

Super League (Europe) Limited

**Directors' report and financial
statements**

Registered number - 3238540

31 December 2007



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Chairman's statement

I am extremely pleased to report that the 2007 **engage** Super League season was very successful, and was one of the most exciting and innovative in the competition's 12 year history

Statistically, the campaign was once again a major success. Television audiences were again very strong, there was an almost sell-out crowd at Old Trafford and the record for the highest weekly average attendance was broken.

For the second 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 Millennium Magic. The average weekly attendance rose to 10,264 - the seventh consecutive season attendances have increased.

Leeds was ultimately the successful team at the **engage** Super League Grand Final, beating St Helens at Old Trafford. St Helens was also very successful beating Brisbane Broncos at the World Club Challenge at the start of the season, and retaining the **engage** Super League Leaders Shield and Challenge Cup trophy. Salford was the relegated team this year, making way for Castleford.

In May 2007 the inaugural Millennium Magic took place. Nearly 60,000 supporters attended the two-day event at Millennium Stadium in Cardiff, with many of these fans attending all six games. This exciting innovation to the sport of rugby league was widely praised by fans, and the event will take place again in May 2008. Fans were also able to voice their opinion on the event through an on-line poll. The feedback gathered has helped to shape the event in 2008, and there will be a much more extensive pre-match entertainment programme to entertain fans between games.

2007 was also the first year that **engage** Super League had 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 players, 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 and for the first time in 2007, Millennium Magic. 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 Offs in 2007 was at a higher level than 2006 after an exciting Play Off series which saw nearly 10,000 extra spectators attending the matches (65,662 attended Play Off matches in 2007 compared to 55,976 in 2006). The Grand Final between Leeds Rhinos and St Helens saw an almost sell-out crowd of 71,352 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 February 2008 beat Melbourne Storm in the World Club Challenge becoming the world champions

The World Club Challenge in 2007 saw an exciting contest between St Helens and Wests Tigers at the Reebok Stadium in Bolton. St Helens were victorious, the fourth consecutive win for a UK-based side. The attendance of 23,247 was an increase on the previous year (2006: 19,207) and revenues were similarly higher than in the previous year

2007 also saw the inaugural Millennium Magic event at Millennium Stadium in Cardiff. A full round of Super League was played at this one venue over two days. The event was very successful with 58,831 people attending the event over the two days – 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** continuing their sponsorship after signing up for another two years in 2006 to cover 2007 and 2008

Other partners and suppliers who have contributed to Super League are *DnB, XXXX, William Hill, Northern Rail, Frontline, Steeden, ITW, County Council of Cardiff and Visit Wales*

Operating and financial review *(continued)*

Future forecasts

2008 should continue the success of 2007 with the World Club Challenge between Leeds Rhinos and Melbourne Storm being successfully staged at Elland Road, Leeds. Revenues from this will almost be double those for 2007.

In May 2008 the second Millennium Magic in Cardiff took place which once again proved to be extremely successful and has quickly established itself as a permanent fixture in the Super League calendar. This event promises to continue to be a major highlight of the season and a significant income stream going forward.

During 2007 a new television contract with BSkyB was negotiated and this was concluded in early 2008 to cover the period 2009-2011.

Key Performance Indicators

The Key Financial Performance Indicators of the company are Turnover, Operating Costs and Operating Profit, 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 2006, the Board of Directors of Super League (Europe) Limited comprised The Executive 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. 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).

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.

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 2007

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 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

R Lewis
N Wood

The directors who held office during the financial year had no disclosable interests in the shares of the company at the year end

During the year subsequent 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)

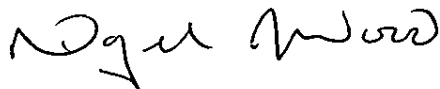
Immediately after the year-end further share transfers occurred as follows

1 January 2008 - Salford Football Club Company (1914) Limited (Salford City Reds) to Castleford Rugby League Football Limited (Castleford Tigers)

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

30 May 2008

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 2007 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 5.

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 2007 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

Chartered Accountants

Registered Auditor

30 May 2008

Profit and loss account
for the year ended 31 December 2007

	<i>Note</i>	Continuing operations	
		2007	2006
		£	£
Turnover	<i>1</i>	4,470,048	3,768,370
Cost of sales		(3,452,016)	(2,652,015)
Gross profit		1,018,032	1,116,355
Administrative expenses		(1,097,895)	(1,159,955)
Operating profit/(loss)		(79,863)	(43,600)
Interest receivable	<i>4</i>	83,404	43,600
Profit on ordinary activities before taxation	<i>2</i>	3,541	-
Tax on profit on ordinary activities	<i>5</i>	(3,541)	-
Profit for the financial year	<i>10</i>	-	-

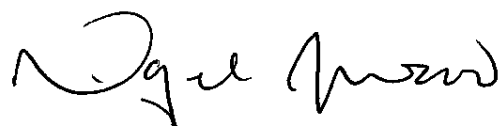
There are no recognised gains or losses in the year other than the result for the year as shown above

