

**The Leeds Cricket, Football &
Athletic Company Limited**

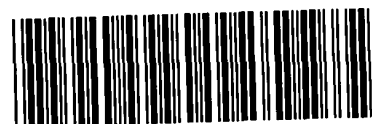
Report and Financial Statements

Year ended

31 October 2016

Company Number 00028301

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The Leeds Cricket, Football & Athletic Company Limited

Company Information

Directors	P Caddick G Hetherington P G Hirst C J Ross R B Oates J H Walton
Company secretary	P G Hirst
Registered number	00028301
Registered office	The Pavilion, Headingley Carnegie Stadium St Michaels Lane Leeds LS6 3BR
Independent auditors	BDO LLP Central Square 29 Wellington Street Leeds LS1 4DL

The Leeds Cricket, Football & Athletic Company Limited

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The Leeds Cricket, Football & Athletic Company Limited

Strategic Report For the Year Ended 31 October 2016

The directors present their Strategic Report for the year ended 31 October 2016.

Business review

Leeds Rhinos, after having won 'the treble' last year, had a disappointing season culminating in having to contest in the 'Middle 8' playoff. Contributory factors were the combined effect of the retirement of most influential players, long-term injuries to many players and the loss of use of the training ground and facilities for a long period due to flooding. The facility, which was fully insured was re-opened in July 2016 after undergoing extensive works.

Operationally this year's turnover fell by 13.47% in the main being the absence of significant prize money and the level of retail sales enjoyed last year. Gate receipts were behind on budget also. Corporate sales enjoyed another good year however and the World Club Challenge generated a 'one off' source of income. The other revenue streams were generally on budget and the overheads were maintained at budgeted levels.

Given the adverse circumstances faced by the club this year the directors are pleased that control was maintained where possible and all staff 'rallied to the cause'.

Exceptional administrative expenses during the year is the net effect of accounting for the write off of legal and professional development costs, insurance income and expenditure incurred relative to the flood damage and the impairment of the North and South stands soon to be demolished.

Future developments

The major stadium re-development will soon be underway. The South stand on the rugby side and the North stand overlooking both the rugby and cricket sides of the stadium will be replaced. The cost will be covered by both internal and external funding and South stand demolition works are now planned to start in August soon to be followed by the demolition of the North stand. The legal documentation which is comprehensive is progressing at a pace with all parties working together positively.

Principal risks and uncertainties

The business seeks to mitigate exposure to all forms of risk where practical and insure against eventualities where it is considered to be cost effective.

KPI's and budgetary control are used to assess the operation and monitoring of the business performance.

Being a cash handling business there are associated risks and strict security measures and controls are in place to safeguard the situation.

Strict crowd control and stadium safety procedures are in operation on match days and all incidents are reported and thoroughly investigated.

The risk of the repeat of the flooding will always be a threat but there are plans to seek a solution to enhance the defences and create a flood plain in a nearby proximity.

With the faltering economy, weakening of the £, possible hikes in interest rates and particularly where Brexit is taking us could all lead to threats to an individuals' spending power and choice. This could have a material impact on business generally.

The Leeds Cricket, Football & Athletic Company Limited


**Strategic Report
For the Year Ended 31 October 2016**

Financial key performance indicators

	2016	2015
Turnover (£)	11,856,438	13,702,648
Profit on ordinary activities before taxation (£)	371,381	1,560,912
Gross profit margin	31.65%	34.08%
Current ratio	2.12	2.27
Net assets (£)	16,336,535	16,601,490

This report was approved by the board on 21st July 2017

and signed on its behalf.


.....
P G Hirst
Director

The Leeds Cricket, Football & Athletic Company Limited

Directors' Report For the Year Ended 31 October 2016

The directors present their report and the financial statements for the year ended 31 October 2016.

Principal activity

The principal activity of the company during the year was the staging of professional Rugby League Football.

Results and dividends

The profit for the year, after taxation, amounted to £148,119 (2015 - £1,263,288).

The directors recommend a preference dividend of £5,005 (2015 - £5,005) which has been accrued.

Matters covered in the Strategic Report

The business review and future developments are covered in the Strategic Report.

