

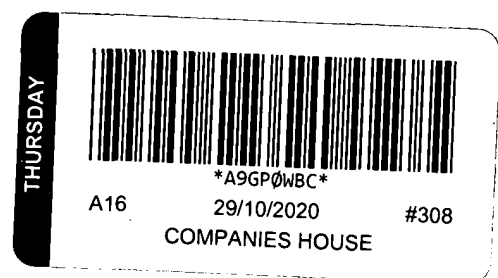
# **Headingley North-South Stand (Rugby) Limited**

Directors' Report and Financial Statements

Year Ended

31 October 2019

Company Number 10750813



# Headingley North-South Stand (Rugby) Limited

## Company Information

---

<b>Directors</b>	P A Bullers P Caddick
<b>Company secretary</b>	P A Bullers
<b>Registered number</b>	10750813
<b>Registered office</b>	Emerald Headingley Stadium St. Michaels Lane Leeds LS6 3BR
<b>Independent auditor</b>	BDO LLP Central Square 29 Wellington Street Leeds LS1 4DL

# Headingley North-South Stand (Rugby) Limited

## Contents

---

	Page
<b>Directors' Report</b>	1 - 2
<b>Directors' Responsibilities Statement</b>	3
<b>Independent Auditor's Report</b>	4 - 6
<b>Statement of Comprehensive Income</b>	7
<b>Statement of Financial Position</b>	8
<b>Statement of Changes in Equity</b>	9
<b>Notes to the Financial Statements</b>	10 - 15

# Headingley North-South Stand (Rugby) Limited

## Directors' Report For the Year Ended 31 October 2019

---

The directors present their report together with the audited financial statements for the year ended 31 October 2019.

### Principal activity

The principal activity of the company is that of lease investment and sub-licensing of a rugby stadium stand. The company was incorporated on 2 May 2017 and began trading at the end of August 2019.

### Results and dividends

The profit for the year, after taxation, amounted to £3,700 (2018 - £Nil).

Dividends of £Nil were paid during the year (2018 - £Nil).

### Future prospects and going concern

Subsequent to the year end, the business faces unprecedented uncertainty as a consequence of the COVID-19 pandemic. The company is entirely dependent on its sole customer, Leeds Cricket, Football & Athletic Company Limited ("Leeds Rhinos"), being able to pay the annual operating licence fee for use of the North-South Stand, in order for the company to meet its own lease obligations to Leeds City Council.

The directors acknowledge that the current uncertainty in respect of the COVID-19 pandemic means there is uncertainty around the level and timing of certain future income streams for Leeds Rhinos. Significant delays in crowds returning to games and the associated hospitality and reduction in revenues beyond those expected in the forecasts for Leeds Cricket, Football & Athletic Company Limited could lead to a cash short-fall within the next twelve months indicating that a material uncertainty exists which may cast significant doubt on Leeds Cricket, Football & Athletic Company Limited's ability to continue as a going concern. As a result of the company's reliance on Leeds Cricket, Football & Athletic Company Limited for its cash flows, a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the ordinary course of business. These financial statements do not include the adjustments that would be required should the going concern basis of preparation no longer be appropriate.

### Directors

The directors who served during the year were:

P A Bullers  
P Caddick

### 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, who was appointed in the year, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

# Headingley North-South Stand (Rugby) Limited

## Directors' Report (continued) For the Year Ended 31 October 2019

---

### Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 27th October 2020 and signed on its behalf.

*P. A. Bullers*

**P A Bullers**  
Director

# **Headingley North-South Stand (Rugby) Limited**

## **Directors' Responsibilities Statement For the Year Ended 31 October 2019**

---

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 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;
- 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.

# Headingley North-South Stand (Rugby) Limited

## Independent Auditor's Report to the Members of Headingley North-South Stand (Rugby) Limited

---

### Opinion

We have audited the financial statements of Headingley North-South Stand (Rugby) Limited ("the company") for the year ended 31 October 2019 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2019 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.

### 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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material uncertainty related to going concern

We draw attention to note 2.2 to the financial statements, which indicates the directors consideration of the current uncertainty in respect of the COVID-19 global pandemic and that the company is dependent on income from its sole customer which itself has a material uncertainty in relation to its going concern. As stated in note 2.2, these events or conditions, along with other matters as set out in note 2.2, indicate that a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

# **Headingley North-South Stand (Rugby) Limited**

## **Independent Auditor's Report to the Members of Headingley North-South Stand (Rugby) Limited (continued)**

---

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the director's report and financial statements, 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

# Headingley North-South Stand (Rugby) Limited

## Independent Auditor's Report to the Members of Headingley North-South Stand (Rugby) Limited (continued)

---

### 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.

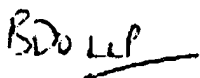
### Auditor's responsibilities for the audit of the financial statements

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.

