

Super League (Europe) Limited

**Directors' report and financial
statements**

Registered number - 3238540

31 December 2008

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Chairman's statement

I am happy to report that the 2008 engage Super League season was another successful one, continuing to develop on the achievements of previous seasons, and building the foundations for future seasons.

Statistically, the campaign was once again a major success. Television audiences were again very strong throughout the year, culminating in the Grand Final at Old Trafford.

For the third time in the competition's history more than 1.5 million supporters turned out over the 27 Rounds of the Regular season, including the round at the Magic Weekend. The average weekly attendance rose to 10,338 - the eighth consecutive season attendances have increased.

Leeds was ultimately the successful team at the engage Super League Grand Final, beating St Helens at Old Trafford. They were also successful at the start of the season, beating Melbourne Storm at the Carnegie World Club Challenge in front of over 30,000 people at Elland Road in Leeds. The other successful club in 2008 were St Helens who retained the engage Super League Leaders Shield and Carnegie Challenge Cup trophy.

In May 2008 the second Magic Weekend took place at the Millennium Stadium. Over 60,000 supporters attended the two-day event in Cardiff, with many of these fans attending all six games. This exciting fixture in the rugby league calendar was once again widely praised by fans, and the event will take place again in May 2009 at Murrayfield Stadium in Edinburgh.

In 2008 the league took a significant step forward with the introduction of membership of the competition by the application for and issuing of a licence for a three year period. This project was the culmination of work over many years with the RFL, together with clubs, seeking to provide an environment which allows clubs to invest in the medium term element of creating successful clubs, for instance facilities improvements and youth development, free from the annual pressure of avoiding relegation. The process certainly galvanised all 19 clubs who applied, with a number of clubs promising new facilities and a renewed appetite to invest in home produced players. As a consequence the RFL Board were in a position to offer 14 licences which represents an increase of two clubs for the 2009 season. The first licences issued will run from 2009-11 but I look forward to seeing positive progress in the areas of facilities, youth production and overall club development through this period.

Broadcast negotiations with Sky and the BBC concluded in 2008 for TV rights for 2009-11 and will enable Super League to continue to develop positively through this period. It should be noted that in 2009 the Super League competition will be showcased in five separate countries, with matches staged in Scotland and Spain to complement the regular season matches offered in England, France and now of course Wales.

I would like to take this opportunity to thank everyone for their efforts in 2008. I believe the year was a huge success and this is because of the hard work of players, clubs, volunteers, employees and everyone associated with engage Super League.



R Lewis
Chairman

10 September, 2009

Operating and financial review

Super League (Europe) Limited ("SLE") is an agency of the 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 and the Magic Weekend. 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 Co-operative Championship competition and the Rugby League Conference and SLE Ltd also pays the Rugby Football League a management charge for the provision of executives and resource.

Detailed Analysis of Trading

The result for the year is shown on page 9. 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.

Turnover for the year has increased from £4,470,048 in 2007 to £4,738,564 in 2008.

Income from the Grand Final and Play Offs in 2008 was at a lower level than 2007. The Play Offs were attended by fewer spectators largely because for the first time in the competition's history two games were held outside the UK, in Perpignan, and also because one game, also for the first time, was played at a neutral venue when Wigan played Bradford Bulls at Widnes.

The Grand Final between Leeds Rhinos and St Helens saw a strong crowd of 68,810 at Old Trafford, further establishing the final as an important event in the sporting calendar. Leeds Rhinos were ultimately successful at the final, and in March 2009 played Manly Sea Eagles in the World Club Challenge, which of course will be accounted for in 2009.

The World Club Challenge in 2008 saw an exciting contest between Leeds Rhinos and Melbourne Storm at Elland Road in Leeds. Leeds Rhinos were victorious, the fifth consecutive win for a UK-based side. The attendance of 33,204 was an increase on the previous year (2007: 23,247) and revenues were similarly higher than in the previous year.