Directors

The directors who served during the year were:

P Caddick
G Hetherington
P G Hirst
C J Ross
R B Oates
J H Walton

Employee involvement

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made which are likely to affect their interests, and that all employees are aware of the financial and economic performance of their business units, and the company as a whole.

Disclosure of information to auditors

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

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

Post balance sheet events

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

As disclosed in the future developments section of the Strategic Report the major stadium re-development will soon be underway.

Auditors

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

The Leeds Cricket, Football & Athletic Company Limited

**Directors' Report (continued)
For the Year Ended 31 October 2016**

This report was approved by the board on 21st JULY 2017 and signed on its behalf.



P G Hirst
Director

The Leeds Cricket, Football & Athletic Company Limited

Directors' Responsibilities Statement

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, to disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 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.

The Leeds Cricket, Football & Athletic Company Limited

Independent Auditors' Report to the Members of The Leeds Cricket, Football & Athletic Company Limited

We have audited the financial statements of The Leeds Cricket, Football & Athletic Company Limited for the year ended 31 October 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2016 and of the profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

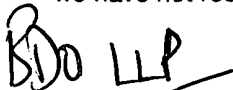
The Leeds Cricket, Football & Athletic Company Limited

Independent Auditors' Report to the Members of The Leeds Cricket, Football & Athletic Company Limited

Matters on which we are required to report by exception

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company 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.

BDO LLP

Paul Davies (Senior statutory auditor)
for and on behalf of BDO LLP, Statutory auditor
Leeds
United Kingdom

24 July 2017

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

The Leeds Cricket, Football & Athletic Company Limited

**Statement of Comprehensive Income
For the Year Ended 31 October 2016**

	Note	2016 £	2015 £
Turnover	4	11,856,438	13,702,648
Cost of sales		(8,104,099)	(9,032,665)
Gross profit		3,752,339	4,669,983
Administrative expenses		(3,047,330)	(3,136,843)
Exceptional administrative expenses	13	(366,672)	-
Operating profit	5	338,337	1,533,140
Interest receivable and similar income	9	33,044	32,957
Interest payable and expenses	10	-	(5,185)
Profit before tax		371,381	1,560,912
Tax on profit	11	(223,262)	(297,624)
Profit for the year		148,119	1,263,288
Unrealised (deficit)/surplus on impairment of tangible fixed assets		(524,302)	-
Movement of deferred tax relating to revalued tangible fixed assets		116,233	47,218
Other comprehensive income		-	-
Other comprehensive income for the year		(408,069)	47,218
Total comprehensive income for the year		(259,950)	1,310,506

The notes on pages 12 to 32 form part of these financial statements.

The Leeds Cricket, Football & Athletic Company Limited
Registered number:00028301

Statement of Financial Position
As at 31 October 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	14	123,958	1,118
Tangible assets	15	13,337,835	13,074,564
Investments	16	1	1
		<u>13,461,794</u>	<u>13,075,683</u>
Current assets			
Stocks	17	517,000	402,074
Debtors: amounts falling due within one year	18	5,436,576	6,475,034
Cash at bank and in hand		2,584,646	2,576,609
		<u>8,538,222</u>	<u>9,453,717</u>
Creditors: amounts falling due within one year	19	(4,020,664)	(4,162,059)
Net current assets		<u>4,517,558</u>	<u>5,291,658</u>
Total assets less current liabilities		<u>17,979,352</u>	<u>18,367,341</u>
Provisions for liabilities			
Deferred tax	20	(1,111,895)	(1,202,357)
Deferred income	21	(530,922)	(563,494)
		<u>(1,642,817)</u>	<u>(1,765,851)</u>
Net assets		<u><u>16,336,535</u></u>	<u><u>16,601,490</u></u>

The Leeds Cricket, Football & Athletic Company Limited
Registered number:00028301

Statement of Financial Position (continued)
As at 31 October 2016

	Note	2016 £	2015 £
Capital and reserves			
Called up share capital	22	244,192	244,192
Share premium account		9	9
Revaluation reserve		1,287,695	1,861,899
Profit and loss account		14,804,639	14,495,390
		<u>16,336,535</u>	<u>16,601,490</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
21st July 2017


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P G Hirst

Director

The notes on pages 12 to 32 form part of these financial statements.

