

## **World Snooker Limited**

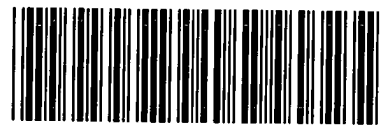
Annual Report and Financial Statements

Year Ended

30 June 2021

Company Number 04127833

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# World Snooker Limited

## Company Information

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|----------------------------|---|
| <b>Directors</b>           | S J Dawson<br>E J Hearn<br>S P Brownell<br>J E Ferguson<br>N T Oldfield<br>M Pearce |
| <b>Company secretary</b>   | S P Brownell  |
| <b>Registered number</b>   | 04127833  |
| <b>Registered office</b>   | 75 Whiteladies Road<br>Clifton<br>Bristol<br>BS8 2NT                                |
| <b>Independent auditor</b> | BDO LLP<br>55 Baker Street<br>London<br>W1U 7EU                                     |

# World Snooker Limited

## Contents

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|  | Page    |
|--|---------|
| <b>Strategic Report</b>                      | 1 - 2   |
| <b>Directors' Report</b>                     | 3 - 4   |
| <b>Directors' Responsibilities Statement</b> | 5       |
| <b>Independent Auditor's Report</b>          | 6 - 9   |
| <b>Statement of Comprehensive Income</b>     | 10      |
| <b>Statement of Financial Position</b>       | 11      |
| <b>Statement of Changes in Equity</b>        | 12      |
| <b>Notes to the Financial Statements</b>     | 13 - 26 |

# World Snooker Limited

## Strategic Report For the Year Ended 30 June 2021

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The directors present their strategic report together with the audited financial statements for the year ended 30 June 2021.

### Business review

The economic turbulence caused by multiple lockdowns in the UK as a response to the global COVID 19 Pandemic, has had a profound impact on the sports industry.

These Financial Statements cover a period almost entirely without gate receipt income which is unprecedented in the sports modern history. The gate receipt income that was generated, was generated under Pilot Event status, subject to significant legislation from Government, and with the objective being to demonstrate attending live sport was safe.

During the 12-month period that are covered by these Financial Statements, World Snooker Tour operated two such pilot schemes for the World Snooker Championships in 2020 and 2021. It is with great pride that the Board of Directors can reflect on these Championships as not only incredible sporting spectacles, but also acting as a beacon of hope for a return to some element of normality.

It is precisely because of the determination and effort from World Snooker Tour staff, our partners in Sheffield City Council and Sheffield Theatres, as well as our many other contractors and the incredible snooker fans, that we were able to demonstrate to government that attending sports events, especially snooker, was safe.

The economic impact of this will not be reflected in the performance of World Snooker Tour in the year to 30 June 2021, but instead in the performance of the company in the subsequent year, through which the doors remained open to audiences.

Even though almost the entire season of 2021 was staged behind closed doors, but for the pilot events referred to above, the performance of the company was record-breaking. The revenue from the performance of the company exceeded £24m which is 5% higher than was achieved in 2019 and 33% higher than in 2020.

This bounce-back in performance for the Company was the result of the postponement in hosting the World Championships in 2020 which meant that there were two World Championships hosted in this period.

The profitability of the company was impacted in the year as the Board of Directors took the balanced view that despite the reduction in revenues from gate receipts, prize money available for events that could be held, must be maintained at existing rates. This enabled the Company to make available £10m in prize money in the 2020/21 Season, and £12m in prize money when you include the 2020 Betfred World Championship. This was a record amount of prize money available from Tournaments promoted by WST.

The Board are acutely aware that due to international travel restrictions, it has not been possible to host events in China, which before the pandemic contributed 27% of all tour prize money. This reduction in prize money has impacted the incomes of many tour players and whilst efforts have been made to replace this income with new events including the WST Pro Series and Championship League events, which contributed £750k in new prize money, the Board recognise that it is important to make further headway in introducing new International events.

This has been achieved to some extent in the 2021/22 season with The Turkish Masters and British Open bringing the total of new event prize money up to £1.3m and adding International events to the calendar remains the sharp focus of the board.

The performance of the company has been achieved without significantly impacting the cash reserves of the business which at the year-end totalled £3.5m, compared to £5.0m in the prior year. Holding strong cash reserves has been fundamental in the ability of the Company to weather the storm of the Pandemic.

