

REGISTERED NUMBER: 00174692

WIGAN RUGBY LEAGUE CLUB LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018



WIGAN RUGBY LEAGUE CLUB LIMITED

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WIGAN RUGBY LEAGUE CLUB LIMITED

COMPANY INFORMATION
for the Year Ended 30 November 2018

DIRECTORS:

I F Lenagan
W Higham
K J Radlinski M.B.E
Dr C Brookes
D J Moore

SECRETARY:

D J Moore

REGISTERED OFFICE:

Robin Park Arena
Loire Drive
Wigan
Lancashire
WN5 0UH

REGISTERED NUMBER:

00174692 (England and Wales)

AUDITORS:

Fairhurst
Statutory Auditors
Chartered Accountants
Douglas Bank House
Wigan Lane
Wigan
Lancashire
WN1 2TB

BANKERS:

Barclays Bank PLC
1st Floor
3 Hardman Street
Spinningfields
Manchester
M3 3HF

SOLICITORS:

Platt & Fishwick
The Old Bank
King Street
Wigan
WN1 1DB

WIGAN RUGBY LEAGUE CLUB LIMITED

STRATEGIC REPORT for the Year Ended 30 November 2018

The directors present their strategic report for the year ended 30 November 2018.

REVIEW OF BUSINESS

The company reported an operating loss of £1,395k (2017: £432k) for the year, with the results influenced by the following major factors:

- Turnover fell by 7.5% to £6.563m, due mainly to the club's participation in the World Club Challenge and Challenge Cup Finals in the previous year. Like-for-like revenue (excluding the two matches listed previously and prize monies) reduced by 2.2%.
- Like-for-like salaries and wages (excluding performance related bonuses) increased by £173k (3.8%) in 2018 reflecting the company's continuing commitment to investment in the playing squad.
- The Company incurred significant travel, accommodation and equipment costs as a result of the First Team's pioneering tour to Australia in February 2018. These costs contributed very significantly to the Company's below budget financial performance in the year.
- The Company has benefitted from transfer fees received of £175k in the year and also disposed of a leasehold property (the Lotto shop) for £120k.

On the pitch, the Wigan Warriors First Team began the 2018 season with the aforementioned trip to Australia, making history by organising the first Super League game outside the UK, which took place in Wollongong, New South Wales against Hull FC, with Wigan winning 24-10 in front of a crowd of more than 12,000 at WIN Stadium. The club followed this up by participating in a double-header friendly at Stadium Australia, Sydney against South Sydney Rabbitohs. Whilst the trip was successful from a performance standpoint and in raising the profile of Wigan Warriors, the fact that the attendance for the Sydney game was significantly below budget meant a disappointing financial outcome.

In Super League, the first team finished 2nd in the regular season, including winning their final 8 games of the regular season. The team carried this momentum into the playoffs, beating Castleford 14-0 in the semi-finals at the DW Stadium before triumphing 12-4 against Warrington at Old Trafford in the Grand Final. This marked the club's 5th Grand Final victory in the Super League era and 22nd overall league championship. The trophy was a fitting way to bow out for Shaun Wane, who left the club at the end of the 2018 season for Scotland Rugby Union after an association with the club of almost 40 years; including the last seven as an immensely successful head coach.

Elsewhere, the Under 19's won the Academy Grand Final for the ninth time in the last eleven seasons, winning 37-12 against Castleford at the DW Stadium. The success of the academy is vital for the club to maintain its commitment to producing a team of home town and Wigan-developed players, with over 30 academy graduates making their first team debuts since 2012.

At the start of 2018 the club founded the Wigan Warriors Ladies team, who competed in the inaugural Women's Super League during the year. The team completed a successful year by becoming the first ever Women's Super League Champions, defeating Leeds Rhinos 18-16 at the Manchester Regional Arena. **The three Grand Final wins means Wigan completed the historic and unique treble of holding all three league championship trophies in the same season.**

Off the pitch the club, in partnership with Wigan Council, continued with the plans to relocate the club's entire operations, including first team and academy training and performance facilities, to the new headquarters at Robin Park Arena. The deal includes investment of over £3.5m in a refurbishment of the existing facility and a complete "new build" extension. The transition commenced in April 2019 and will be completed by the end of September 2019. The modern office and recreation amenities, "state of the art" training facilities, and location adjacent to the DW Stadium will benefit significantly the club's performance, community, commercial and administration departments.