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

### 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.

  
BDO LLP

**Paul Davies** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Leeds  
United Kingdom  
28 October 2020

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

# Headingley North-South Stand (Rugby) Limited

## Statement of Comprehensive Income For the Year Ended 31 October 2019

		Year Ended 31 October 2019 £	Period from incorporation to 31 October 2018 £
	Note		
Turnover		66,000	-
Administrative expenses		(6,000)	-
<b>Operating profit</b>		<b>60,000</b>	<b>-</b>
Interest payable and similar charges		(55,370)	-
<b>Profit before tax</b>		<b>4,630</b>	<b>-</b>
Tax on profit	6	(930)	-
<b>Profit for the financial year</b>		<b>3,700</b>	<b>-</b>

There was no other comprehensive income for 2019 (2018 - £Nil).

The notes on pages 10 to 15 form part of these financial statements.

# Headingley North-South Stand (Rugby) Limited

Registered number: 10750813

## Statement of Financial Position As at 31 October 2019

	Note	2019 £	2019 £	2018 £	2018 £
<b>Fixed assets</b>					
Investment property	7		20,021,000		-
<b>Current assets</b>					
Debtors: amounts falling due within one year	8	1		1	
Cash at bank and in hand		13,626		-	
		<u>13,627</u>		<u>1</u>	
Creditors: amounts falling due within one year	9	(915,034)		-	
<b>Net current (liabilities)/assets</b>			<u>(901,407)</u>		<u>1</u>
<b>Total assets less current liabilities</b>			<u>19,119,593</u>		<u>1</u>
Creditors: amounts falling due after more than one year	10		(19,115,892)		-
<b>Net assets</b>			<u><u>3,701</u></u>		<u><u>1</u></u>
<b>Capital and reserves</b>					
Called up share capital	12		1		1
Profit and loss account	13		3,700		-
<b>Total equity</b>			<u><u>3,701</u></u>		<u><u>1</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

27th October 2020

P. A. Bullers

**P A Bullers**  
Director

The notes on pages 10 to 15 form part of these financial statements.

# Headingley North-South Stand (Rugby) Limited

## Statement of Changes in Equity For the Year Ended 31 October 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 November 2018	1	-	1
<b>Comprehensive income for the year</b>			
Profit for the year	-	3,700	3,700
<b>Total comprehensive income for the year</b>	-	3,700	3,700
<b>At 31 October 2019</b>	<b>1</b>	<b>3,700</b>	<b>3,701</b>

## Statement of Changes in Equity For the Period Ended 31 October 2018

	Called up share capital	Total equity
	£	£
At 2 May 2017	1	1
<b>Comprehensive income for the period</b>		
Profit for the period	-	-
<b>Total comprehensive income for the period</b>	-	-
<b>At 31 October 2018</b>	<b>1</b>	<b>1</b>

The notes on pages 10 to 15 form part of these financial statements.

# Headingley North-South Stand (Rugby) Limited

## Notes to the Financial Statements For the Year Ended 31 October 2019

---

### 1. General information

Headingley North-South Stand (Rugby) 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 activity 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 Section 1A of 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 Section 1A of 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 Going concern

The company has net current liabilities of £901,407. The directors have considered the impact of the COVID-19 pandemic on the cash flows and projections for the company.

The company is entirely dependent on its sole customer, Leeds Cricket, Football & Athletic Company Limited, being able to pay the annual operating licence fee for use of the North-South Stand, in order for the company to meet its own lease obligations to Leeds City Council.

At the time of approval of the financial statements, the directors having prepared and reviewed forecasts for a period extending beyond 12 months from the approval of these financial statements, have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

However, the directors acknowledge that the current uncertainty in respect of the COVID-19 pandemic means there is uncertainty around the level and timing of certain future income streams for Leeds Cricket, Football & Athletic Company Limited. Significant delays in crowds returning to games and the associated hospitality and reduction in revenues beyond those those expected in the forecasts for Leeds Cricket, Football & Athletic Company Limited could lead to a cash shortfall within the next 12 months indicating that a material uncertainty exists which may cast significant doubt on Leeds Cricket, Football & Athletic Company Limited's ability to continue as a going concern. As a result of the company's reliance on Leeds Cricket, Football & Athletic Company Limited for its cash flows, a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern and therefore its ability to realise its assets and discharge its liabilities in the ordinary course of business. These financial statements do not include the adjustments that would be required should the going concern basis of preparation no longer be appropriate.