# World Snooker Limited

## Strategic Report (continued) For the Year Ended 30 June 2021

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### Principal risks and uncertainties

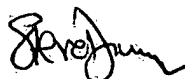
The directors monitor the risk associated with the effects of the current economic climate and are confident that the company will manage to maintain its profitability going forward.

The directors monitor the financial risks to the group on an ongoing basis. During the year, the credit, interest rate and foreign exchange rate risks were minimal. Hence, the directors did not feel that it was appropriate to mitigate these risks by purchasing any financial instruments

### Future Developments

The directors continue to explore all opportunities for the future growth and international development with a view to expanding snooker into new territories worldwide.

This report was approved by the board on 28<sup>th</sup> June 2022 and signed on its behalf.



**S J Dawson**  
Director

# World Snooker Limited

## Directors' Report For the Year Ended 30 June 2021

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The directors present their report together with the audited financial statements for the year ended 30 June 2021.

### Principal activity

The principal activity of the companies that of a holding company for a subsidiary engaged in the promotion of a professional snooker circuit through the organisation and promotion of tournaments.

### Results and dividends

The results for the year are shown in the statement of comprehensive income on page 10. During the year, the directors recommended a dividend payment of £3,500,000 (2020 - £1,400,000).

### Directors

The directors who served during the year were:

S J Dawson  
E J Hearn  
B M W Hearn (resigned 30 April 2021)  
S P Brownell  
J E Ferguson  
N T Oldfield  
M Pearce  
B V Parker (resigned 18 July 2020)

### Charitable contributions

The company made charitable donations of £9,697 (2020 - £149,937).

### Going concern

The companies activities, together with the factors likely to affect its future development, performance and position, are set out in the directors' report. The directors' report also describes the financial position of the company, its cash flows and liquidity position.

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of not less than 12 months from the date of approval of these financial statements. After reviewing these forecasts, the directors believe, taking account of plausible downsides, including further travel and other social distancing restrictions on account of existing or future variants of the virus, the company will have sufficient funds to meet their liabilities as they fall due over the period of not less than 12 months from the date of approval of the financial statements (the going concern assessment period).

The directors have assessed the risks of travel restrictions and the impact on international sporting events in locations outside of the UK. The directors have also considered the potential impact of the UK Government's COVID policy and the implications that this may have on the company's ability to accommodate a crowd at UK events.

# World Snooker Limited

## Directors' Report (continued) For the Year Ended 30 June 2021

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### Going concern (continued)

The likelihood that these factors do impact potential revenue streams for the company falls outside of the control of the board and could have a substantial impact on the company's ability to exploit the commercial rights of the sport. As they are outside the company's control, projections have been stress-tested to consider all reasonably foreseeable downside risk and actions considered to mitigate against potential impact on cashflow. A plausible downside scenario has been considered assuming short to medium term contractions in income that may arise should there be a need for temporary restrictions to be reintroduced and event expenses and overheads are based on the year end 30 June 2022 budget. Under this downside scenario the company has sufficient cash for the entire going concern assessment period.

The company has always maintained strong cash reserves and the directors will endeavour to proceed to trade without the use of external lending facilities.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

No adjustments have been made that would otherwise be required were the going concern basis of preparation not considered appropriate.

### Disclosure of information to auditor

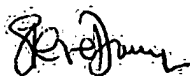
Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 28<sup>th</sup> June 2022 and signed on its behalf.



**S J Dawson**  
Director

# **World Snooker Limited**

## **Directors' Responsibilities Statement For the Year Ended 30 June 2021**

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The directors are responsible for preparing the strategic report, 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 judgements and accounting estimates that are reasonable and prudent; 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 the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# World Snooker Limited

## Independent Auditor's Report to the Members of World Snooker Limited

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### Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of World Snooker Limited ("the company") for the year ended 30 June 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

# World Snooker Limited

## Independent Auditor's Report to the Members of World Snooker Limited (continued)

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### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with the applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

### Responsibilities of directors

As explained more fully in the directors responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

# World Snooker Limited

## Independent Auditor's Report to the Members of World Snooker Limited (continued)

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### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We also considered potential financial or other pressures, opportunity and motivations for fraud. As part of this discussion we identified the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations and how management monitor these processes. Appropriate procedures included the review and testing of manual journals and key estimates and judgements made by management. We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, drawing on our broad sector experience, and considered the risk of acts by the company that were contrary to these laws and regulations, including fraud.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, UK tax legislation and equivalent local laws and regulations.