The Board are proud of the rugby performance of all the competition teams during 2018; and the level of investment from the Lenagan family in all aspects of the club is a major contributor to the high levels of success. However, the Board recognise that the heightened levels of operating losses incurred in the year do not represent a sustainable position for the club. The Board are committed to significantly reducing the level of the operating loss for 2019 and beyond.

A comprehensive review of the 1st team playing squad and coaching staff has resulted in the departure of several highly paid players, certain of whom attracted transfer fees in 2017/18 and 2018/19. The effect of this has been to reduce wage costs in 2018/19 and 2019/20.

WIGAN RUGBY LEAGUE CLUB LIMITED

STRATEGIC REPORT for the Year Ended 30 November 2018

KEY PERFORMANCE INDICATORS

Key performance indicators are used by the directors to measure and evaluate the Company's performance and to monitor its various activities. The principal key performance indicators employed in the Company are:-

	2018	2017
	£m	£m
Turnover	6.5	7.1
Staff costs	(4.8)	(4.5)
Earnings before interest, taxation, depreciation, amortisation, impairment and profit on sales of players registrations	(1.4)	(0.2)
Operating loss	(1.4)	(0.4)
Profit on sales of players' registrations	0.2	-
Net loss after taxation	(1.2)	(0.4)
Level of net debt: due to bank	(0.75)	(0.83)
	2018	2017
	Numbers	Numbers
Average league attendance	11,708	13,983
Final league position	2nd	6th
Play off position (Grand Final)	1st	-
Challenge Cup	Quarter Final	Semi Final

In addition there are various non-financial KPI's which the Board consider to be important in the development of the Club; especially participation in the community, encouraging young, old and disadvantaged people to engage in a variety of activities.


PRINCIPAL RISKS AND UNCERTAINTIES

The Board are responsible for continually assessing the risks applicable to the business. Like all Super League Clubs, the Company continues to rely upon British Sky Broadcasting Group PLC (Sky) for a material part of its income, and the broadcasting rights for Super League are guaranteed until the end of 2021.

In respect of other significant aspects of revenue recognition the Company faces the risks and uncertainties inherent in all businesses engaged in professional sport, where financial outcome is directly linked to a team's on-field performance, and the level of salaries paid to the players, coaching staff and management, albeit restricted by Salary Cap commitments.

A significant element of the Company's revenue is generated through the attendance of the public at the home fixtures of Wigan Warriors. These numbers may rise or fall depending upon factors such as the team's on-field performance, the affordability of admission tickets and the time and day when Wigan Warriors are required to play home fixtures.

ON BEHALF OF THE BOARD:


D J Moore - Director

Date: 28th August 2019

WIGAN RUGBY LEAGUE CLUB LIMITED

REPORT OF THE DIRECTORS for the Year Ended 30 November 2018

The directors present their report with the financial statements of the company for the year ended 30 November 2018.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a professional Rugby League club, known as Wigan Warriors.

RESULTS AND DIVIDENDS

The results for the year and financial position of the Company are as shown in the annexed financial statements. The Company made an operating loss for the year of £1,395k (2017 - loss of £432k). After deducting interest payable and similar charges, the Company's loss for the year after taxation was £1,215k (2017 - £443k). This amount is to be transferred to reserves and no dividend can be paid (2017 - £nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 December 2017 to the date of this report.

I F Lenagan
W Higham
K J Radlinski M.B.E
Dr C Brookes

Other changes in directors holding office are as follows:

D J Moore - appointed 11 December 2017

GOING CONCERN

In order to alleviate the operating losses, various cost cutting measures have been implemented; as well as renewed emphasis on revenue maximisation, albeit in a challenging economic environment, as referred to in the Strategic Report on pages 2 and 3.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. This includes the offer of continued financial support from the parent company, Lenagan Investments Limited and Barclays Bank PLC, subject to ongoing periodic reviews. On this basis, along with recent trading results and forecasts, the directors consider it appropriate to prepare the financial statements on the going concern basis.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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.