2008 also saw the second Magic Weekend event at Millennium Stadium in Cardiff. A full round of Super League was played at this one venue over two days. The event was once again very successful with 63,144 people attending the event over the two days compared with 58,831 in 2007 – many people staying in Cardiff for the full weekend and attending all six games. This event amply demonstrates once again one of rugby league's underlying qualities with the ability of twelve sets of fans mixing freely both during the event and across the weekend in a positive carnival atmosphere which brought delight to everyone who attended.

The organisation was again commercially successful, with title-sponsor **engage** extending their sponsorship after signing up for another two years in 2008 to cover 2009 and 2010.

Other partners and suppliers who have contributed to Super League are Leeds Met Carnegie, AG Barr, *The Co-operative*, *William Hill*, *Frontline*, *Steeden*, *ITW*, *County Council of Cardiff* and *Visit Wales*, and Super League is grateful for their support.

Operating and financial review *(continued)*

Future forecasts

2009 continued the success of 2008 with the World Club Challenge between Leeds Rhinos and Manly Sea Eagles being successfully staged at Elland Road, Leeds. Revenues from this were similar to those for 2008.

In May 2009 the third Magic Weekend took place at Murrayfield Stadium in Edinburgh. The weekend has proved to be extremely successful and has quickly established itself as a permanent fixture in the Super League calendar. The attendance was lower than in 2008 at 59,749 (2008: 63,144), but higher than in 2007 (58,831).

During 2008 a new and improved television contract with BSkyB was negotiated to cover the period 2009-2011.

The process for determining which clubs played in Super League was radically changed in 2008. Promotions into, or relegations from Super League will no longer take place as the clubs starting the Super League season in 2009 have licenses to operate within Super League for the next three years. The licensing process to choose which clubs would be admitted into the new licensed Super League took place early in 2008, and saw nineteen clubs submit bids to receive one of the licenses. The criteria to receive a license were wide-reaching and included the on-field performance of the clubs; facilities development; business performance; and youth development. Eventually fourteen clubs were chosen and they received a license for the next three years.

Key Performance Indicators

The Key Financial Performance Indicators of the company are Turnover, Operating Costs and distributions to clubs, all of which are reviewed regularly 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

As in 2007, the Board of Directors of Super League (Europe) Limited comprised the Chairman of the RFL, who shall ex officio be the Chairman of Super League (Europe) Limited, and the Chief Executive Officer of the RFL who shall ex officio be a director of Super League (Europe) Limited.

As a consequence of the RFL's shareholding and by reference to the mutuality of directorships of the Chairman and Chief Executive 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 13)

Internal Control

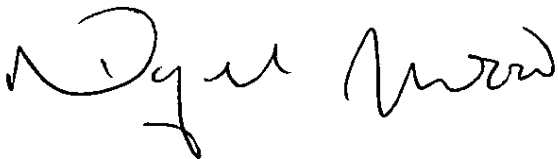
The board is responsible for establishing and maintaining SLE's system of internal controls. Internal control systems are intended to meet the needs of the organisation and the risks to which it is exposed. By their nature, such systems and procedures are designed to manage rather than eliminate the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

Operating and financial review *(continued)*

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.

Finally I would like to take this opportunity to thank all the RFL staff for contributing to the success of Super League in 2008. I would also like to thank the players, clubs and everyone else associated with Super League for all their hard work during the year.

A handwritten signature in black ink, appearing to read 'N Wood', is positioned above the printed name and title.

N Wood
Director

10 September, 2009

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2008.

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 (2007: 12) rugby league clubs who participated in the Super League competition in 2008.

Dividends

The directors do not recommend the payment of a dividend.