We made enquiries of management with regards to compliance with the above laws and regulations and corroborated any necessary evidence to relevant information, for example, minutes of the Board of Directors meetings and correspondence between the Group or Parent Company and its solicitors. Our tests included agreeing the financial statements disclosures to underlying supporting documentation and enquiries with management.

As in all of our audits, we also addressed the risk of management override of internal controls including testing journals and evaluation whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# World Snooker Limited

## Independent Auditor's Report to the Members of World Snooker Limited (continued)

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### Use of our report

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.

DocuSigned by:

*Ian Clayden*

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**Ian Clayden** (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London

United Kingdom

30 June 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# World Snooker Limited

## Statement of Comprehensive Income For the Year Ended 30 June 2021

|  | Note | 2021<br>£        | 2020<br>£        |
|--|------|------------------|------------------|
| Turnover                                       | 4    | 24,072,324       | 18,060,934       |
| Cost of sales                                  |      | (17,581,037)     | (13,493,570)     |
| <b>Gross profit</b>                            |      | <b>6,491,287</b> | <b>4,567,364</b> |
| Administrative expenses                        |      | (3,537,066)      | (3,356,351)      |
| <b>Operating profit</b>                        | 5    | <b>2,954,221</b> | <b>1,211,013</b> |
| Interest receivable and similar income         | 8    | -                | 9,660            |
| <b>Profit before tax</b>                       |      | <b>2,954,221</b> | <b>1,220,673</b> |
| Tax on profit                                  | 9    | (562,265)        | (230,902)        |
| <b>Profit for the financial year</b>           |      | <b>2,391,956</b> | <b>989,771</b>   |
| Other comprehensive income                     |      | -                | -                |
| <b>Total comprehensive income for the year</b> |      | <b>2,391,956</b> | <b>989,771</b>   |

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

The notes on pages 13 to 26 form part of these financial statements.

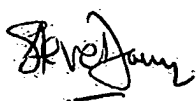
The profit and loss account has been prepared on the basis that all operations are continuing operations.

**World Snooker Limited**  
Registered number: 04127833

**Statement of Financial Position**  
**As at 30 June 2021**

|  | Note | 2021<br>£        | 2021<br>£        | 2020<br>£         | 2020<br>£        |
|--|------|------------------|------------------|-------------------|------------------|
| <b>Fixed assets</b>                            |      |                  |                  |                   |                  |
| Tangible assets                                | 11   |                  | 177,946          |                   | 235,957          |
| <b>Current assets</b>                          |      |                  |                  |                   |                  |
| Stocks   | 12   | 3,500            |                  | 3,500             |                  |
| Debtors: amounts falling due within one year   | 13   | 3,888,339        |                  | 5,641,755         |                  |
| Cash at bank and in hand                       |      | 3,479,824        |                  | 5,003,553         |                  |
|  |      | <u>7,371,663</u> |                  | <u>10,648,808</u> |                  |
| Creditors: amounts falling due within one year | 14   | (4,892,149)      |                  | (7,119,261)       |                  |
| <b>Net current assets</b>                      |      |                  | <u>2,479,514</u> |                   | <u>3,529,547</u> |
| <b>Net assets</b>                              |      |                  | <u>2,657,460</u> |                   | <u>3,765,504</u> |
| <b>Capital and reserves</b>                    |      |                  |                  |                   |                  |
| Called up share capital                        | 17   |                  | 1                |                   | 1                |
| Profit and loss account                        | 18   |                  | 2,657,459        |                   | 3,765,503        |
| <b>Total equity</b>                            |      |                  | <u>2,657,460</u> |                   | <u>3,765,504</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28<sup>th</sup> June 2022.



**S J Dawson**  
Director

The notes on pages 13 to 26 form part of these financial statements.