WIGAN RUGBY LEAGUE CLUB LIMITED

**REPORT OF THE DIRECTORS
for the Year Ended 30 November 2018**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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.

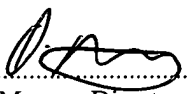
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Fairhurst, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


.....
D J Moore - Director

Date: 28th August 2019

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WIGAN RUGBY LEAGUE CLUB LIMITED

Opinion

We have audited the financial statements of Wigan Rugby League Club Limited (the 'company') for the year ended 30 November 2018 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, 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 30 November 2018 and of its loss 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 Auditors' 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 your attention to note 2 in the financial statements, which details the measures that have been taken to alleviate the operating losses and address the working capital requirements of the company in 2018/19 and 2019/20. Whilst the directors believe the company has adequate resources to continue in operational existence for the foreseeable future, it remains reliant upon the continued financial support of its parent company, Lenagan Investments Limited. The existence of operating losses, working capital requirements and reliance upon Lenagan Investments Limited indicate that a material uncertainty exists 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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WIGAN RUGBY LEAGUE CLUB LIMITED

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 Strategic Report or the Report of the Directors.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages four and five, 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 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.

Auditors' 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 a Report of the Auditors 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. 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 a Report of the Auditors 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WIGAN RUGBY LEAGUE CLUB LIMITED**

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 a Report of the Auditors 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.

John B S Fairhurst BA(Hons) FCA (Senior Statutory Auditor)
for and on behalf of Fairhurst
Statutory Auditors
Chartered Accountants
Douglas Bank House
Wigan Lane
Wigan
Lancashire
WN1 2TB



Date:28/8/19.....

WIGAN RUGBY LEAGUE CLUB LIMITED

**INCOME STATEMENT
for the Year Ended 30 November 2018**

	Notes	2018 £	2017 £
TURNOVER		6,563,126	7,096,137
Cost of sales		<u>1,077,213</u>	<u>1,072,313</u>
GROSS PROFIT		5,485,913	6,023,824
Administrative expenses		<u>7,055,856</u>	<u>6,671,486</u>
		(1,569,943)	(647,662)
Other operating income		<u>174,945</u>	<u>215,878</u>
OPERATING LOSS		(1,394,998)	(431,784)
Interest payable and similar expenses	5	<u>23,876</u>	<u>10,337</u>
LOSS BEFORE TAXATION	6	(1,418,874)	(442,121)
Tax on loss	7	<u>(203,298)</u>	<u>671</u>
LOSS FOR THE FINANCIAL YEAR		<u><u>(1,215,576)</u></u>	<u><u>(442,792)</u></u>

The notes form part of these financial statements

WIGAN RUGBY LEAGUE CLUB LIMITED

**OTHER COMPREHENSIVE INCOME
for the Year Ended 30 November 2018**

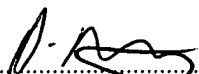
Notes	2018 £	2017 £
LOSS FOR THE YEAR	(1,215,576)	(442,792)
OTHER COMPREHENSIVE INCOME		
Impairment of freehold property	(1,400,000)	-
Long leasehold property revaluation gain	-	85,542
Income tax relating to components of other comprehensive income	<u>241,149</u>	<u>6,188</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	<u>(1,158,851)</u>	<u>91,730</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(2,374,427)</u>	<u>(351,062)</u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
30 November 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Intangible assets	8	9,968	73,331
Tangible assets	9	2,401,843	3,968,224
Investments	10	<u>1</u>	<u>1</u>
		2,411,812	4,041,556
CURRENT ASSETS			
Stocks	11	244,371	127,707
Debtors	12	1,088,534	2,290,530
Cash at bank and in hand		<u>187,831</u>	<u>333,841</u>
		1,520,736	2,752,078
CREDITORS			
Amounts falling due within one year	13	<u>8,440,983</u>	<u>8,483,195</u>
NET CURRENT LIABILITIES		<u>(6,920,247)</u>	<u>(5,731,117)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(4,508,435)</u>	<u>(1,689,561)</u>
PROVISIONS FOR LIABILITIES	17	<u>-</u>	<u>444,447</u>
NET LIABILITIES		<u>(4,508,435)</u>	<u>(2,134,008)</u>
CAPITAL AND RESERVES			
Called up share capital	18	128,000	128,000
Revaluation reserve	19	1,363,618	2,614,199
Retained earnings	19	<u>(6,000,053)</u>	<u>(4,876,207)</u>
SHAREHOLDERS' FUNDS		<u>(4,508,435)</u>	<u>(2,134,008)</u>

