

Super League (Europe) Limited

**Directors' report and financial
statements**

Registered number - 3238540

31 December 2012



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Operating and financial review

Super League (Europe) Limited ("SLE") is a trade association which operates as an agency for the 14 clubs that participate in Super League from time to time. To that end SLE distributes all revenues it receives in excess of the costs needed to run the organisation, and as such 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 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 Championship competition, the Rugby League Conference and the Rugby Football League for the provision of executives and resource.

Detailed Analysis of Trading

The robustness and continuing popularity of the Super League competition was evident throughout a year which saw all clubs operate in difficult trading conditions. While much of Europe struggled with the effects of an economic downturn, Super League once again experienced a season to remember with some strong performances both on and off the field. Whilst not all clubs proved immune to the strains of the financial climate, it is a testimony to the sport's enduring appeal that the 2012 Super League was able to build on its previous achievements.

The result for the year is shown on page 9. The company 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 increased from £8,815k in 2011 to £9,698k in 2012, primarily due to an increase in broadcast revenue.

2012 was the first year of the second licence period. Widnes Vikings took part in their first Super League season since 2004 and were a successful addition to the league with their average attendance being almost double that of the Crusaders, who they replaced.

The new-look Super League benefitted from greater fees from the broadcast contracts with British Sky Broadcasting under the terms of the new five-year contract which commenced in 2012. Many sports have seen the value of their broadcast rights diminish from 2012 but the increased value of SLE's new contract will bring unprecedented levels of resources to clubs until 2016.

The average weekly attendance in 2012 increased to 9,950, an increase of 629 compared with 2011's average of 9,321. For the seventh time in the competition's history more than 1.7 million supporters turned out over the 27 rounds of the regular season, including the round at Etihad Stadium in Manchester where Magic Weekend continued its success.

The World Club Challenge in 2012 saw an exciting contest between Leeds Rhinos and Manly Sea Eagles at Headingley Stadium where the then Super League champions beat their NRL counterparts 26-12. The attendance at Leeds of 21,062 was lower than in the previous year when the game was hosted at the larger stadium of the Wigan where the crowd was 24,286.

For the first time in its history the Magic Weekend took place at the Etihad Stadium in Manchester. The move was very successful with the aggregate attendance over the weekend increasing to 63,716 – a 5.8% increase on 2011's attendance of 60,214.

Rugby league fans once again showed the world how spectators at a major sporting event should behave with the now-legendary carnival atmosphere continuing in Manchester after its previous homes of Cardiff and Edinburgh.

Operating and financial review *(continued)*

Television viewers and paying spectators were once again treated to a competition of the highest calibre during a season which saw Wigan Warriors win the League Leaders Shield. However, the Wigan Warriors were unable to include a Grand Final appearance in their successes for the year as they were knocked out of the competition during the Playoffs.

Warrington Wolves, enjoyed the success of being cup winners in the Challenge Cup Final at Wembley earlier in the year, and worked their way through the playoff matches to take part in a memorable Grand Final with Leeds Rhinos in front of a capacity crowd of 70,676 (an increase of 2.2% from last year's 69,107) at Old Trafford. On this occasion the trophy eluded Warrington, and the day saw Leeds Rhinos retaining their crown.

Leeds Rhinos fought their way to the Final from fifth place in the league table before the Playoffs – replicating their fight in 2011. Their success earned them the right to participate in the World Club Challenge again, and in February 2013, Leeds Rhinos played Melbourne Storm in the World Club Challenge, which of course will be accounted for in 2013.

Partners and suppliers who have contributed to Super League were Heinz, Manchester City Council, AG Barr, Polar Electro and ITW. Super League is grateful for their support.

Super League (Europe) was also able to provide significant assistance to those clubs who felt most strongly the impact of a difficult economy, most notably Bradford Bulls. However, it is felt that particular strategically significant markets such as London and Wales benefited from this support.

Future forecasts

2013 looks set to replicate the successes of 2012. The World Club Challenge between Leeds Rhinos and Melbourne Storm was staged at the Headingley Carnegie Stadium. And although the year on year attendance was lower than in 2012, overall the event was a success.

The five year broadcast contract allows a level of stability to the distributions available to Super League clubs and for them to plan their finances accordingly. However, Super League (Europe) Ltd is aware of the financial struggles of certain clubs and will continue to work closely with those clubs to support them where possible.