Directors

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

R Lewis
N Wood

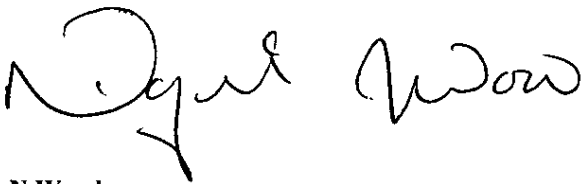
Disclosure of information to auditors

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 he ought to have taken as a director to make himself 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

10 September 2009

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 2008 which comprise 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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 6.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements. The information given in the Directors' Report includes that specific information presented in the Operating and Financial Review that is cross referred from the Business Review section of the Directors' Report.

In addition we report to you if, in our opinion, 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of 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 2008 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

10 September, 2009

Profit and loss account
for the year ended 31 December 2008

	<i>Note</i>	Continuing operations	
		2008	2007
		£	£
Turnover	<i>1</i>	4,738,564	4,470,048
Cost of sales		(3,619,380)	(3,452,016)
Gross profit		1,119,184	1,018,032
Administrative expenses		(1,410,411)	(1,097,895)
Operating loss		(291,227)	(79,863)
Interest receivable	<i>4</i>	291,927	83,404
Profit on ordinary activities before taxation	<i>2</i>	700	3,541
Tax on profit on ordinary activities	<i>5</i>	(700)	(3,541)
Profit for the financial year	<i>10</i>	-	-

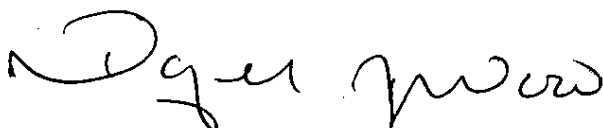
There are no recognised gains or losses in the year other than the result for the year as shown above.

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

Balance sheet
at 31 December 2008

	Note	2008	2007
		£	£
Fixed assets			
Tangible assets	6	-	2,792
Current assets			
Debtors	7	6,167,709	4,321,349
Cash at bank and in hand		6,161,771	1,359,557
		<u>12,329,480</u>	<u>5,680,906</u>
Creditors: amounts falling due within one year	8	<u>(12,329,466)</u>	<u>(5,683,684)</u>
Net current assets / (liabilities)		<u>14</u>	<u>(2,778)</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
Shareholders' funds	11	<u>14</u>	<u>14</u>

These financial statements were approved by the board of directors on 10 September 2009 and were signed on its behalf by:



N Wood
Director

(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.

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

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.

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

	2008 £	2007 £
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration		
Audit of these financial statements	6,750	6,500
Other services	30,000	-
Depreciation of tangible fixed assets		
Owned	2,792	13,740
	<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

	2008 £	2007 £
Bank interest	291,927	83,404
	<u> </u>	<u> </u>

Notes (continued)

5 Taxation

	2008 £	2007 £
<i>UK corporation tax</i>		
Current tax on income for the period	-	712
Adjustments in respect of prior periods	700	2,829
	<u>700</u>	<u>3,541</u>

Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2007: *higher*) than the standard rate of corporation tax in the UK 28%, (2007: 30%). The differences are explained below.

	2008 £	2007 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	700	3,541
	<u>700</u>	<u>3,541</u>
Current tax at 28% (2007: 30%)	196	1,062
<i>Effects of:</i>		
Fixed asset timing differences	(196)	-
UK tax not at standard rate	-	(350)
Adjustments to tax charge in respect of previous periods	700	2,829
	<u>700</u>	<u>3,541</u>
Total current tax charge (see above)	<u>700</u>	<u>3,541</u>

6 Tangible fixed assets

	Fixtures and fittings £
<i>Cost</i>	
At beginning and end of year	151,954
	<u>151,954</u>
<i>Depreciation</i>	
At beginning of year	149,162
Charge for year	2,792
	<u>151,954</u>
At end of year	151,954
	<u>151,954</u>
<i>Net book value</i>	
At 31 December 2008	-
	<u>-</u>
At 31 December 2007	2,792
	<u>2,792</u>

Notes (continued)

7 Debtors

	2008 £	2007 £
Trade debtors	5,420,898	3,620,282
Prepayments and accrued income	746,809	701,065
Called up share capital unpaid	2	2
	<u>6,167,709</u>	<u>4,321,349</u>

8 Creditors: amounts falling due within one year

	2008 £	2007 £
Trade creditors	356,431	226,190
Other taxation and social security	619,547	690,544
Other creditors	8,058,918	3,425,271
Accruals and deferred income	3,294,570	1,341,679
	<u>12,329,466</u>	<u>5,683,684</u>

9 Called up share capital

	2008 £	2007 £
<i>Authorised</i>		
Ordinary shares of £1 each	50	50
<i>Allotted and called up</i>		
Ordinary shares of £1 each		
- paid	10	10
- unpaid	2	2
	<u>12</u>	<u>12</u>

Notes (continued)

10 Reserves

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

11 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Result for the financial year	-	-
	<hr/>	<hr/>
Net addition to shareholders' funds	-	-
Opening shareholders' funds	14	14
	<hr/>	<hr/>
Closing shareholders' funds	14	14
	<hr/>	<hr/>

Notes (continued)

12 Related party transactions - participating shareholders

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

In 2008, the total monies receivable by SLE on behalf of participating shareholders was £23,122,386 (2007: £14,501,658). Distributions to clubs amounted to £9,600,000 (2007: £9,724,000), being £9,600,000 (2007: £9,600,000) in respect of television rights and £nil (2007: £124,000) distribution of surplus balances. The surplus of monies receivable for the year was £377,819 (2007: £516,397).

In total, other creditors includes £7,977,819 (2007: £2,936,209) due to the 12 current Super League clubs and previous clubs since relegated. This represents undistributed surpluses of £377,819 (2007: £516,397), £3,778,000 (2007: £2,419,811) which relates to the first tranche of broadcast rights monies for the forthcoming year, £5,040,000 (2007: £79,245) being the balance remaining of the initial signing-on fee in respect of broadcast rights, less £1,218,000 (2007: £79,245) advanced to clubs in respect of broadcast rights.

Within accruals and deferred income £610,456 (2007: £297,941) is due to the 12 Super League clubs. This represents amounts due relating to the Super League Grand Final, Play off games, the Magic Weekend and the World Club Challenge.

Within trade debtors £58,468 (2007: £2,730) is owed to SLE by the 12 current Super League clubs and previous clubs since relegated. Within prepayments and accrued income £542,389 (2007: £242,684) 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	£
The Leeds Cricket, Football & Athletic Company Limited (Leeds Rhinos)	290,000
St Helens Rugby Football Club Limited (St Helens)	185,000
Wigan Football Club Ltd (Wigan Warriors)	155,000
SSAP UTC Perpignan St Esteve Mediterranee (Catalans Dragons)	130,000
Warrington Football Club Ltd (Warrington Wolves)	100,000
Bradford Bulls Holdings Limited (Bradford Bulls)	80,000
	<hr/>
	940,000
	<hr/>

13 Related party transactions – directors

In 2008 the Chairman and Chief Executive Officer of the Rugby Football League Limited (RFL) were also the two operational directors of Super League (Europe) Limited (SLE). By virtue of these shared directorships, the two companies are 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 £450,000 (2007: £360,000). At 31 December 2008 within trade debtors £46,000 (2007: £16,671) is owed to SLE by the RFL. At 31 December 2008 within prepayments £48,428 (2007: £303,009) is owed by the RFL to SLE. At 31 December 2008 within trade creditors £nil (2007: £695) is owed by SLE to the RFL. At 31 December 2008 within accruals and deferred income £126,365 (2007: £484,343) is owed by SLE to the RFL. At 31 December 2008 within other creditors £4,403 (2007: £nil) is owed by SLE to the RFL. Furthermore the RFL has received income and made payments on behalf of SLE for 2008 related events. The balance of these is an amount owed to SLE of £47,239 at 31 December 2008 (2007 owed to SLE: £95,752). All balances are non-interest bearing.