gains or losses on the translation are taken to the profit and loss account.

2 Profit on ordinary activities before taxation

	2006 £	2005 £
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration		
Audit of financial statements	6,000	6,000
Operating lease rentals		
Land and buildings	81,694	47,280
Depreciation of tangible fixed assets		
Owned	32,036	32,739
	<u> </u>	<u> </u>

3 Staff costs

At 1 June 2002 the staff employed by the Company had their employment transferred to the Rugby Football League ("the RFL"). A management charge is made by the RFL to reflect the costs incurred by employing staff to carry out such duties as necessary in the management of SLE.

4 Interest receivable

	2006 £	2005 £
Bank interest	43,600	84,474
	<u> </u>	<u> </u>

5 Taxation

	2006 £	2005 £
<i>UK corporation tax</i>		
Current tax on income for the period	-	-
Adjustments in respect of prior periods	-	-
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

Notes (continued)

6 Tangible fixed assets

	Fixtures and fittings £
<i>Cost</i>	
At beginning of year	147,709
Additions	4,245
	<hr/>
At end of year	151,954
	<hr/>
<i>Depreciation</i>	
At beginning of year	103,386
Charge for year	32,036
	<hr/>
At end of year	135,422
	<hr/>
<i>Net book value</i>	
At 31 December 2006	16,532
	<hr/>
At 31 December 2005	44,323
	<hr/>

7 Debtors

	2006 £	2005 £
Trade debtors	3,076,431	2,940,822
Other debtors	-	14,130
Prepayments and accrued income	886,465	749,712
Called up share capital unpaid	2	2
	<hr/>	<hr/>
	3,962,898	3,704,666
	<hr/>	<hr/>

8 Creditors, amounts falling due within one year

	2006 £	2005 £
Trade creditors	276,106	180,709
Other taxation and social security	538,973	454,868
Other creditors	2,825,804	3,469,162
Accruals and deferred income	872,861	198,282
	<hr/>	<hr/>
	4,513,744	4,303,021
	<hr/>	<hr/>

Notes (continued)

9 Called up share capital

	2006 £	2005 £
Authorised		
Equity Ordinary shares of £1 each	50	50
	<hr/>	<hr/>
Allotted and called up		
Equity Ordinary shares of £1 each		
- paid	10	10
- unpaid	2	2
	<hr/>	<hr/>
	12	12
	<hr/>	<hr/>

10 Reserves

	Capital redemption reserve £	Profit and loss account £
At beginning of year	2	-
Profit for the financial year	-	-
	<hr/>	<hr/>
At end of year	2	-
	<hr/>	<hr/>

11 Reconciliation of movements in equity shareholders' funds

	2006 £	2005 £
Profit for the financial year	-	-
	<hr/>	<hr/>
Net addition to equity shareholders' funds	-	-
Opening equity shareholders' funds	14	14
	<hr/>	<hr/>
Closing equity shareholders' funds	14	14
	<hr/>	<hr/>

12 Commitments

Amounts falling due in the next twelve months under non-cancellable operating leases, analysed by the date of expiry of the lease are as follows

	2006	2005
	Land and buildings £	Land and buildings £
Within one year	-	15,760
Within two to five years	47,280	-
	<hr/>	<hr/>

Notes (continued)

13 Related party transactions - participating shareholders

The participating shareholders of the company are the 12 Super League rugby clubs

In 2006, the total monies receivable by SLE on behalf of participating shareholders was £13,114,633 (2005 £12,907,679). Payments to clubs amounted to £9,744,000 (2005 £9,697,350), being £9,600,000 (2005 £9,600,000) in respect of television rights and £144,000 (2005 £97,350) payment of surplus balances. The surplus of monies receivable for the year was £204,753 (2005 £148,437).

In total, other creditors includes £2,691,811 (2005 £3,181,507) due to the 12 current Super League clubs and previous clubs since relegated. This represents undistributed surpluses of £409,587 (2004 £433,797), £2,366,038 (2005 £2,258,491) which relates to the first tranche of broadcast rights monies for the forthcoming year, £56,612 (2005 £622,648) being the balance remaining of the initial signing-on fee in respect of broadcast rights, less £18,426 (2005 £18,426) sundry club debtors less £122,000 (2005 £95,253) advanced to clubs in respect of broadcast rights.

Within accruals and deferred income £132,008 (2005 £1,622) is due to the 12 Super League clubs. This represents amounts due relating to the Super League Grand Final, Play off games and the World Club Challenge.

Within trade debtors £115,082 (2005 £59,228) is owed to SLE by the 12 current Super League clubs and previous clubs since relegated. These debtors are recoverable, in the last resort, through deductions from distributions.

The following amounts were also payable to members in respect of prize money

Club	£
St Helens Rugby Football Club Limited (St Helens)	290,000
Hull Super League Limited (Hull FC)	185,000
Bradford Bulls Holding Limited (Bradford Bulls)	155,000
Warrington Football Club Limited (Warrington Wolves)	130,000
The Leeds Cricket, Football & Athletic Company Limited (Leeds Rhinos)	100,000
Salford Football Club Company (1914) Limited (Salford City Reds)	80,000
	<hr/>
	940,000
	<hr/>

14 Related party transactions – directors

In 2006 the Executive Chairman and Chief Operating Officer of the Rugby Football League Limited (RFL) became the two operational directors of Super League (Europe) Limited (SLE). By virtue of these shared directorships, the two companies are now related parties. The RFL receives income from ticket sales and sponsorship and incurs costs relating to SLE – these are all passed on to SLE. Similarly SLE receives some income and incurs some costs on behalf of the RFL – these are passed on to the RFL. Included within administrative expenses is the management charge made from the RFL to SLE of £333,000 (2005 £293,000). At 31 December 2006 within trade debtors £113,146 (2005 £nil) is owed to SLE by the RFL. At 31 December 2006 within prepayments £91,901 (2005 £473,419) is owed by the RFL to SLE. At 31 December 2006 within other creditors £nil (2005 £78,383) is owed by SLE to the RFL. At 31 December 2006 within accruals and deferred income £114,749 (2005 £313,871) is owed by SLE to the RFL. Furthermore the RFL has received income and made payments on behalf of SLE for future events. The net amount owed by SLE to the RFL at 31 December 2006 is £40,348 (at 31 December 2005 the net amount owed by the RFL to SLE was £13,093). All balances are non-interest bearing.