The financial statements were approved by the Board of Directors on 28th August 2019 and were signed on its behalf by:



 D J Moore - Director

WIGAN RUGBY LEAGUE CLUB LIMITED

**STATEMENT OF CHANGES IN EQUITY
for the Year Ended 30 November 2018**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 December 2016	128,000	(4,433,415)	2,522,469	(1,782,946)
Changes in equity				
Total comprehensive income	<u>-</u>	<u>(442,792)</u>	<u>91,730</u>	<u>(351,062)</u>
Balance at 30 November 2017	<u>128,000</u>	<u>(4,876,207)</u>	<u>2,614,199</u>	<u>(2,134,008)</u>
Changes in equity				
Total comprehensive income	<u>-</u>	<u>(1,123,846)</u>	<u>(1,250,581)</u>	<u>(2,374,427)</u>
Balance at 30 November 2018	<u><u>128,000</u></u>	<u><u>(6,000,053)</u></u>	<u><u>1,363,618</u></u>	<u><u>(4,508,435)</u></u>

The notes form part of these financial statements

WIGAN RUGBY LEAGUE CLUB LIMITED

**STATEMENT OF CASH FLOWS
for the Year Ended 30 November 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	1	(1,009,254)	(985,329)
Interest paid		<u>(23,876)</u>	<u>(10,337)</u>
Net cash from operating activities		<u>(1,033,130)</u>	<u>(995,666)</u>
 Cash flows from investing activities			
Purchase of intangible fixed assets		(10,800)	-
Purchase of tangible fixed assets		(28,422)	(37,965)
Sale of intangible fixed assets		175,000	-
Sale of tangible fixed assets		<u>120,000</u>	<u>-</u>
Net cash from investing activities		<u>255,778</u>	<u>(37,965)</u>
 Cash flows from financing activities			
Amounts received from parent company		<u>714,536</u>	<u>63,701</u>
Net cash from financing activities		<u>714,536</u>	<u>63,701</u>
 Decrease in cash and cash equivalents		<u>(62,816)</u>	<u>(969,930)</u>
Cash and cash equivalents at beginning of year	2	<u>(500,748)</u>	<u>469,182</u>
 Cash and cash equivalents at end of year	2	<u><u>(563,564)</u></u>	<u><u>(500,748)</u></u>

The notes form part of these financial statements

WIGAN RUGBY LEAGUE CLUB LIMITED

**NOTES TO THE STATEMENT OF CASH FLOWS
for the Year Ended 30 November 2018**

1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2018 £	2017 £
Loss before taxation	(1,418,874)	(442,121)
Depreciation charges	150,462	213,562
Profit on disposal of fixed assets	(176,495)	-
Finance costs	<u>23,876</u>	<u>10,337</u>
	(1,421,031)	(218,222)
(Increase)/decrease in stocks	(116,664)	103,111
Decrease in trade and other debtors	1,201,995	393,526
Decrease in trade and other creditors	<u>(673,554)</u>	<u>(1,263,744)</u>
Cash generated from operations	<u><u>(1,009,254)</u></u>	<u><u>(985,329)</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 30 November 2018

	30/11/18 £	1/12/17 £
Cash and cash equivalents	187,831	333,841
Bank overdrafts	<u>(751,395)</u>	<u>(834,589)</u>
	<u><u>(563,564)</u></u>	<u><u>(500,748)</u></u>

Year ended 30 November 2017

	30/11/17 £	1/12/16 £
Cash and cash equivalents	333,841	847,239
Bank overdrafts	<u>(834,589)</u>	<u>(378,057)</u>
	<u><u>(500,748)</u></u>	<u><u>469,182</u></u>

The notes form part of these financial statements

WIGAN RUGBY LEAGUE CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 November 2018

1. STATUTORY INFORMATION

Wigan Rugby League Club Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The company has reported an operating loss for the year of £1,395k and has net liabilities of £4,508k.

