

Super League (Europe) Limited

**Directors' report and financial
statements**

Registered number - 3238540

31 December 2000



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2000.

Principal activity

The company's principal activity is that of the management and promotion of the Rugby League Football competition known as the Super League. The company acts as an agent for the twelve (*1999: fourteen*) Rugby League clubs who participated in the Super League competition in 2000.

Business review

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

For the 2000 season two pairs of clubs, namely Huddersfield Giants and Sheffield Eagles, and Gateshead Thunder and Hull Sharks, merged to form two new clubs, Huddersfield Sheffield Giants and Hull F.C.

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:

Christopher Stuart Caisley	
Gary Hetherington	
Timothy Lawrence Adams	
Ian George Robson	Resigned 21 July 2000
Nigel Jonathan Wood	Appointed 14 January 2000

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

Christopher Stuart Caisley	Bradford Bulls
Gary Hetherington	Leeds Rhinos
Timothy Lawrence Adams	Huddersfield Sheffield Giants
Nigel Jonathan Wood	Halifax Blue Sox

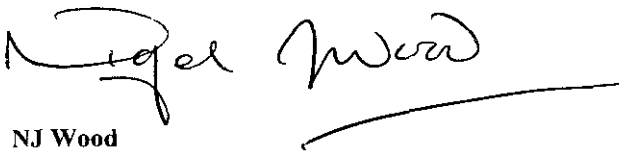
On 15 February 2001 Shane Stephen Richardson (Hull FC) was appointed as a director.

Directors' report *(continued)*

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

A handwritten signature in black ink, appearing to read 'Nigel Wood', with a long horizontal flourish extending to the right.

NJ Wood
Director

Sovereign House
South Parade
LEEDS
LS1 5QL

19/12/ 2001

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They 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.



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

We have audited the financial statements on pages 5 to 13.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG
Chartered Accountants
Registered Auditors

19/12/2001

Profit and loss account
for the year ended 31 December 2000

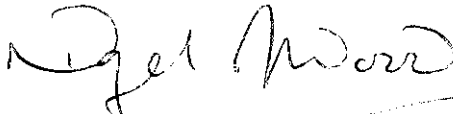
		Continuing operations	
	<i>Note</i>	2000 £	1999 £
Turnover	1	2,461,621	1,836,324
Cost of sales		(2,096,482)	(1,560,311)
Gross profit		365,139	276,013
Administrative expenses		(435,707)	(354,315)
Operating loss		(70,568)	(78,302)
Interest receivable	5	71,693	78,302
Interest payable and similar charges	6	(1,125)	-
Profit on ordinary activities before taxation	2-4	-	-
Tax on profit on ordinary activities	7	-	-
Profit for the financial year		-	-

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

Balance sheet
at 31 December 2000

	Note	£	2000 £	£	1999 £
Fixed assets					
Tangible assets	8		21,937		12,703
Current assets					
Debtors	9	3,227,377		2,989,458	
Cash at bank and in hand		545,454		465,178	
		3,772,831		3,454,636	
Creditors: amounts falling due within one year	10	(3,783,804)		(3,467,325)	
Net current liabilities			(10,973)		(12,689)
Total assets less current liabilities			10,964		14
Creditors: amounts falling due after more than one year	11		(10,950)		-
Net assets			14		14
Capital and reserves					
Called up share capital	12		14		14
Profit and loss account	13		-		-
Equity shareholders' funds	14		14		14

These financial statements were approved by the board of directors on 19/12/2001 and were signed on its behalf by:


NJ 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.

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.

Pension scheme

The company participates in a group personal pension scheme. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

Taxation

No taxation is payable 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

	2000 £	1999 £
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration:		
Audit	4,500	4,500
Non - audit	750	750
Operating lease rentals		
Land and buildings	29,305	29,305
Motor vehicles	6,965	12,314
Depreciation of tangible fixed assets	<u>10,521</u>	<u>10,638</u>

3 Staff costs

Staff costs were as follows:

	2000 £	1999 £
Wages and salaries	174,431	150,230
Social security costs	17,815	14,627
Other pension costs	7,079	7,035
	<u>199,325</u>	<u>171,892</u>

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

	2000	1999
Administration	<u>8</u>	<u>7</u>

Notes (continued)

4 Directors' remuneration

	2000 £	1999 £
Directors' emoluments	35,675	9,262
Pension contributions	1,458	417
	<u> </u>	<u> </u>

5 Interest receivable

	2000 £	1999 £
Bank interest	71,693	78,302
	<u> </u>	<u> </u>

6 Interest payable and similar charges

	2000 £	1999 £
On hire purchase contracts	1,125	-
	<u> </u>	<u> </u>

7 Taxation

	2000 £	1999 £
UK corporation tax	-	-
	<u> </u>	<u> </u>

As set out more fully in note 1, the company's profits are not chargeable to corporation tax as the company acts as an agent for the Super League clubs.

Notes (continued)

8 Tangible fixed assets

	Motor Vehicles	Fixtures and fittings	Total
	£	£	£
Cost			
At beginning of year	-	33,144	33,144
Additions	14,571	5,184	19,755
	<hr/>	<hr/>	<hr/>
At end of year	14,571	38,328	52,899
	<hr/>	<hr/>	<hr/>
Depreciation			
At beginning of year	-	20,441	20,441
Charge for year	1,150	9,371	10,521
	<hr/>	<hr/>	<hr/>
At end of year	1,150	29,812	30,962
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2000	13,421	8,516	21,937
	<hr/>	<hr/>	<hr/>
At 31 December 1999	-	12,703	12,703
	<hr/>	<hr/>	<hr/>

Total net book value of fixed assets as at 31 December 2000 includes £13,421 (1999: *£nil*) in respect of assets acquired under hire purchase contracts. Depreciation charged in the year on these assets amounted to £1,150 (1999: *£nil*).

9 Debtors

	2000	1999
	£	£
Trade debtors	2,647,677	2,892,577
Prepayments and accrued income	579,696	96,877
Called up share capital unpaid	4	4
	<hr/>	<hr/>
	3,227,377	2,989,458
	<hr/>	<hr/>

Notes (continued)

10 Creditors: amounts falling due within one year

	2000 £	1999 £
Trade creditors	98,268	34,196
Obligations under hire purchase contracts	1,900	-
Other taxation and social security	383,335	476,174
Other creditors	2,290,495	2,640,237
Accruals and deferred income	1,009,806	316,718
	<hr/> 3,783,804 <hr/>	<hr/> 3,467,325 <hr/>

11 Creditors: amounts falling due after more than one year

	2000 £	1999 £
Obligations under hire purchase contracts: Due in 2-5 years	10,950	-
	<hr/>	<hr/>

12 Called up share capital

	2000 £	1999 £
<i>Authorised</i>		
Equity: Ordinary shares of £1 each	50	50
	<hr/>	<hr/>
<i>Allotted and called up</i>		
Equity: Ordinary shares of £1 each		
- paid	10	10
- unpaid	4	4
	<hr/> 14 <hr/>	<hr/> 14 <hr/>

Notes (continued)

13 Reserves

	Profit and loss account £
At beginning of year	-
Retained profit for the year	-
	<hr/>
At end of year	-
	<hr/>

14 Reconciliation of movements in equity shareholders' funds

	2000 £	1999 £
Profit for the year	-	-
New shares issued	-	2
	<hr/>	<hr/>
Net addition to equity shareholders' funds	-	2
Opening equity shareholders' funds	14	12
	<hr/>	<hr/>
Closing equity shareholders' funds	14	14
	<hr/>	<hr/>

15 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:

	2000 Land and buildings £	1999 Land and buildings £
Within one year	2,443	-
Within two to five years	-	29,305
	<hr/>	<hr/>

16 Pension scheme

The company participates in a group personal pension scheme. The pension cost charge for the year represents contributions payable by the company. These amounted to £7,079 (1999: £7,035). At the end of the year £1,907 (1999: £3,772) was outstanding in respect of pension contributions.

Notes (continued)

17 Related party transactions

The members of the company are the twelve Super League rugby clubs.

In 2000, the total monies receivable by Super League (Europe) Limited on behalf of the clubs was £11,543,036 (1999: £11,961,490). Of this amount £7,250,000 (1999: £9,300,000) was distributed directly to eleven clubs in respect of television rights, £1,250,000 was distributed directly to two clubs in respect of merger incentives, and £2,461,621 (1999: £1,836,324) has been recognised as turnover in Super League (Europe) Limited, being the amount to directly cover administrative expenses and other disbursements properly incurred on the clubs' behalf, as set out in the agency agreement.

The surplus of monies receivable in the year was £581,415 (1999: £825,166). Of this surplus, £240,000 (1999: £350,000) was distributed in equal proportions to the clubs during the year and £341,415 (1999: £475,166) is included within other creditors at the year end.

In total, other creditors includes £2,288,365 (1999: £2,635,812) due to the twelve (1999: fourteen) Super League clubs. This represents the above undistributed surplus, £1,975,000 (1999: £2,125,000) which relates to the first tranche of sponsorship monies for 2001 covering the period from 1 January 2001 to 31 March 2001, and £28,050 sundry club debtors.

In addition to the above distributions, Wakefield Trinity Wildcats received £10,000 in respect of compensation for ineligibility for television rights distributions.

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

Club	£
St Helens	290,000
Wigan Warriors	185,000
Bradford Bulls	135,000
Leeds Rhinos	120,000
Castleford Tigers	100,000
Warrington Wolves	65,000
Hull F.C.	55,000
Halifax Blue Sox	45,000
Salford City Reds	35,000
Wakefield Trinity Wildcats	30,000
London Broncos	25,000
Huddersfield Sheffield Giants	15,000
	<hr/>
	1,100,000
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Four of the directors of the company are also directors of Super League clubs who are members of the company. These details are as follows:

Director	Super League Club
Christopher Stuart Caisley	Bradford Bulls
Gary Hetherington	Leeds Rhinos
Timothy Lawrence Adams	Huddersfield Sheffield Giants
Nigel Jonathan Wood	Halifax Blue Sox