Super League (Europe) Limited adopted a partner-led approach to commercial income in 2013, which has seen a number of high profile partners join or renew their commitment to Super League, including Foxy Bingo, Heinz Big Soup, Brut and Rhino Rugby.

Super League attendances and viewing figures to date in 2013 are comparable with recent years and the sport is therefore well placed to build on these foundations in the run up to Rugby League World Cup 2013.

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.

Operating and financial review (*continued*)

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 2012, 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 mutuality of directorships of the Chairman and Chief Executive Officer, RFL (Governing Body) Ltd is classified as a related company and detailed related parties disclosures can be found in the Notes to the Accounts (Note 13)

In April 2012, after ten years as the Chairman of the RFL, Richard Lewis, announced his intention to leave the sport and take up a new sporting challenge. As a consequence, Richard also resigned as Chairman of Super League (Europe) Limited

The RFL Board of Directors decided that this would be an appropriate opportunity to undertake a full review of the governance of the sport and following the appointment of Maurice Watkins as Interim Chairman (an RFL Non-Executive Director) the RFL Board, led by Maurice conducted the Watkins Review of Rugby League Governance. This established that the sport was now ready to appoint a Non-Executive Chairman and after a lengthy open recruitment process, in February 2013, Brian Barwick was appointed Chairman of the RFL, and ex officio Chairman of Super League (Europe) Limited. Brian has vast experience of working in sport, from his time at the FA, the BBC and ITV and is a valuable addition to the sport

I would like to take this opportunity to thank Richard Lewis for his work as Chairman and his support of the sport, and to thank Maurice Watkins for undertaking the Interim Chairman role

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

2012 had the potential to be a very challenging year, not least because of the continuing difficult economic climate, but I am pleased to be able to report that Super League generally performed well. The new five-year broadcast agreement has reduced the short term risk for Super League, with all the clubs continuing to benefit from increased monies from our broadcast partner, Sky

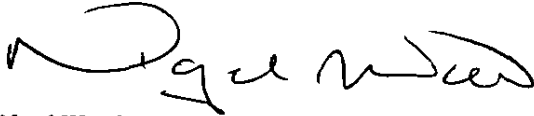
SLE will continue to focus on creating and generating commercial opportunities. Similarly, management will continue to evaluate internal procedures and processes to ensure that the advancements made in recent years are developed further to ensure that our aspiration to become one of the country's leading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

Standards at the top of the Super League competition are excellent. The investment in new facilities at a number of clubs reflects well on the sport by providing a perfect arena for Super League players to display their skills whilst at the same time enhancing the fan experience. Investment in the development of young talent also continues to be a priority throughout the competition and the rewards are clear with record numbers of home-grown players taking to the field each week

Operating and financial review *(continued)*,

Summary *(continued)*,

The continuing success of the Super League can only be attributed to the hard work, enthusiasm and dedication of all the players, clubs, RFL staff and everyone else associated with Super League. I would like to thank all those involved for their hard work during the year.

A handwritten signature in black ink, appearing to read 'Nigel Wood', written in a cursive style.

Nigel Wood
Director

15 July 2013

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2012

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 14 (2011 14) rugby league clubs who participated in the Super League competition in 2012

Dividends

The directors do not recommend the payment of a dividend (2011 £nil)

Directors

The directors who held office during the year and to the date of signing were as follows

R Lewis (resigned 13 April 2012)
N Wood
M Watkins (appointed 13 April 2012, resigned 1 February 2013)
B Barwick (appointed 1 February 2013)

Going Concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information

Auditor

A resolution for the reappointment of KPMG LLP as auditor 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

15 July 2013

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 and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of its profit or loss of the company for that period.

In preparing the 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company to prevent and detect fraud and other irregularities.