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

Balance sheet
at 31 December 2007

	<i>Note</i>	2007	2006
		£	£
Fixed assets			
Tangible assets	6	2,792	16,532
Current assets			
Debtors	7	4,321,349	3,962,898
Cash at bank and in hand		1,359,557	534,328
		<u>5,680,906</u>	<u>4,497,226</u>
Creditors: amounts falling due within one year	8	<u>(5,683,688)</u>	<u>(4,513,744)</u>
Net current liabilities		<u>(2,778)</u>	<u>(16,518)</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
Equity shareholders' funds	11	<u>14</u>	<u>14</u>

These financial statements were approved by the board of directors on 30 May 2008 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
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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

	2007 £	2006 £
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration		
Audit of financial statements	6,500	6,000
Operating lease rentals		
Land and buildings	-	81,694
Depreciation of tangible fixed assets		
Owned	13,740	32,036
	<u>13,740</u>	<u>32,036</u>

3 Staff costs

Staff costs were as follows

	2007 £	2006 £
Wages and salaries	-	-
Social security costs	-	-
Other pension costs	-	-
	<u>-</u>	<u>-</u>

The average number of persons employed by the company during the year is analysed below

	2007	2006
Administration	-	-
	<u>-</u>	<u>-</u>

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.

Notes (continued)

4 Interest receivable

	2007 £	2006 £
Bank interest	83,404	43,600

5 Taxation

	2007 £	2006 £
<i>UK corporation tax</i>		
Current tax on income for the period	712	-
Adjustments in respect of prior periods	2,829	-
	3,541	-

Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2006 equal to) than the standard rate of corporation tax in the UK (30%, 2006 30%) The differences are explained below

	2007 £	2006 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	3,541	-
Current tax at 30%	1,062	-
<i>Effects of</i>		
UK Tax not at standard rate	(350)	-
Adjustments in respect of prior periods	2,829	-
Total current tax charge (see above)	3,541	-

Notes (continued)

6 Tangible fixed assets

	Fixtures and fittings £
Cost	
At beginning of year	151,954
Additions	-
	<hr/>
At end of year	151,594
	<hr/>
Depreciation	
At beginning of year	135,422
Charge for year	13,740
	<hr/>
At end of year	149,162
	<hr/>
Net book value	
At 31 December 2007	2,792
	<hr/>
At 31 December 2006	16,532
	<hr/>

7 Debtors

	2007 £	2006 £
Trade debtors	3,620,282	3,076,431
Other debtors	-	-
Prepayments and accrued income	701,065	886,465
Called up share capital unpaid	2	2
	<hr/>	<hr/>
	4,321,349	3,962,898
	<hr/>	<hr/>

8 Creditors: amounts falling due within one year

	2007 £	2006 £
Trade creditors	226,190	276,106
Other taxation and social security	690,544	538,973
Other creditors	3,425,271	2,825,804
Accruals and deferred income	1,341,683	872,861
	<hr/>	<hr/>
	5,683,688	4,513,744
	<hr/>	<hr/>

Notes (continued)

9 Called up share capital

	2007 £	2006 £
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

	2007 £	2006 £
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

	2007	2006
	Land and buildings £	Land and buildings £
Within one year	-	-
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 2007, the total monies receivable by SLE on behalf of participating shareholders was £14,501,658 (2006 £13,114,633). Distributions to clubs amounted to £9,724,000 (2006 £9,744,000), being £9,600,000 (2006 £9,600,000) in respect of television rights and £124,000 (2006 £144,000) distribution of surplus balances. The surplus of monies receivable for the year was £516,397 (2006 £204,753).

In total, other creditors includes £2,936,209 (2006 £2,691,811) due to the 12 current Super League clubs and previous clubs since relegated. This represents undistributed surpluses of £516,397 (2006 £409,587), £2,419,811 (2006 £2,366,038) which relates to the first tranche of broadcast rights monies for the forthcoming year, £79,245 (2006 £56,612) being the balance remaining of the initial signing-on fee in respect of broadcast rights, less £nil (2006 £18,426) sundry club debtors less £79,245 (2006 £122,000) advanced to clubs in respect of broadcast rights.

Within accruals and deferred income £297,941 (2006 £132,008) 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 £2,730 (2006 £115,082) is owed to SLE by the 12 current Super League clubs and previous clubs since relegated. Within prepayments and accrued income £242,684 (2006 £728,635) 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	155,000
Hull Super League Limited (Hull FC)	130,000
Bradford Bulls Holding Limited (Bradford Bulls)	100,000
Huddersfield	80,000
	<hr/>
	940,000
	<hr/>

14 Related party transactions – directors

In 2007 the Executive Chairman and Chief Operating 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 £360,000 (2006 £333,000). At 31 December 2007 within trade debtors £16,671 (2006 £113,146) is owed to SLE by the RFL. At 31 December 2007 within prepayments £303,009 (2006 £91,901) is owed by the RFL to SLE. At 31 December 2007 within trade creditors £695 (2006 £nil) is owed by SLE to the RFL. At 31 December 2007 within accruals and deferred income £484,343 (2006 £114,749) 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 £95,752 at 31 December 2007 (2006 owed to RFL £40,348). All balances are non-interest bearing.