The company remains reliant upon the continued financial support of its parent company, Lenagan Investments Limited, which has provided loan monies, amounting to £5,277k, included within current liabilities. However, whilst these loans are technically repayable on demand, written assurances have been given that these monies will not become repayable within the foreseeable future.

The following decisions and actions have been taken by the directors to manage the working capital requirements of the company:

A comprehensive review of the 1st team playing squad and coaching staff has resulted in the departure of several highly paid players, certain of whom attracted transfer fees in 2017/18 and 2018/19. The effect of this has been to reduce wage costs in 2018/19 and 2019/20, as referred to in the Strategic Report on pages 2 and 3. The company expects considerable synergies and efficiencies will become evident once its move to Robin Park offices and training facilities is completed during 2019.

Profit and loss and cashflow forecasts have been prepared for 2018/19 and 2019/20, which indicate that, whilst operating losses may continue, working capital requirements will be met by existing bank overdraft facilities and additional loan funding from the parent company, Lenagan Investments Limited and funds under the control of Mr I F Lenagan and his immediate family.

On this basis, the directors believe the company has adequate resources to continue in operational existence for the foreseeable future and that it is therefore appropriate to prepare the financial statements on the going concern basis.

The financial statements include the results of the company's principal activity described in the Report of the Directors, which is continuing.

Turnover

Turnover represents income receivable from the Company's principal activity of operating a professional rugby league club and is net of Value Added Tax. Match day revenue is recognised over the period of the rugby league season as games are played. Sponsorship and similar commercial income is recognised over the duration of the respective contracts. The fixed element of broadcasting revenues is recognised over the duration of the rugby league season whilst facility fees for live coverage or highlights are recognised as games are played.

Player registrations

Transfer fees for player registrations are capitalised as intangible fixed assets and are amortised on a straight line basis over the period of the respective players' contracts.

Transfer fees receivable are included in profit or loss in the period to which they relate.

Player registrations are assessed on an annual basis and impairment losses arising are charged to profit or loss in the period in which they arise. Any surpluses arising are not accounted for.

WIGAN RUGBY LEAGUE CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 30 November 2018

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less depreciation and impairment. Depreciation of tangible fixed assets has been calculated so as to write off the cost or revalued amount less estimated residual value of each asset over its estimated useful life as follows:

Freehold property	- 2% per annum on straight line basis
Long leasehold property	- 2% per annum on straight line basis
Improvements to leasehold property	- 4% - 20% per annum on straight line basis
Fixtures and fittings	- 20% per annum on straight line basis
Computer equipment	- 33% per annum on straight line basis

Depreciation on freehold property

It is the company's policy to provide depreciation on freehold property on a straight line basis of 2%. The company maintains the training ground and gymnasium at Edge Hall Road, Orrell, in a state of sound repair and makes regular improvements, which are charged to profit or loss in the year expensed. The directors consider the life of this asset and its residual value is such that depreciation in the current year would be immaterial, and hence no depreciation has been charged.

Impairment of tangible fixed assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in the profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not to exceed the amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised immediately in the profit or loss.

Stocks

Stocks are measured at the lower of cost and selling price. Cost is measured at the most recent purchase price and other costs incurred in bringing the stocks to their present location and condition.

Taxation

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting period using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Leases

Rentals payable under operating leases are charged to the profit or loss on a straight-line basis over the lease term. The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

Employee benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Short term employee benefits are recognised as an expense in the period in which they are incurred.

WIGAN RUGBY LEAGUE CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 30 November 2018

2. ACCOUNTING POLICIES - continued

Financial instruments

Short term financial assets, including trade debtors are measured at transaction price less any impairment.

Short term financial liabilities, including trade creditors, are measured at transaction price. Group loans and associated undertaking loans (being repayable on demand) are measured at the undiscounted amount due.

Financial assets and liabilities payable after one year are initially measured at fair value and are measured subsequently at amortised cost using the effective interest rate method.

Fixed asset investments

Fixed asset investments are stated at cost less impairment.

3. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The items in the financial statements where these judgements and estimates have been made include:

(a) Impairment of freehold property

The carrying amount of the company's assets are reviewed annually to determine whether there is any indication of impairment. During the course of this review the Directors have identified that the carrying value of the company's freehold property has been impaired. The basis on which this has been reflected in these financial statements is set out in note 9.

4. EMPLOYEES AND DIRECTORS

	2018	2017
	£	£
Wages and salaries	4,454,352	4,158,219
Social security costs	413,800	394,939
	<u>4,868,152</u>	<u>4,553,158</u>

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

	2018	2017
Playing and coaching staff	71	68
Administration	29	30
	<u>100</u>	<u>98</u>

	2018	2017
	£	£
Directors' remuneration	<u>109,465</u>	<u>56,329</u>

In addition Director, Dr Chris Brookes invoiced £16,000 (2017: £16,000) for his services as Club doctor.

WIGAN RUGBY LEAGUE CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 November 2018**

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Bank interest	<u>23,876</u>	<u>10,337</u>

6. LOSS BEFORE TAXATION

The loss before tax is stated after charging/(crediting):

	2018	2017
	£	£
Depreciation - owned assets	76,298	110,226
Profit on player transfers	(175,000)	-
Profit on disposal of tangible fixed assets	(1,495)	-
Player registration fees amortisation	74,163	103,336
Foreign exchange differences	6,170	-
Stadium rental costs	294,648	307,177
Auditor's remuneration - audit fees	10,750	10,250
Auditor's remuneration - accountancy and taxation	2,750	1,600
Loan fees received	<u>(80,164)</u>	<u>(81,560)</u>

7. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss for the year was as follows:

	2018	2017
	£	£
Deferred tax	<u>(203,298)</u>	<u>671</u>
Tax on loss	<u>(203,298)</u>	<u>671</u>

Reconciliation of total tax (credit)/charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2018	2017
	£	£
Loss before tax	<u>(1,418,874)</u>	<u>(442,121)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.330%)	(269,586)	(85,462)
Effects of:		
Expenses not deductible for tax purposes	-	54
Income not taxable for tax purposes	(21,398)	(24,524)
Adjustments to tax charge in respect of previous periods	-	431
Fixed asset differences	-	(51,690)
Other permanent differences	4	180
Adjust closing deferred tax to average rate	244,311	216,294
Adjust opening deferred tax to average rate	(185,516)	(195,974)
Chargeable (losses)/gains	(269,519)	(7,036)
Deferred tax recognised in equity	241,149	6,188
Deferred tax not recognised	<u>57,257</u>	<u>142,210</u>
Total tax (credit)/charge	<u>(203,298)</u>	<u>671</u>

WIGAN RUGBY LEAGUE CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 November 2018

7. TAXATION - continued

Tax effects relating to effects of other comprehensive income

	Gross £	2018 Tax £	Net £
Impairment of freehold property	(1,400,000)	241,149	(1,158,851)
	<u>(1,400,000)</u>	<u>241,149</u>	<u>(1,158,851)</u>
	Gross £	2017 Tax £	Net £
Long leasehold property revaluation gain	85,542	6,188	91,730
	<u>85,542</u>	<u>6,188</u>	<u>91,730</u>

A deferred tax asset of £2,075,848 (2017 - £2,021,332) has not been provided within the financial statements, due to the uncertainty of when or if the asset will crystallise.

8. INTANGIBLE FIXED ASSETS

	Player registration fees £
COST	
At 1 December 2017	423,533
Additions	10,800
Disposals	<u>(396,000)</u>
At 30 November 2018	<u>38,333</u>
AMORTISATION	
At 1 December 2017	350,202
Amortisation for year	74,163
Eliminated on disposal	<u>(396,000)</u>
At 30 November 2018	<u>28,365</u>
NET BOOK VALUE	
At 30 November 2018	<u>9,968</u>
At 30 November 2017	<u>73,331</u>

WIGAN RUGBY LEAGUE CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 November 2018**

9. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold property £	Improvements to leasehold property £
COST OR VALUATION			
At 1 December 2017	3,600,000	120,000	155,734
Disposals	-	(120,000)	(14,060)
Impairments	<u>(1,400,000)</u>	<u>-</u>	<u>-</u>
At 30 November 2018	<u>2,200,000</u>	<u>-</u>	<u>141,674</u>
DEPRECIATION			
At 1 December 2017	-	-	53,243
Charge for year	-	1,664	9,047
Eliminated on disposal	<u>-</u>	<u>(1,664)</u>	<u>(14,060)</u>
At 30 November 2018	<u>-</u>	<u>-</u>	<u>48,230</u>
NET BOOK VALUE			
At 30 November 2018	<u>2,200,000</u>	<u>-</u>	<u>93,444</u>
At 30 November 2017	<u>3,600,000</u>	<u>120,000</u>	<u>102,491</u>
	Fixtures and fittings £	Computer equipment £	Totals £
COST OR VALUATION			
At 1 December 2017	486,137	220,492	4,582,363
Additions	18,899	9,523	28,422
Disposals	(268,996)	(6,724)	(409,780)
Impairments	<u>-</u>	<u>-</u>	<u>(1,400,000)</u>
At 30 November 2018	<u>236,040</u>	<u>223,291</u>	<u>2,801,005</u>
DEPRECIATION			
At 1 December 2017	410,449	150,447	614,139
Charge for year	32,243	33,344	76,298
Eliminated on disposal	<u>(268,996)</u>	<u>(6,555)</u>	<u>(291,275)</u>
At 30 November 2018	<u>173,696</u>	<u>177,236</u>	<u>399,162</u>
NET BOOK VALUE			
At 30 November 2018	<u>62,344</u>	<u>46,055</u>	<u>2,401,843</u>
At 30 November 2017	<u>75,688</u>	<u>70,045</u>	<u>3,968,224</u>

WIGAN RUGBY LEAGUE CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 November 2018**

9. TANGIBLE FIXED ASSETS - continued

Cost or valuation at 30 November 2018 is represented by:

	Freehold property £	Improvements to leasehold property £	Fixtures and fittings £	Computer equipment £	Totals £
Valuation in 2010	505,671	-	-	-	505,671
Valuation in 2011	300,000	-	-	-	300,000
Valuation in 2016	2,100,000	-	-	-	2,100,000
Valuation in 2018	(1,400,000)	-	-	-	(1,400,000)
Cost	<u>694,329</u>	<u>141,674</u>	<u>236,040</u>	<u>223,291</u>	<u>1,295,334</u>
	<u>2,200,000</u>	<u>141,674</u>	<u>236,040</u>	<u>223,291</u>	<u>2,801,005</u>

Freehold property, being the training facilities at Edge Hall Road, Orrell, was valued on an open market basis on 30 September 2016 by Parkinson Property Consultants Ltd at £3.6million, although there are certain caveats and restrictions which may substantially reduce the valuation, should any sale occur.

The Directors have therefore reduced the valuation at 30 November 2018 and treated the reduction to it's estimated fair market value of £2.2million as an impairment.

10. FIXED ASSET INVESTMENTS

	Participating interests £
COST	
At 1 December 2017 and 30 November 2018	<u>1</u>
NET BOOK VALUE	
At 30 November 2018	<u>1</u>
At 30 November 2017	<u>1</u>

The company holds 1 £1 ordinary share in Super League (Europe) Limited which represents 8.3% of the issued share capital. The financial statements of Super League (Europe) Ltd disclose that its activities are to act as agents of each participating club in the promotion of Rugby League. The company receives a distribution each year from Super League (Europe) Limited based on the results of that company for the year, and that income is included within turnover.

11. STOCKS

	2018 £	2017 £
Goods for resale	<u>244,371</u>	<u>127,707</u>

WIGAN RUGBY LEAGUE CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 November 2018**

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade debtors	357,488	512,613
Other debtors	189,035	1,268,094
Accrued income	421,239	208,596
Prepayments	<u>120,772</u>	<u>301,227</u>
	<u><u>1,088,534</u></u>	<u><u>2,290,530</u></u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Bank loans and overdrafts (see note 14)	751,395	834,589
Trade creditors	1,034,767	347,767
Social security and other taxes	264,830	282,647
Other creditors	24,300	-
Amounts owed to group undertakings	5,277,567	5,956,946
Deferred income	1,018,152	988,808
Accrued expenses	<u>69,972</u>	<u>72,438</u>
	<u><u>8,440,983</u></u>	<u><u>8,483,195</u></u>

14. LOANS

An analysis of the maturity of loans is given below:

	2018	2017
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>751,395</u>	<u>834,589</u>

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	2017
	£	£
Within one year	17,000	-
Between one and five years	<u>68,000</u>	<u>17,000</u>
	<u><u>85,000</u></u>	<u><u>17,000</u></u>

WIGAN RUGBY LEAGUE CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 November 2018**

16. SECURED DEBTS

The following secured debts are included within creditors:

	2018	2017
	£	£
Bank overdrafts	751,395	834,589
Amounts owed to parent company	<u>5,277,567</u>	<u>5,956,947</u>
	<u><u>6,028,962</u></u>	<u><u>6,791,536</u></u>

Banking facilities are reviewed periodically and repayable on demand, subject to such reviews. Barclays Bank PLC has a fixed and floating charge over the assets of the Company. Mr I F Lenagan, a Director of the Company, has provided personal guarantees to the Bank on behalf of the Company.

The loan from the parent company is secured by a debenture, has no fixed repayment date and any interest accruing for the period has been waived.

17. PROVISIONS FOR LIABILITIES

	2018	2017
	£	£
Deferred tax		
Short term timing differences	-	(275)
Capital gains/(losses)	<u>-</u>	<u>444,722</u>
	<u><u>-</u></u>	<u><u>444,447</u></u>

	Deferred tax £
Balance at 1 December 2017	444,447
Credit to Income Statement during year	(203,298)
Credit to Revaluation Reserve	<u>(241,149)</u>
Balance at 30 November 2018	<u><u>-</u></u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2018	2017
Number:	Class:	Nominal value:	£	£
128,000	Ordinary	£1	<u>128,000</u>	<u>128,000</u>

WIGAN RUGBY LEAGUE CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 30 November 2018

19. RESERVES

	Retained earnings £	Revaluation reserve £	Totals £
At 1 December 2017	(4,876,207)	2,614,199	(2,262,008)
Deficit for the year	(1,215,576)	-	(1,215,576)
Revaluation/impairment	91,730	(1,491,730)	(1,400,000)
Deferred tax on revaluation	-	241,149	241,149
At 30 November 2018	<u>(6,000,053)</u>	<u>1,363,618</u>	<u>(4,636,435)</u>

Retained earnings includes all current and prior retained profits and losses.

The revaluation reserve relates to the freehold property.

20. PENSION COMMITMENTS

The company operates a defined contribution pension scheme in respect of certain staff members. The scheme is managed by independent fund managers and its assets/liabilities are held separately from that of the company.

The pension charge represents the amount paid by the company and amounted to £25,896 (2017 - £18,658). There was £4,666 (2017 - £Nil) of outstanding contributions to the fund as at the year end.

21. ULTIMATE PARENT COMPANY

The company is an 89% owned subsidiary of Lenagan Investments Limited, a company under the control of Mr I F Lenagan and his immediate family.

22. OTHER FINANCIAL COMMITMENTS

The Club has a 25 year renewable licence to use the DW Stadium, at rates determined by match revenues. The stadium is owned by Wigan Football Company Limited, whose ultimate parent company is IEC Wigan Athletic Holdings Limited.

23. RELATED PARTY DISCLOSURES

Loans from group undertakings

During the year the Company had loan transactions with Lenagan Investments Limited as follows: loans received of £1,193,360 and repaid of £389,000. The company also recharged certain expenses totalling £89,825. At 30 November 2018 an amount of £5,277,567 was owed to Lenagan Investments Limited..

Loans to/(from) associated undertakings

During the year the Company had loan transactions with associated companies as follows: loans paid of £553,647 and repaid of £238,349. At 30 November 2018 there is an amount of £184,322 owed by associated undertakings.

Transactions with associated undertakings

During the year the Company has recharged wages and certain expenses totalling £91,461 and have paid rent and associated costs totalling £177,619 to associated undertakings. At 30 November 2018 an amount of £60,298 was owed to the company.