KPMG LLP

1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Independent auditor's 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 2012 set out on pages 9 to 17. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of the company's result for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

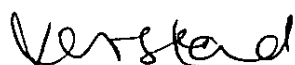
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Lindsey Crossland (Senior Statutory Auditor)

For and on behalf of
KPMG LLP
Statutory Auditor

Chartered Accountants

1 The Embankment
Leeds
West Yorkshire
LS1 4DW

15 July 2013

Profit and loss account
for the year ended 31 December 2012

	<i>Note</i>	Continuing operations	
		2012	2011
		£	£
Turnover	<i>1</i>	9,698,434	8,814,544
Cost of sales		(3,801,529)	(5,428,402)
Gross profit		5,896,905	3,386,142
Administrative expenses		(5,942,671)	(3,425,796)
Operating profit		(45,766)	(39,655)
Interest receivable	<i>4</i>	45,766	39,655
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

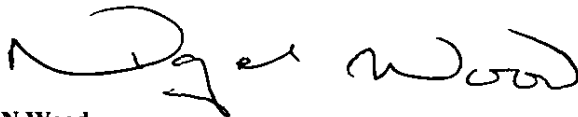
The notes on pages 11 to 17 form part of these financial statements

Balance sheet
at 31 December 2012

	Note	£	2012 £	£	2011
Fixed assets					
Tangible assets	6		133,494		228,586
Current assets					
Debtors	7	6,278,774		6,812,587	
Cash at bank and in hand		2,360,707		3,108,747	
		<u>8,639,481</u>		<u>9,921,334</u>	
Creditors amounts falling due within one year	8	(8,772,960)		(10,149,905)	
		<u></u>		<u></u>	
Net current liabilities			(133,479)		(228,571)
Total assets less current liabilities			<u>15</u>		<u>15</u>
Net assets			<u>15</u>		<u>15</u>
Capital and reserves					
Called up share capital	9		15		15
Profit and loss account	10		-		-
			<u>15</u>		<u>15</u>
Shareholders' funds			<u>15</u>		<u>15</u>

The notes on pages 11 to 17 form part of these financial statements

These financial statements were approved by the board of directors on 15 July 2013 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. Further detail is given in the Directors' Report

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

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

Cost of sales

Cost of sales represents disbursements that are directly attributable to deliver the turnover of the company and therefore include items such as event and sponsorship fulfilment costs. These costs are properly incurred on the clubs' behalf in accordance with the disclosed agency agreement between the company and the Super League clubs. Costs are recognised in the period to which the income they are attributable to relates

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

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

<i>Fixtures and fittings</i>	4 years
<i>Sporting Units</i>	3 years

Notes *(continued)*

2 Profit on ordinary activities before taxation

	2012 £	2011 £
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration		
Audit of these financial statements	7,580	7,500
Depreciation of tangible fixed assets		
Owned	95,092	63,142
	<u>95,092</u>	<u>63,142</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

	2012 £	2011 £
Bank interest	38,736	39,655
Interest from Clubs	7,030	-
	<u>45,766</u>	<u>39,655</u>

Notes (continued)

5 Taxation

	2012 £	2011 £
<i>UK corporation tax</i>		
Current tax on income for the period	5,172	-
<i>Deferred tax</i>		
Timing differences	(5,172)	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

Factors affecting the tax charge for the current period

The current tax charge for the period is equal to (2011 equal to) the standard rate of corporation tax in the UK 20%, (2011 20%) The differences are explained below

	2012 £	2011 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	-	-
Current tax at 20% (2011 20%)	-	-
<i>Effects of</i>		
Depreciation in excess of capital allowances	6,535	(194)
Utilisation of tax losses and other deductions	(1,363)	
Tax losses carried forward	-	194
Adjustments to tax charge in respect of previous periods	-	-
	<hr/>	<hr/>
Total current tax charge (see above)	5,172	-
	<hr/>	<hr/>

Notes (continued)

6 Tangible fixed assets

	Fixtures and fittings £
<i>Cost</i>	
At beginning of year	310 623
Additions	-
	<hr/>
At end of year	310,623
	<hr/>
<i>Depreciation</i>	
At beginning of year	82,037
Charge for year	95,092
	<hr/>
At end of year	177 129
	<hr/>
<i>Net book value</i>	
At 31 December 2012	133,494
	<hr/>
At 31 December 2011	228,586
	<hr/>

7 Debtors

	2012 £	2011 £
Trade debtors	5,750,925	6 359,724
Prepayments and accrued income	522,677	434 681
Deferred tax debtor	5,172	-
Other debtors	-	18 180
Called up share capital unpaid	-	2
	<hr/>	<hr/>
	6,278,774	6,812,587
	<hr/>	<hr/>