# World Snooker Limited

## Statement of Changes in Equity For the Year Ended 30 June 2021

|  | Called up<br>share capital | Profit and<br>loss account | Total equity     |
|--|----------------------------|----------------------------|------------------|
|  | £                          | £                          | £                |
| At 1 July 2020                                 | 1                          | 3,765,503                  | 3,765,504        |
| <b>Comprehensive income for the year</b>       |                            |                            |                  |
| Profit for the year                            | -                          | 2,391,956                  | 2,391,956        |
| <b>Total comprehensive income for the year</b> | -                          | 2,391,956                  | 2,391,956        |
| Dividends: Equity capital                      | -                          | (3,500,000)                | (3,500,000)      |
| <b>Total transactions with owners</b>          | -                          | (3,500,000)                | (3,500,000)      |
| <b>At 30 June 2021</b>                         | <b>1</b>                   | <b>2,657,459</b>           | <b>2,657,460</b> |

## Statement of Changes in Equity For the Year Ended 30 June 2020

|  | Called up<br>share capital | Profit and<br>loss account | Total equity     |
|--|----------------------------|----------------------------|------------------|
|  | £                          | £                          | £                |
| At 1 July 2019                                 | 1                          | 4,175,732                  | 4,175,733        |
| <b>Comprehensive income for the year</b>       |                            |                            |                  |
| Profit for the year                            | -                          | 989,771                    | 989,771          |
| <b>Total comprehensive income for the year</b> | -                          | 989,771                    | 989,771          |
| Dividends: Equity capital                      | -                          | (1,400,000)                | (1,400,000)      |
| <b>Total transactions with owners</b>          | -                          | (1,400,000)                | (1,400,000)      |
| <b>At 30 June 2020</b>                         | <b>1</b>                   | <b>3,765,503</b>           | <b>3,765,504</b> |

The notes on pages 13 to 26 form part of these financial statements.

# World Snooker Limited

## Notes to the Financial Statements For the Year Ended 30 June 2021

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### 1. General information

World Snooker Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the directors' report.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

#### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Matchroom Sport Limited as at 30 June 2021 and these financial statements may be obtained from Mascalls, Mascalls Lane, Brentwood, Essex, CM14 5LJ.



# World Snooker Limited

## Notes to the Financial Statements For the Year Ended 30 June 2021

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### 2. Accounting policies (continued)

#### 2.3 Going concern

The companies activities, together with the factors likely to affect its future development, performance and position, are set out in the directors' report. The directors' report also describes the financial position of the company, its cash flows and liquidity position.

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of not less than 12 months from the date of approval of these financial statements. After reviewing these forecasts, the directors believe, taking account of severe but plausible downsides, including further travel and other social distancing restrictions on account of existing or future variants of the virus, the company will have sufficient funds to meet their liabilities as they fall due over the period of not less than 12 months from the date of approval of the financial statements (the going concern assessment period).

The directors have assessed the risks of travel restrictions and the impact on international sporting events in locations outside of the UK. The directors have also considered the potential impact of the UK Government's COVID policy and the implications that this may have on the company's ability to accommodate a crowd at UK events.

The likelihood that these factors do impact potential revenue streams for the company falls outside of the control of the board and could have a substantial impact on the company's ability to exploit the commercial rights of the sport. As they are outside the company's control, projections have been stress-tested to consider all reasonably foreseeable downside risk and actions considered to mitigate against potential impact on cashflow. A plausible downside scenario has been considered assuming short to medium term contractions in income that may arise should there be a need for temporary restrictions to be reintroduced and event expenses and overheads are based on the year end 30 June 2022 budget. Under this downside scenario the company has sufficient cash for the entire going concern assessment period.

The company has always maintained strong cash reserves and the directors will endeavour to proceed to trade without the use of external lending facilities.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

No adjustments have been made that would otherwise be required were the going concern basis of preparation not considered appropriate.

# **World Snooker Limited**

## **Notes to the Financial Statements For the Year Ended 30 June 2021**

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### **2. Accounting policies (continued)**

#### **2.4 Foreign currency translation**

##### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

#### **2.5 Turnover**

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to third party customers during the year. The goods and services provided are derived from the principal activities of the company. Event income is recognised at the date on which the event occurred.

Sponsorship income is allocated over the period of the sponsorship agreement or in line with the size and nature of the events from which the sponsorship income is derived. Broadcasting incomes with regard to the exploitation of rights are recognised on delivery of the live event or delivery of the contracted content.

Gate receipts and other entry incomes are recognised on the date of the event.

In all cases, revenue received in advance is included within deferred income until the date of the point of revenue recognition above.

#### **2.6 Operating leases: the company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

#### **2.7 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

# World Snooker Limited

## Notes to the Financial Statements For the Year Ended 30 June 2021

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### 2. Accounting policies (continued)

#### 2.8 Pensions

##### Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

#### 2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

|                       |             |
|-----------------------|-------------|
| Fixtures and fittings | - 10% - 20% |
|-----------------------|-------------|

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

#### 2.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

#### 2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### 2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

# World Snooker Limited

## Notes to the Financial Statements For the Year Ended 30 June 2021

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### 2. Accounting policies (continued)

#### 2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### 2.14 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### 2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

# World Snooker Limited

## Notes to the Financial Statements For the Year Ended 30 June 2021

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### 2. Accounting policies (continued)

#### 2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

#### *Other key sources of estimation uncertainty*

- Tangible fixed assets (see note 11)

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

# World Snooker Limited

## Notes to the Financial Statements For the Year Ended 30 June 2021

### 4. Turnover

An analysis of turnover by class of business is as follows:

|                      | 2021<br>£         | 2020<br>£         |
|----------------------|-------------------|-------------------|
| United Kingdom       | 14,223,894        | 7,712,993         |
| Europe               | 6,162,865         | 5,816,913         |
| Asia and Middle East | 3,292,509         | 3,819,435         |
| Australasia          | 218,204           | 189,762           |
| South America        | 17,485            | 426,332           |
| North America        | 157,367           | 95,499            |
|                      | <u>24,072,324</u> | <u>18,060,934</u> |

### 5. Operating profit

The operating profit is stated after charging:

|   | 2021<br>£        | 2020<br>£        |
|---|------------------|------------------|
| Depreciation of owned tangible fixed assets                 | 80,000           | 80,000           |
| Other operating lease rentals                               | 36,000           | 36,000           |
| Management charges  | 1,000,000        | 1,000,000        |
| Exchange differences  | 210,770          | 34,414           |
| Auditors remuneration - as auditor                          | 15,000           | 12,500           |
| Auditors remuneration - other services relating to taxation | 4,000            | 3,600            |
| Pension contributions                                       | 51,114           | 48,659           |
|   | <u>1,331,950</u> | <u>1,255,291</u> |

### 6. Employees

Staff costs, including directors' remuneration, were as follows:

|                                     | 2021<br>£        | 2020<br>£        |
|-------------------------------------|------------------|------------------|
| Wages and salaries                  | 1,158,777        | 1,095,748        |
| Social security costs               | 122,059          | 110,884          |
| Cost of defined contribution scheme | 51,114           | 48,659           |
|                                     | <u>1,331,950</u> | <u>1,255,291</u> |

# World Snooker Limited

## Notes to the Financial Statements For the Year Ended 30 June 2021

### 6. Employees (continued)

The average monthly number of employees, including the directors, during the year was as follows:

|                                | 2021<br>No. | 2020<br>No. |
|--------------------------------|-------------|-------------|
| Directors                      | 7           | 8           |
| Full time administration staff | 9           | 9           |
| Officials and referees         | 6           | 6           |
|                                | <u>22</u>   | <u>23</u>   |

### 7. Directors' remuneration

|   | 2021<br>£      | 2020<br>£      |
|---|----------------|----------------|
| Directors' emoluments   | 508,333        | 545,000        |
| Company contributions to defined contribution pension schemes | 17,417         | 18,000         |
|   | <u>525,750</u> | <u>563,000</u> |

The highest paid director in the year received emoluments of £145,000 (2020 - £145,000) and had pension payments made on his behalf of £9,000 (2020 - £9,000). The group and company contributed to pension schemes on behalf of 2 (2020 - 2) of the directors.

### 8. Interest receivable and similar income

|                          | 2021<br>£ | 2020<br>£    |
|--------------------------|-----------|--------------|
| Bank interest receivable | -         | 9,660        |
|                          | <u>-</u>  | <u>9,660</u> |

# World Snooker Limited

## Notes to the Financial Statements For the Year Ended 30 June 2021

### 9. Taxation

|  | 2021<br>£      | 2020<br>£       |
|--|----------------|-----------------|
| <b>Corporation tax</b>                                   |                |                 |
| Current tax on profits for the year                      | 561,208        | 255,866         |
| Foreign tax  | 246,835        | 336,316         |
| Double taxation relief                                   | (246,835)      | (336,316)       |
| Adjustments in respect of previous periods (foreign tax) | 7,754          | (8,462)         |
| <b>Total current tax</b>                                 | <b>568,962</b> | <b>247,404</b>  |
| <b>Deferred tax</b>                                      |                |                 |
| Origination and reversal of timing differences           | (6,697)        | (16,502)        |
| <b>Total deferred tax</b>                                | <b>(6,697)</b> | <b>(16,502)</b> |
| <b>Taxation on profit on ordinary activities</b>         | <b>562,265</b> | <b>230,902</b>  |

### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

|  | 2021<br>£      | 2020<br>£      |
|--|----------------|----------------|
| Profit on ordinary activities before tax   | 2,954,221      | 1,220,673      |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%) | 561,302        | 231,928        |
| <b>Effects of:</b>   |                |                |
| Reduction/(increase) in tax rate on deferred tax balances  | -              | (16,502)       |
| Non-deductible expenses  | -              | 23,938         |
| Group relief surrendered/(claimed)   | (94)           | -              |
| Adjustments in respect of prior years  | 7,754          | (8,462)        |
| Remeasurement of deferred tax for changes in tax rates   | (6,697)        | -              |
| Foreign taxation   | 246,835        | 336,316        |
| Double tax relief  | (246,835)      | (336,316)      |
| <b>Total tax charge for the year</b>   | <b>562,265</b> | <b>230,902</b> |
| <b>Factors that may affect future tax charges</b>  |                |                |

Increases in the UK Corporation tax rate from 19% to 25% (19% effective from 1 April 2017, and 25% effective from 1 April 2023) have been substantively enacted. This will impact the company's future tax charge accordingly.



# World Snooker Limited

## Notes to the Financial Statements For the Year Ended 30 June 2021

### 10. Dividends

|  | 2021<br>£        | 2020<br>£        |
|--|------------------|------------------|
| Final dividends declared and paid in respect of current year | <u>3,500,000</u> | <u>1,400,000</u> |

### 11. Tangible fixed assets

|                       | Fixtures and fittings<br>£ |
|-----------------------|----------------------------|
| <b>Cost</b>           |                            |
| At 1 July 2020        | 749,087                    |
| Additions             | 21,989                     |
| At 30 June 2021       | <u>771,076</u>             |
| <b>Depreciation</b>   |                            |
| At 1 July 2020        | 513,130                    |
| Charge for the year   | 80,000                     |
| At 30 June 2021       | <u>593,130</u>             |
| <b>Net book value</b> |                            |
| At 30 June 2021       | <u>177,946</u>             |
| At 30 June 2020       | <u>235,957</u>             |

### 12. Stocks

|                               | 2021<br>£    | 2020<br>£    |
|-------------------------------|--------------|--------------|
| Raw materials and consumables | <u>3,500</u> | <u>3,500</u> |

# World Snooker Limited

## Notes to the Financial Statements For the Year Ended 30 June 2021

### 13. Debtors: amounts falling due within one year

|                                | 2021<br>£        | 2020<br>£        |
|--------------------------------|------------------|------------------|
| Trade debtors                  | 1,271,604        | 4,250,253        |
| Other debtors                  | 196,721          | 553,460          |
| Prepayments and accrued income | 2,394,813        | 812,841          |
| Deferred taxation              | 25,201           | 25,201           |
|                                | <u>3,888,339</u> | <u>5,641,755</u> |

### 14. Creditors: amounts falling due within one year

|                                    | 2021<br>£        | 2020<br>£        |
|------------------------------------|------------------|------------------|
| Trade creditors                    | 966,090          | 75,290           |
| Amounts owed to group undertakings | 740,000          | -                |
| Corporation tax                    | 467,281          | 255,866          |
| Other taxation and social security | 114,282          | 107,983          |
| Other creditors                    | (122,155)        | 2,294            |
| Accruals and deferred income       | 2,726,651        | 6,677,828        |
|                                    | <u>4,892,149</u> | <u>7,119,261</u> |

### 15. Deferred taxation

|                           | 2021<br>£            |
|---------------------------|----------------------|
| At beginning of year      | 25,201               |
| Charged to profit or loss | -                    |
| <b>At end of year</b>     | <u><b>25,201</b></u> |

The deferred tax asset is made up as follows:

|                                | 2021<br>£     | 2020<br>£     |
|--------------------------------|---------------|---------------|
| Accelerated capital allowances | <u>25,201</u> | <u>25,201</u> |

# World Snooker Limited

## Notes to the Financial Statements For the Year Ended 30 June 2021

### 16. Contingent liabilities

The company has committed to making available to players a season minimum aggregate prize fund of £6,695,264 (2020 - £6,376,442). The company has made available a season minimum aggregate prize fund of £9,706,500 (2020 - £13,536,250) for the 2020/2021 season which exceeds the commitment by £3,011,236 (2020 - £7,159,808). The end of season 2020 Betfred World Championship took place during the 2020/2021 financial year however it falls in the 2019/2020 season and accordingly this prize money is included in the season minimum aggregate prize fund referred to under the 2019/2020 season.

This is subject to a clause which states that if, in any season, World Snooker Limited shall have paid to player's prize money in excess of the minimum aggregate prize fund for that season then the minimum aggregate prize fund for one or more of the following seasons may be reduced in aggregate by a sum equal to the excess. The current excess of the minimum aggregate prize fund to carry forward to the 2021/20 season stands at £44,653,147 (2020 - £41,641,910).

### 17. Share capital

|   | 2021<br>£ | 2020<br>£ |
|---|-----------|-----------|
| <b>Allotted, called up and fully paid</b> |           |           |
| 1 ordinary share of £1                    | 1         | 1         |

### 18. Reserves

The company's capital and reserves are as follows:

#### Called up share capital

Called up share capital represents the nominal value of the shares issued.

#### Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

### 19. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £51,114 (2020 - £48,659). Contributions totalling £3,515 (2020 - £3,974) were payable to the fund at the reporting date and are included in creditors.

# World Snooker Limited

## Notes to the Financial Statements For the Year Ended 30 June 2021

### 20. Commitments under operating leases

At 30 June 2021 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

|  | 2021<br>£     | 2020<br>£     |
|--|---------------|---------------|
| Not later than 1 year                        | 36,000        | -             |
| Later than 1 year and not later than 5 years | 36,000        | 27,500        |
|  | <u>72,000</u> | <u>27,500</u> |

### 21. Related party transactions

During the year, the company paid licence fees of £193,078 (2020 - £191,076) and fees in relation to management services of £260,000 (2020 - £260,000) to The World Professional Billiards and Snooker Association Limited, which owns 26% (2020 - 26%) of the parent company World Snooker Holding Limited. At the year end the company owed The World Professional Billiards and Snooker Association Limited £Nil (2020 - £Nil).

Also during the year, the company paid commissions of £943,500 (2020 - £686,200), fees in relation to management services of £740,000 (2020 - £660,000) as well as receiving fees in relation to hospitality sales of £Nil (2020 - £10,804), broadcasting production fees of £161,350 (2020 - £Nil), event management fees of £68,242 (2020 - £Nil) and receiving broadcasting rights fees of £47,300 (2020 - £39,069) from Matchroom Sport Limited, which owns 56% (2020 - 56%) of the company and of which E Hearn is a director. At the year end, Matchroom Sport Limited owed the company £Nil (2020 - £Nil).

Also during the year, the company paid fees in relation to management services of £Nil (2020 - £80,000), to Q2 1T Limited of which B Parker is a director. At the year end, Q2 IT Limited owed the company £Nil (2020 - £Nil).

Also during the year, the company paid fees in relation to event promotion services of £Nil (2020 - £533,141), to Dragonstars Event Management GmbH of which B Parker is a director. At the year end, the company owed Dragonstars Event Management GmbH £Nil (2020 - £Nil).

Also during the year, the company paid fees in relation to streaming services of £374,471 (2020 - £192,979) and fees in relation to management services of £125,000 (2020 - £125,000) to Loop Streaming & Production Limited. At the year end the company owed Loop Streaming & Production Limited £Nil (2020 - £Nil).

Also during the year, the company paid fees in relation to management services of £40,000 (2020 - £40,000), to Jason Ferguson Limited of which Jason Ferguson is a director. At the year end the company owed Jason Ferguson Limited £Nil (2020 - £Nil).

# **World Snooker Limited**

## **Notes to the Financial Statements For the Year Ended 30 June 2021**

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### **22. Controlling party**

The immediate parent company is Matchroom Sport Limited, a company incorporated in the United Kingdom and registered in England and Wales. The ultimate parent company is Matchroom Holdings Limited which acquired 100% of the share capital of Matchroom Sport Limited on 22 February 2021. Matchroom Holdings Limited has no ultimate controlling party.

Matchroom Sport Limited heads the largest and smallest group in which the results of the company are consolidated. The consolidated accounts of Matchroom Sport Limited are available to the public and can be obtained from the company's registered office, Mascalls, Mascalls Lane, Great Warley, Brentwood, Essex, CM14 5LJ.

In the opinion of the directors there is no individual ultimate controlling party by virtue of share ownership.