# **Headingley North-South Stand (Rugby) Limited**

## **Notes to the Financial Statements For the Year Ended 31 October 2019**

---

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

#### **2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Revenue represents the amount of license income due for the relevant period under the license agreement.

#### **2.4 Investment property**

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the statement of comprehensive income.

#### **2.5 Debtors**

Short term debtors are measured at transaction price, less any impairment.

#### **2.6 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.

#### **2.7 Financial instruments**

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

The company's cash at bank and in hand and trade and other debtors and its trade and other creditors and bank overdrafts are measured initially at the transaction price, including transaction costs, and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

#### **2.8 Creditors**

Short term creditors are measured at the transaction price.

#### **2.9 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Investment property held under finance leases is capitalised in the statement of financial position at the lower of the fair value or present value of the minimum lease payments. The capital elements of future obligations under leases are included as liabilities in the statement of financial position. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of return on the remaining balance of the liability. Contingent rents are charged as expenses in the period in which they are incurred.

# Headingley North-South Stand (Rugby) Limited

## Notes to the Financial Statements For the Year Ended 31 October 2019

---

### 2. Accounting policies (continued)

#### 2.10 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 2.11 Taxation

Tax is recognised in the statement of comprehensive income, 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.

### 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 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.

The directors do not believe there are any other key sources of estimation uncertainty.

### 4. Employees

The company has no employees (2018 - Nil) other than the directors, who did not receive any remuneration (2018 - £Nil).

### 5. Auditor's remuneration

The company paid fees of £5,200 (2018 - £Nil) in respect of the audit of the company's financial statements.

# Headingley North-South Stand (Rugby) Limited

## Notes to the Financial Statements For the Year Ended 31 October 2019

### 6. Taxation

	Year Ended 31 October 2019 £	Period from incorporation to 31 October 2018 £
<b>Corporation tax</b>		
Current tax on profits for the year	930	-
<b>Total current tax</b>	<b>930</b>	<b>-</b>

### 7. Investment property

	Investment property £
<b>Valuation</b>	
At 1 November 2018	-
Additions at cost	20,021,000
<b>At 31 October 2019</b>	<b>20,021,000</b>

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

	2019 £	2018 £
Amounts owed by group undertakings	1	1

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

	2019 £	2018 £
Amounts owed to related undertakings	209,000	-
Corporation tax	930	-
Other taxation and social security	14,771	-
Obligations under finance lease and hire purchase contracts	684,633	-
Accruals	5,700	-
	<b>915,034</b>	<b>-</b>

# Headingley North-South Stand (Rugby) Limited

## Notes to the Financial Statements For the Year Ended 31 October 2019

### 10. Creditors: amounts falling due after more than one year

	2019 £	2018 £
Net obligations under finance leases and hire purchase contracts	<u>19,115,892</u>	<u>-</u>

### 11. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Within one year	684,633	-
Between 1-5 years	2,738,528	-
Over 5 years	16,377,364	-
	<u>19,800,525</u>	<u>-</u>

### 12. Share capital

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
1 ordinary share of £1	<u>1</u>	<u>1</u>

### 13. 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.

# **Headingley North-South Stand (Rugby) Limited**

## **Notes to the Financial Statements For the Year Ended 31 October 2019**

---

### **14. Related party transactions**

The company is a subsidiary of Headingley North-South Stand Limited which is a joint venture between Leeds Cricket, Football and Athletic Company Limited and Yorkshire County Cricket Club Limited.

Included in amounts owed to related party undertakings are balances due to Leeds Cricket Football & Athletic Co Limited of £209,000 (2018 - £Nil). During the period the company made sales of £66,000 (2018 - £Nil) to Leeds Cricket, Football & Athletic Co Limited.

Included in amounts owed by group undertakings is £1 (2018 - £1) due from Headingley North-South Stand Limited.

### **15. Controlling party**

The company is wholly owned by Headingley North-South Stand Limited. Headingley North-South Stand Limited is a joint venture between Leeds Cricket Football and Athletic Company Limited and Yorkshire County Cricket Club Limited.

### **16. Events after the reporting period**

For further details on how the COVID-19 pandemic has affected the company's going concern assessment, see the directors' report as well as note 2.2 of the financial statements.

There have been no other significant events affecting the company since the year end.