The elements of deferred tax are as follows

	2012 £	2011 £
Short term timing differences	5,172	-
	<hr/>	<hr/>
	5,172	-
	<hr/>	<hr/>

Notes (continued)

8 Creditors: amounts falling due within one year

	2012 £	2011 £
Trade creditors	324,650	85,860
Corporation tax creditor	5,172	-
Other taxation and social security	539,704	688,602
Other creditors	6,549,807	6,805,315
Accruals and deferred income	1,353,627	2,570,128
	<u>8,772,960</u>	<u>10,149,905</u>

9 Called up share capital

	2012 £	2011 £
<i>Allotted and called up</i>		
Ordinary shares of £1 each		
- paid	15	13
- unpaid	-	2
	<u>15</u>	<u>15</u>

10 Reserves

	Profit and loss account £
At beginning of year	-
Result for the financial year	-
	<u>-</u>
At end of year	<u>-</u>

11 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Result for the financial year	-	-
	<u>-</u>	<u>-</u>
Net addition to shareholders' funds	-	-
Opening shareholders' funds	15	15
	<u>15</u>	<u>15</u>
Closing shareholders' funds	<u>15</u>	<u>15</u>

Notes (continued)

12 Related party transactions - participating shareholders

The participating shareholders of the company are the 14 Super League rugby clubs

In 2012, the total monies receivable by SLE on behalf of participating shareholders was £20,803,000 (2011 £17,775,000). Distributions to clubs amounted to £16,225,000 (2011 £16,260,000), being £16,225,000 (2011 £16,260,000) in respect of television rights and £nil (2011 £nil) distribution of surplus balances. The surplus of monies receivable for the year was £43,631 (2011 £284,158).

In total, other creditors includes £6,568,128 (2011 £6,805,315) due to the 14 current Super League clubs and previous clubs since relegated. This represents undistributed surpluses of £43,631 (2011 £284,158), £229,000 (2011 £160,000) of undistributed broadcast monies for the year, £4,598,000 (2011 £4,348,000) which relates to the first tranche of broadcast rights monies for the forthcoming year, £2,118,495 (2011 £2,885,000) being the balance remaining of received amounts in respect of the current broadcast rights, less £420,997 (2011 £871,838) advanced to clubs in respect of broadcast rights.

Within trade creditors £570 (2011 £nil) is due to the 14 Super League Clubs by SLE. Within accruals and deferred income £120,722 (2011 £155,762) is due to the 14 Super League clubs. This represents amounts due relating to the Super League Grand Final, Play off games and the Magic Weekend.

Within trade debtors £95,464 (2011 £624) is owed to SLE by the 14 current Super League clubs and previous clubs since relegated. Within prepayments and accrued income £25,169 (2011 £248,475) is owed to SLE by the 14 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)	300,000
Warrington Football Club Ltd (Warrington Wolves)	200,000
Wigan Football Club Ltd (Wigan Warriors)	140,000
St Helens Rugby Football Club Limited (St Helens)	100,000
SSAP UTC Perpignan St Esteve Mediterranee (Catalans Dragons)	80,000
Hull Super League Ltd (Hull FC)	60,000
Huddersfield Sporting Pride Ltd (Huddersfield Giants)	40,000
Spirit of 1873 Ltd (Wakefield Trinity Wildcats)	20,000
	<hr/>
	940,000
	<hr/>

Notes *(continued)*

13 Related party transactions – directors

In 2012 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 £1,340,000 (2011 £700,000). At 31 December 2012 within trade debtors £96,000 (2011 £nil) is owed to SLE by the RFL. At 31 December 2012 within prepayments £18,331 (2011 £20,001) is owed by the RFL to SLE. At 31 December 2012 within trade creditors £nil (2011 £nil) is owed by SLE to the RFL. At 31 December 2012 within accruals and deferred income £714,658 (2011 £1,347,672) is owed by SLE to the RFL. At 31 December 2012 within other creditors £nil (2011 £nil) is owed by SLE to the RFL. At 31 December within other debtors £nil (2011 £18,180) is owed by the RFL to SLE.

Furthermore the RFL has received income and made payments on behalf of SLE for 2013 related events. The balance of these is an amount owed to SLE of £188,444, at 31 December 2012 (2011 owed to SLE £264,302). All balances are non-interest bearing.