The Leeds Cricket, Football & Athletic Company Limited

**Statement of Changes in Equity
For the Year Ended 31 October 2016**

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 November 2014	244,192	9	1,911,801	13,139,987	15,295,989
Comprehensive income for the year					
Profit for the year	-	-	-	1,263,288	1,263,288
Deferred tax movements	-	-	-	47,218	47,218
Other comprehensive income for the year	-	-	-	47,218	47,218
Total comprehensive income for the year	-	-	-	1,310,506	1,310,506
Dividends: Preference shares	-	-	-	(5,005)	(5,005)
Transfer to/from profit and loss account	-	-	(49,902)	49,902	-
At 1 November 2015	244,192	9	1,861,899	14,495,390	16,601,490
Comprehensive income for the year					
Profit for the year	-	-	-	148,119	148,119
Deferred tax movements	-	-	-	116,233	116,233
Impairment adjustment - freehold property	-	-	(524,302)	-	(524,302)
Other comprehensive income for the year	-	-	(524,302)	116,233	(408,069)
Total comprehensive income for the year	-	-	(524,302)	264,352	(259,950)
Dividends: Preference shares	-	-	-	(5,005)	(5,005)
Transfer to/from profit and loss account	-	-	(49,902)	49,902	-
At 31 October 2016	244,192	9	1,287,695	14,804,639	16,336,535

The Leeds Cricket, Football & Athletic Company Limited

Notes to the Financial Statements For the Year Ended 31 October 2016

1. General information

The Leeds Cricket, Football & Athletic Company Limited is a company incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given in the Company Information page. The nature of the company's operations and its principal activities are given in the Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Information on the impact of first-time adoption of FRS 102 is given in note 28. The date of transition was 1 November 2014.

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

The presentation currency is Pounds Sterling.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Caddick Group plc as at 31 August 2016 and these financial statements may be obtained from Companies House, Cardiff, CF14 3UZ.

The Leeds Cricket, Football & Athletic Company Limited

Notes to the Financial Statements For the Year Ended 31 October 2016

2. Accounting policies (continued)

2.3 Turnover

Turnover represents income receivable net of VAT from rugby league and related commercial activities. Gate, match and other event day revenues and commission are recognised over the period of the season as games are played and events are staged. Sponsorship and similar commercial income are recognised over the duration of the respective contracts. Distributions from the Super League are recognised over the duration of the season. All revenue from lotteries is shown net of related expenses and is accounted for on a received basis in the year. Revenues including commission from non match day commercial activities such as that from Headingley Experience and Headingley Lodge are recognised in the period to which they relate. Income for providing stadium facilities is recognised on a receivable basis for the period they are made available. Income for rents and service charges are recognised on a receivable basis for the year.

Deferred income represents income from sponsorship agreements and other contractual agreements which will be credited to the Statement of Comprehensive Income over the period of the agreements and also season ticket renewals received in advance for the following season.

2.4 Intangible fixed assets and amortisation

The cost of purchased players' registrations are capitalised and amortised over the period of the respective players' contracts.

Profits or losses on the sale of players represent the transfer fee receivable, net of any transaction costs, less unamortised cost of the players' original registration.

Where the transfer contract specifies that additional fees are due, contingent on a player achieving a specified number of appearances for his new club, or some other contingent event set out in the transfer contract, these additional amounts are accounted for in the year they fall due.

2.5 Tangible fixed assets

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

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

The estimated useful lives range as follows:

Freehold property	- 20-50 years
Floodlights	- 15 years
Computer equipment	- 3 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

The Leeds Cricket, Football & Athletic Company Limited

Notes to the Financial Statements For the Year Ended 31 October 2016

2. Accounting policies (continued)

2.6 Revaluation of tangible fixed assets

As permitted by the transitional provisions of FRS 15 and FRS102, the company has elected not to adopt a policy of revaluation of tangible fixed assets. The company will retain the book value of land and buildings, previously revalued at 31 December 1997 and will not update that valuation.

2.7 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.8 Valuation of investments

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.10 Debtors

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

2.11 Cash and cash equivalents

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

2.12 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other

The Leeds Cricket, Football & Athletic Company Limited

Notes to the Financial Statements For the Year Ended 31 October 2016

2. Accounting policies (continued)

2.12 Financial Instruments (continued)

third parties, loans to related parties and investments in non-puttable ordinary shares.

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

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

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

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

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

2.13 Creditors

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

2.14 Finance costs

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

2.15 Dividends

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

The Leeds Cricket, Football & Athletic Company Limited

**Notes to the Financial Statements
For the Year Ended 31 October 2016**

2. Accounting policies (continued)

2.16 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

2.17 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

2.18 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

The Leeds Cricket, Football & Athletic Company Limited

Notes to the Financial Statements For the Year Ended 31 October 2016

2. Accounting policies (continued)

2.20 Current and deferred taxation

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

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

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

2.21 Ground improvements

Ground improvements are either charged to the Statement of Comprehensive Income or, if of structural significance, capitalised and written off on a straight line basis.

2.22 Grants

Grants received in relation to capital expenditure are credited to a deferred income account and amortised over the useful economic life of the assets concerned.

Grants towards revenue expenditure are credited to the Statement of Comprehensive Income as the related expenditure is incurred.

2.23 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

The Leeds Cricket, Football & Athletic Company Limited

Notes to the Financial Statements For the Year Ended 31 October 2016

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

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether there are indicators of impairment of the Company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 15)
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Turnover

The whole of the turnover is attributable to the staging of professional Rugby League Football and other related commercial activities.

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	639,228	699,551
Impairment of tangible fixed assets	999,762	-
Amortisation of intangible assets, including goodwill	27,160	39,792
Amount of stock recognised as an expense	918,394	1,132,517
Other operating lease rentals	59,031	58,289
Defined contribution pension cost	92,236	83,230

The Leeds Cricket, Football & Athletic Company Limited

**Notes to the Financial Statements
For the Year Ended 31 October 2016**

6. Auditors' remuneration

	2016	2015
	£	£
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	17,680	17,160
Fees payable to the company's auditor and its associates in respect of:		
Taxation compliance services	4,400	4,230
All taxation advisory services not included above	-	12,680
All assurance services not included above	17,680	17,160
	<u>17,680</u>	<u>17,160</u>

7. Employees

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

	2016	2015
	£	£
Wages and salaries	3,976,413	4,185,325
Social security costs	395,382	435,195
Cost of defined contribution scheme	92,236	83,230
	<u>4,464,031</u>	<u>4,703,750</u>

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

	2016	2015
	No.	No.
Administration	82	71
Players	60	56
Matchday	125	110
	<u>267</u>	<u>237</u>

The Leeds Cricket, Football & Athletic Company Limited

**Notes to the Financial Statements
For the Year Ended 31 October 2016**

8. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	193,501	202,590
Company contributions to defined contribution pension schemes	39,784	35,127
	<u>233,285</u>	<u>237,717</u>

During the year retirement benefits were accruing to 2 directors (2015 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £90,412 (2015 - £117,451).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £37,740 (2015 - £30,310).

9. Interest receivable

	2016 £	2015 £
Interest receivable from group companies	33,044	32,957
	<u>33,044</u>	<u>32,957</u>

10. Interest payable and similar charges

	2016 £	2015 £
Other interest payable	-	5,185
	<u>-</u>	<u>5,185</u>

The Leeds Cricket, Football & Athletic Company Limited

**Notes to the Financial Statements
For the Year Ended 31 October 2016**

11. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	210,943	411,714
Adjustments in respect of previous periods	(13,452)	1,494
Total current tax	<u>197,491</u>	<u>413,208</u>
Deferred tax		
Origination and reversal of timing differences	108,391	(18,458)
Effect of tax rate change on opening balance	(25,984)	-
Adjustments in respect of previous periods	1,728	-
Credit due to changes in tax rate on rolled over gain	(34,561)	(71,922)
Credit due to other movement in rolled over gain	(23,803)	(25,204)
	<u> </u>	<u> </u>
Taxation on profit on ordinary activities	<u><u>223,262</u></u>	<u><u>297,624</u></u>

The Leeds Cricket, Football & Athletic Company Limited

**Notes to the Financial Statements
For the Year Ended 31 October 2016**

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20.41%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	371,381	1,560,912
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.41%)	74,276	318,582
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	239,638	17,449
Fixed asset differences	32,188	70,798
Adjustments to tax charge in respect of prior periods	(13,452)	1,494
Non-taxable income	(175,314)	(6,645)
Chargeable gains	167,675	-
Other differences leading to an increase (decrease) in the tax charge	(58,364)	(97,126)
Adjust closing deferred tax to average rate	(58,104)	-
Adjust opening deferred tax to average rate	12,991	(6,928)
Adjustments to deferred tax charge in respect of prior periods	1,728	-
Total tax charge for the year	223,262	297,624

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

12. Dividends

	2016 £	2015 £
Dividends paid on preference shares	5,005	5,005

The Leeds Cricket, Football & Athletic Company Limited

**Notes to the Financial Statements
For the Year Ended 31 October 2016**

13. Exceptional items

	2016	2015
	£	£
Legal and professional costs	203,177	-
Insurance income relating to flood damage	(1,068,469)	-
Expenditure relating to flood damage	232,202	-
Impairment of tangible fixed assets	999,762	-
	366,672	-

Legal and professional costs relate to expenditure on proposed developments no longer being pursued.

The Leeds Cricket, Football & Athletic Company Limited

**Notes to the Financial Statements
For the Year Ended 31 October 2016**

14. Intangible assets

	Player registrations £
Cost	
At 1 November 2015	110,000
Additions	150,000
At 31 October 2016	<u>260,000</u>
Amortisation	
At 1 November 2015	108,882
Charge for the year	27,160
At 31 October 2016	<u>136,042</u>
Net book value	
At 31 October 2016	<u><u>123,958</u></u>
At 31 October 2015	<u><u>1,118</u></u>

The cost of player registrations are historic cost amounts for purchased players only. Accordingly the net book amount of player registrations will not reflect, nor is it intended to, the current market value of these players nor does it take any account of players developed through the company's youth system.

There are no probable outstanding amounts payable regarding future appearances or other contingent events.

The Leeds Cricket, Football & Athletic Company Limited

**Notes to the Financial Statements
For the Year Ended 31 October 2016**

15. Tangible fixed assets

	Land & buildings £	Plant & machinery etc £	Floodlights £	Assets in the course of construction £	Total £
Cost or valuation					
At 1 November 2015	16,356,842	3,311,932	141,810	353,625	20,164,209
Additions	912,500	313,375	-	1,296,539	2,522,414
Disposals	-	(369,980)	-	(78,729)	(448,709)
At 31 October 2016	<u>17,269,342</u>	<u>3,255,327</u>	<u>141,810</u>	<u>1,571,435</u>	<u>22,237,914</u>
Depreciation					
At 1 November 2015	4,048,955	2,903,919	136,771	-	7,089,645
Charge for period on owned assets	392,301	244,809	2,118	-	639,228
Disposals	-	(352,858)	-	-	(352,858)
Impairment charge	999,762	-	-	-	999,762
On revalued assets	524,302	-	-	-	524,302
At 31 October 2016	<u>5,965,320</u>	<u>2,795,870</u>	<u>138,889</u>	<u>-</u>	<u>8,900,079</u>
Net book value					
At 31 October 2016	<u>11,304,022</u>	<u>459,457</u>	<u>2,921</u>	<u>1,571,435</u>	<u>13,337,835</u>
At 31 October 2015	<u>12,307,887</u>	<u>408,013</u>	<u>5,039</u>	<u>353,625</u>	<u>13,074,564</u>

Included in land and buildings is freehold land at valuation of £182,500 (2015 - £182,500), (cost £Nil (2015 - £Nil)) which is not depreciated.

Cost or valuation at 31 October 2016 is as follows:

	Land and buildings £
At cost	11,918,929
At valuation:	
31 December 1997	<u>5,350,413</u>
	<u><u>17,269,342</u></u>

The Leeds Cricket, Football & Athletic Company Limited

**Notes to the Financial Statements
For the Year Ended 31 October 2016**

15. Tangible fixed assets (continued)

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2016 £	2015 £
Cost	15,221,434	14,308,934
Accumulated depreciation	(5,729,412)	(3,862,949)
Net book value	<u><u>9,492,022</u></u>	<u><u>10,445,985</u></u>

An impairment has been recognised as it is the directors' expectation that certain assets will be demolished in the near future.

16. Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 November 2015	1
At 31 October 2016	<u>1</u>
Net book value	
At 31 October 2016	<u><u>1</u></u>
At 31 October 2015	<u><u>1</u></u>

The investment relates to £1 invested in Super League Europe.

The Leeds Cricket, Football & Athletic Company Limited

**Notes to the Financial Statements
For the Year Ended 31 October 2016**

17. Stocks

	2016 £	2015 £
Raw materials and consumables	105,826	105,826
Finished goods and goods for resale	411,174	296,248
	<u>517,000</u>	<u>402,074</u>

The impairment loss recognised in the Statement of Comprehensive Income for the year in respect of irrecoverable stock was £12,274 (2015 - £9,299).

18. Debtors

	2016 £	2015 £
Trade debtors	767,213	1,154,843
Amounts owed by group undertakings	3,300,000	4,696,264
Other debtors	914,626	244,582
Prepayments and accrued income	454,737	379,345
	<u>5,436,576</u>	<u>6,475,034</u>

All debtors fall due for payment within one year.

The impairment loss recognised in the Statement of Comprehensive Income for the year in respect of bad and doubtful trade debtors was £13,393 (2015 - £7,252 credit).

19. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	1,170,231	596,064
Amounts owed to group undertakings	147,698	81,430
Corporation tax	622,491	911,714
Taxation and social security	131,582	443,933
Proposed dividend	50,050	45,045
Other creditors	81,727	3,872
Accruals and deferred income	1,816,885	2,080,001
	<u>4,020,664</u>	<u>4,162,059</u>

The Leeds Cricket, Football & Athletic Company Limited

**Notes to the Financial Statements
For the Year Ended 31 October 2016**

20. Deferred taxation

	2016 £	2015 £
At beginning of year	1,202,357	1,365,159
Charged/(credited) to the profit or loss	25,771	(115,584)
(Credited)/charged to other comprehensive income	(116,233)	(47,218)
At end of year	<u>1,111,895</u>	<u>1,202,357</u>

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	186,734	245,122
Capital gains	142,523	-
On rolled over gain	563,729	622,093
On revalued tangible fixed assets	218,909	335,142
	<u>1,111,895</u>	<u>1,202,357</u>

21 Deferred income

	Deferred Grants £
At 1 November 2015	563,494
Utilised in year	(32,572)
At 31 October 2016	<u>530,922</u>

The Leeds Cricket, Football & Athletic Company Limited

**Notes to the Financial Statements
For the Year Ended 31 October 2016**

22. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
125,029 Ordinary shares of £1 each	125,029	125,029
119,163 Preference shares of £1 each	119,163	119,163
	<u>244,192</u>	<u>244,192</u>

23. Reserves

The company's capital and reserves are as follows:

Share capital

The called up share capital represents the nominal value of the shares issued. Preference shares are non voting and do not participate in any distribution on wind up other than the nominal value. They are due a fixed dividend of 4.12% per annum.

Share premium

The share premium reserve includes the premium on issue of equity shares, net of any issue costs.

Revaluation reserve

As permitted by the transitional provisions of FRS 15 and FRS102, the company has elected not to adopt a policy of revaluation of tangible fixed assets. The company will retain the book value of land and buildings, previously revalued at 31 December 1997 and will not update that valuation.

Profit and loss account

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

24. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £92,236 (2015 - £83,230). Contributions totalling £7,918 (2015 - £Nil) were payable to the fund at the Statement of Financial Position date.

The Leeds Cricket, Football & Athletic Company Limited

Notes to the Financial Statements For the Year Ended 31 October 2016

25. Commitments under operating leases

At 31 October 2016 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	6,504	2,168
Later than 1 year and not later than 5 years	8,671	-
	<u>15,175</u>	<u>2,168</u>

26. Related party transactions

During the year, Leeds Cricket, Football & Athletic Company Limited recharged costs of £169,288 (2015 - £42,456) to Leeds Rugby Foundation, a charity. During the period, