

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022
FOR
WIGAN RUGBY LEAGUE CLUB LIMITED**

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for the Year Ended 30 November 2022**

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WIGAN RUGBY LEAGUE CLUB LIMITED

COMPANY INFORMATION
for the Year Ended 30 November 2022

DIRECTORS:

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

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

**STRATEGIC REPORT
for the Year Ended 30 November 2022**

The directors present their strategic report for the year ended 30 November 2022.

The company reported an operating loss of £1,154k (2021: £1,758k) for the year.

Overall turnover increased by 43.5% to £6.6m (2021: £4.6m). The composition of turnover during 2022 has again changed significantly from 2021 and 2020 as a result of recovery from the Covid-19 pandemic and is now comparative with conditions from 2019 and prior.

Revenue category	2022 (%)	2021 (%)	2020 (%)	2019 (%) (pre-Covid)
Matchday	27	16	9	34
Broadcasting revenues & prize money	29	43	34	32
Sponsorship	14	16	14	13
Retail	20	16	12	12
Other	10	9	31	9
Total	100	100	100	100

Salary costs increased by a modest 3.9% to £4.8m (2021: £4.6m).

The Board's medium-term goal for the company continues to be to achieve a break-even performance to both ensure the financial sustainability of the company and to provide the best opportunity for continued success in Rugby League.

The operating loss for the year in 2022 is higher than the Board would like but is not materially outside expectations given market conditions. The Board believe, under the direction of new ownership, that the most appropriate path to financial sustainability is to target revenue growth in all areas whilst continuing to invest in the playing squads to maximise performance and provide an exciting product to Wigan Warriors and Rugby League supporters, in general.

There have been promising signs in revenue growth in 2022, with:

- Matchday receipts returning broadly to pre-pandemic levels
- Sponsorship revenue increasing to £928k (2021: £750k)
- Retail revenue increasing to a record £1,297k due to a combination of factors, including the successful rebrand in late 2021, a new purpose built shop at Robin Park Arena, an improved online shopping experience, and a more strategic approach to product lines.

Conversely, central distributions from Super League (largely from broadcasting revenues) are down @ 20% - 25% from 2019 levels as a result of the reduced Sky Television agreement. Whilst there is no immediate improvement forecasted in 2023, RL Commercial (an entity set up by Super League and the RFL which holds the commercial rights to Super League for sale) engaged leading sports brand consultants IMG in 2022 to lead on increasing the awareness and value of Super League with the aim of securing increased centralised revenue in years to come.

The Board has continued to utilise available loan funding from the parent company, Lenagan Investments Limited, to give the company the best chance to be able to continue to progress with the joint strategies of successful rugby league performance and financial sustainability.

There has been no further draw down of loan funding made available by the UK Government during the Covid-19 pandemic. Repayment of this loan commenced after the balance sheet date in July 2023.

On the pitch, 2022 saw a new coaching staff brought in, with Matt Peet appointed as Head Coach alongside Lee Briers and Sean O'Loughlin as Assistant Coaches. This led to immediate success with the club winning the Men's Challenge Cup for a record 20th time in May 2022, and for the first time since 2013.

The Men's Super League season saw the club finish in 2nd place during the regular season, an improvement on the 4th place position in 2021. Unfortunately, the club were once again beaten by an in-form Leeds team in the Semi-Final. Despite this the 2022 season was clearly a successful one for the men's first team.

**STRATEGIC REPORT
for the Year Ended 30 November 2022**

The Women's Super League returned in full in 2022 post-pandemic, with the women's first team earning a creditable semi-final berth in Super League before losing to League Leaders' Shield winning York City Knights. The club is committed to building the women's team organically under the same performance team structure as the men's team, including at academy level. Whilst the first team is currently behind teams with far greater experience in Leeds, St Helens and York, the academy team is very competitive with these teams and the future looks promising.

Finally, on 1 January 2023 Kris Radlinski was formally and publicly appointed as the club's Chief Executive Officer following a long period as General Manager and then Executive Director. Kris has been a Director of the company since January 2015, but the new appointment reflects his level of experience and responsibilities.

**STRATEGIC REPORT
for the Year Ended 30 November 2022**

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:-

	2022	2021
	£m	£m
Turnover	6.6	4.6
Staff costs	(4.8)	(4.6)
Earnings before interest, taxation, depreciation, amortisation, impairment and profit/(loss) on sales of players registrations	(1.0)	(1.7)
Operating loss	(1.2)	(1.8)
Net loss after taxation	(1.2)	(1.8)
Level of external debt	(2.5)	(2.5)
Average league attendance	2022 12,280	2021 8,713
Final league position	2nd	4th
Play off position (Grand Final)	Semi-final	Eliminated in playoffs
Challenge Cup	Winners	Quarter finals

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. Material risks and uncertainties by a combination of their scale and likelihood are as follows:

- Like all Super League clubs, the company is reliant on the broadcast contract (currently with British Sky Broadcasting Group plc ("Sky")) for a material part of its income. The current contract expires at the conclusion of the 2023 season. As of August 2023, a new three year contract with Sky on similar terms has been agreed in principle, which should secure revenue at current levels until the conclusion of the 2026 season.

- 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.

ON BEHALF OF THE BOARD:

D J Moore - Director

30 August 2023

**REPORT OF THE DIRECTORS
for the Year Ended 30 November 2022**

The directors present their report with the financial statements of the company for the year ended 30 November 2022.

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.

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 £1,154k (2021 - £1,758k). After deducting interest payable and similar charges, the company's loss for the year after taxation was £1,216k (2021 - £1,792k). This amount is to be transferred to reserves and no dividend can be paid (2021 - £nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 December 2021 to the date of this report.

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

Other changes in directors holding office are as follows:

B J Goodburn was appointed as a director after 30 November 2022 but prior to the date of this report.

D C Eales and W Higham ceased to be directors after 30 November 2022 but prior to the date of this report.

GOING CONCERN

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. This includes the continued financial support from the shareholders of the parent company, Lenagan Investments Limited. 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.

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.

**REPORT OF THE DIRECTORS
for the Year Ended 30 November 2022**

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.

ON BEHALF OF THE BOARD:

D J Moore - Director

30 August 2023

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 2022 which comprise the Statement of 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 2022 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 2022/23 and 2023/24. 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 parent company loans 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 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.

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 page 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.

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

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- we identified the laws and regulations applicable to the company through discussions with directors and other management, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the UK Companies Act, tax legislation, employment legislation, Health and Safety regulations and Super League sustainability financial regulations including the operation of Salary Caps.

- we enquired of the directors and reviewed correspondence with HMRC for evidence of non-compliance with laws and regulations. We also reviewed controls the directors have in place to ensure compliance.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

- performed analytical procedures to identify any unusual or unexpected relationships;

- tested journal entries to identify unusual transactions;

- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

- we reviewed financial statements disclosures and tested to supporting documentation to assess compliance with relevant laws and regulations discussed above;

- we enquired of the directors about actual and potential litigation and claims.

Due to inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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

30 August 2023

WIGAN RUGBY LEAGUE CLUB LIMITED (REGISTERED NUMBER: 00174692)

**STATEMENT OF COMPREHENSIVE
INCOME
for the Year Ended 30 November 2022**

	Notes	2022 £	2021 £
TURNOVER		6,633,231	4,622,472
Cost of sales		<u>1,671,126</u>	<u>1,113,012</u>
GROSS PROFIT		4,962,105	3,509,460
Administrative expenses		<u>6,549,110</u> (1,587,005)	<u>5,923,809</u> (2,414,349)
Other operating income		<u>433,361</u>	<u>656,540</u>
OPERATING LOSS		(1,153,644)	(1,757,809)
Interest payable and similar expenses	5	<u>61,871</u>	<u>34,654</u>
LOSS BEFORE TAXATION	6	(1,215,515)	(1,792,463)
Tax on loss	7	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		(1,215,515)	(1,792,463)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(1,215,515)</u>	<u>(1,792,463)</u>

The notes form part of these financial statements

WIGAN RUGBY LEAGUE CLUB LIMITED (REGISTERED NUMBER: 00174692)

STATEMENT OF FINANCIAL POSITION
30 November 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Intangible assets	8		14,838		28,380
Tangible assets	9		2,299,146		2,272,388
Investments	10		<u>1</u>		<u>1</u>
			2,313,985		2,300,769
CURRENT ASSETS					
Stocks	11	173,642		218,478	
Debtors	12	1,647,343		1,083,561	
Cash at bank and in hand		<u>166,895</u>		<u>82,989</u>	
		1,987,880		1,385,028	
CREDITORS					
Amounts falling due within one year	13	<u>11,244,401</u>		<u>9,353,339</u>	
NET CURRENT LIABILITIES			<u>(9,256,521)</u>		<u>(7,968,311)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			(6,942,536)		(5,667,542)
CREDITORS					
Amounts falling due after more than one year	14		<u>1,945,201</u>		<u>2,004,680</u>
NET LIABILITIES			<u>(8,887,737)</u>		<u>(7,672,222)</u>
CAPITAL AND RESERVES					
Called up share capital	17		128,000		128,000
Revaluation reserve	18		1,363,618		1,363,618
Retained earnings	18		<u>(10,379,355)</u>		<u>(9,163,840)</u>
SHAREHOLDERS' FUNDS			<u>(8,887,737)</u>		<u>(7,672,222)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 30 August 2023 and were signed on its behalf by:

D J Moore - Director

The notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
for the Year Ended 30 November 2022

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 December 2020	128,000	(7,371,377)	1,363,618	(5,879,759)
Changes in equity				
Total comprehensive income	-	(1,792,463)	-	(1,792,463)
Balance at 30 November 2021	128,000	(9,163,840)	1,363,618	(7,672,222)
Changes in equity				
Total comprehensive income	-	(1,215,515)	-	(1,215,515)
Balance at 30 November 2022	128,000	(10,379,355)	1,363,618	(8,887,737)

The notes form part of these financial statements

STATEMENT OF CASH FLOWS
for the Year Ended 30 November 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	(1,016,582)	(1,343,714)
Interest paid		<u>(61,871)</u>	<u>(34,654)</u>
Net cash from operating activities		<u>(1,078,453)</u>	<u>(1,378,368)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(15,000)	-
Purchase of tangible fixed assets		<u>(81,915)</u>	<u>(22,281)</u>
Net cash from investing activities		<u>(96,915)</u>	<u>(22,281)</u>
Cash flows from financing activities			
New loans in year		-	1,024,681
Amounts received from parent company		1,446,004	283,104
Amounts repaid to parent company		(193,436)	(218,463)
Amounts repaid by related undertakings		33,000	15,531
Amounts paid to related undertakings		<u>(73,555)</u>	<u>(56,158)</u>
Net cash from financing activities		<u>1,212,013</u>	<u>1,048,695</u>
Increase/(decrease) in cash and cash equivalents		<u>36,645</u>	<u>(351,954)</u>
Cash and cash equivalents at beginning of year	2	(479,575)	(127,621)
Cash and cash equivalents at end of year	2	<u><u>(442,930)</u></u>	<u><u>(479,575)</u></u>

The notes form part of these financial statements

**NOTES TO THE STATEMENT OF CASH FLOWS
for the Year Ended 30 November 2022**

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

	2022	2021
	£	£
Loss before taxation	(1,215,515)	(1,792,463)
Depreciation charges	55,156	50,455
Loss on disposal of fixed assets	6,250	-
Amortisation of intangible fixed assets	22,293	32,209
Finance costs	61,871	34,654
	<u>(1,069,945)</u>	<u>(1,675,145)</u>
Decrease/(increase) in stocks	44,836	(73,971)
(Increase)/decrease in trade and other debtors	(563,782)	381,297
Increase in trade and other creditors	572,309	24,105
Cash generated from operations	<u><u>(1,016,582)</u></u>	<u><u>(1,343,714)</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 2022

	30/11/22	1/12/21
	£	£
Cash and cash equivalents	166,895	82,989
Bank overdrafts	<u>(609,825)</u>	<u>(562,564)</u>
	<u><u>(442,930)</u></u>	<u><u>(479,575)</u></u>

Year ended 30 November 2021

	30/11/21	1/12/20
	£	£
Cash and cash equivalents	82,989	40,050
Bank overdrafts	<u>(562,564)</u>	<u>(167,671)</u>
	<u><u>(479,575)</u></u>	<u><u>(127,621)</u></u>

NOTES TO THE STATEMENT OF CASH FLOWS
for the Year Ended 30 November 2022

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/12/21 £	Cash flow £	At 30/11/22 £
Net cash			
Cash at bank and in hand	82,989	83,906	166,895
Bank overdrafts	<u>(562,564)</u>	<u>(47,261)</u>	<u>(609,825)</u>
	<u>(479,575)</u>	<u>36,645</u>	<u>(442,930)</u>
Debt			
Debts falling due within 1 year	-	(116,123)	(116,123)
Debts falling due after 1 year	<u>(2,004,680)</u>	<u>59,479</u>	<u>(1,945,201)</u>
	<u>(2,004,680)</u>	<u>(56,644)</u>	<u>(2,061,324)</u>
Total	<u>(2,484,255)</u>	<u>(19,999)</u>	<u>(2,504,254)</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 November 2022**

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 £1,154k and has net liabilities of £8,888k.

The company remains reliant upon the continued financial support of its parent company, Lenagan Investments Limited, which has provided loan monies amounting to £7,503k, 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:

The Senior Management team are targeting revenue growth in all areas and are looking to control costs and overheads, where possible, whilst continuing to achieve a level of sporting excellence.

Profit and loss and cashflow forecasts have been prepared for 2022/23 and 2023/24, which indicate that, whilst operating losses may continue, working capital requirements will be met by additional loan financing from the shareholders of the parent company, Lenagan Investments Limited.

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.

Intangible assets

Intangible assets comprising trademarks are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Trademarks are being amortised evenly over their estimated useful life of 10 years.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 November 2022

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%. However 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.

Government income

Government income comprises grants and subsidies provided as a direct result of the Covid-19 pandemic.

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

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 November 2022

2. ACCOUNTING POLICIES - continued

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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

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.

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) Valuation 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 concluded that the carrying value of the company's freehold property has not been impaired.

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 November 2022**

4. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	4,328,780	4,187,505
Social security costs	432,457	395,280
Pension costs	54,681	52,885
	<u>4,815,918</u>	<u>4,635,670</u>

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

	2022	2021
Playing and coaching staff	79	71
Administration	33	27
	<u>112</u>	<u>98</u>

	2022	2021
	£	£
Directors' remuneration	148,357	105,549
Directors' pension contributions to money purchase schemes	<u>3,821</u>	<u>3,819</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
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In addition, Dr Chris Brookes, a Director, invoiced for his services as Club doctor.

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Bank interest	24,554	14,056
Loan interest	36,470	19,613
Other interest	847	985
	<u>61,871</u>	<u>34,654</u>

6. LOSS BEFORE TAXATION

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

	2022	2021
	£	£
Depreciation - owned assets	55,157	50,455
Loss on player transfers	6,250	-
Amortisation of trademarks	618	617
Player registration fees amortisation	21,674	31,592
Auditor's remuneration - audit fees	12,000	11,250
Loan fees received	<u>(86,703)</u>	<u>(58,519)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 November 2022

7. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 30 November 2022 nor for the year ended 30 November 2021.

Reconciliation of total tax 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:

	2022 £	2021 £
Loss before tax	<u>(1,215,515)</u>	<u>(1,792,463)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	(230,948)	(340,568)
Effects of:		
Expenses not deductible for tax purposes	892	2,589
Income not taxable for tax purposes	(30,448)	(23,281)
Fixed asset differences	(4,750)	(1,116)
Remeasurement of deferred tax for changes in tax rates	(83,765)	(1,009,776)
Deferred tax not recognised	<u>349,019</u>	<u>1,372,152</u>
Total tax charge	<u>-</u>	<u>-</u>

A deferred tax asset of £4,511,418 (2021 - £4,207,399) 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 £	Trade marks £	Totals £
COST			
At 1 December 2021	81,275	6,175	87,450
Additions	15,000	-	15,000
Disposals	<u>(50,000)</u>	<u>-</u>	<u>(50,000)</u>
At 30 November 2022	<u>46,275</u>	<u>6,175</u>	<u>52,450</u>
AMORTISATION			
At 1 December 2021	58,350	720	59,070
Amortisation for year	21,674	618	22,292
Eliminated on disposal	<u>(43,750)</u>	<u>-</u>	<u>(43,750)</u>
At 30 November 2022	<u>36,274</u>	<u>1,338</u>	<u>37,612</u>
NET BOOK VALUE			
At 30 November 2022	<u>10,001</u>	<u>4,837</u>	<u>14,838</u>
At 30 November 2021	<u>22,925</u>	<u>5,455</u>	<u>28,380</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 November 2022

9. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to leasehold property £	Fixtures and fittings £	Computer equipment £	Totals £
COST OR VALUATION					
At 1 December 2021	2,200,000	6,580	304,215	67,393	2,578,188
Additions	-	-	73,221	8,694	81,915
Disposals	-	-	-	(610)	(610)
At 30 November 2022	<u>2,200,000</u>	<u>6,580</u>	<u>377,436</u>	<u>75,477</u>	<u>2,659,493</u>
DEPRECIATION					
At 1 December 2021	-	6,520	247,490	51,790	305,800
Charge for year	-	60	46,460	8,637	55,157
Eliminated on disposal	-	-	-	(610)	(610)
At 30 November 2022	<u>-</u>	<u>6,580</u>	<u>293,950</u>	<u>59,817</u>	<u>360,347</u>
NET BOOK VALUE					
At 30 November 2022	<u>2,200,000</u>	<u>-</u>	<u>83,486</u>	<u>15,660</u>	<u>2,299,146</u>
At 30 November 2021	<u>2,200,000</u>	<u>60</u>	<u>56,725</u>	<u>15,603</u>	<u>2,272,388</u>

Cost or valuation at 30 November 2022 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>6,580</u>	<u>377,436</u>	<u>75,477</u>	<u>1,153,822</u>
	<u>2,200,000</u>	<u>6,580</u>	<u>377,436</u>	<u>75,477</u>	<u>2,659,493</u>

If freehold property had not been revalued it would have been included at the following historical cost:

	2022 £	2021 £
Cost	<u>694,329</u>	<u>694,329</u>
Aggregate depreciation	<u>246,996</u>	<u>233,110</u>
Value of land in freehold land and buildings	<u>488,993</u>	<u>488,993</u>

The directors consider the estimated fair market value of the freehold property, being the training facilities at Edge Hall Road, Orrell, of £2.2 million as reasonable as at 30 November 2022, taking into account current economic factors and market conditions.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 November 2022

10. **FIXED ASSET INVESTMENTS**

	Participating interests £
COST	
At 1 December 2021	
and 30 November 2022	<u>1</u>
NET BOOK VALUE	
At 30 November 2022	<u>1</u>
At 30 November 2021	<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**

	2022 £	2021 £
Goods for resale	<u>173,642</u>	<u>218,478</u>

12. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022 £	2021 £
Trade debtors	1,208,759	677,475
Other debtors	285,666	251,868
Accrued income	7,483	7,483
Prepayments	<u>145,435</u>	<u>146,735</u>
	<u>1,647,343</u>	<u>1,083,561</u>

13. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022 £	2021 £
Bank loans and overdrafts (see note 15)	609,825	562,564
Other loans (see note 15)	116,123	-
Trade creditors	729,564	625,838
Social security and other taxes	613,373	622,010
Other creditors	199,123	103,478
Amounts owed to group undertakings	7,502,760	6,250,192
Deferred income	1,255,129	1,072,575
Accrued expenses	<u>218,504</u>	<u>116,682</u>
	<u>11,244,401</u>	<u>9,353,339</u>

14. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2022 £	2021 £
Other loans (see note 15)	<u>1,945,201</u>	<u>2,004,680</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 November 2022**

15. LOANS

An analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year or on demand:		
Bank overdrafts	609,825	562,564
Other loans	<u>116,123</u>	<u>-</u>
	<u>725,948</u>	<u>562,564</u>
 Amounts falling due between one and two years:		
Other loans	<u>235,757</u>	<u>116,123</u>
 Amounts falling due between two and five years:		
Other loans	<u>736,208</u>	<u>721,642</u>
 Amounts falling due in more than five years:		
Repayable by instalments		
Other loans	<u>973,236</u>	<u>1,166,915</u>

Other loans comprise monies provided by the RFL, under a government approved funding scheme for Super League clubs, which attract a modest interest rate and have favourable repayment terms.

16. SECURED DEBTS

The following secured debts are included within creditors:

	2022 £	2021 £
Bank overdrafts	609,825	562,564
Amounts owed to parent company	<u>7,502,760</u>	<u>6,250,192</u>
	<u>8,112,585</u>	<u>6,812,756</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. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022 £	2021 £
128,000	Ordinary	£1	<u>128,000</u>	<u>128,000</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 November 2022**

18. RESERVES

	Retained earnings £	Revaluation reserve £	Totals £
At 1 December 2021	(9,163,840)	1,363,618	(7,800,222)
Deficit for the year	(1,215,515)	-	(1,215,515)
At 30 November 2022	<u>(10,379,355)</u>	<u>1,363,618</u>	<u>(9,015,737)</u>

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

The revaluation reserve relates to the freehold property.

19. 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 £54,681 (2021 - £52,885).

20. 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.

21. RELATED PARTY DISCLOSURES

Loans from group undertakings

During the year the company had loan transactions with Lenagan Investments Limited as follows: loans received of £1,446,004 (2021 - £283,104) and repaid of £193,436 (2021 - £218,463). At 30 November 2022 an amount of £7,502,760 (2021 - £6,250,192) 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 £73,555 (2021 - £56,158) and repaid of £33,000 (2021 - £15,531). At 30 November 2022 there is an amount of £209,060 (2021 - £168,505) owed by associated undertakings.

Transactions with associated undertakings

During the year the company has recharged wages and certain expenses totalling £203,613 (2021 - £266,990) and have paid rent and associated costs totalling £142,948 (2021 - £190,309) to associated undertakings. At 30 November 2022 an amount of £273,807 (2021 - £133,800) was owed to the company.

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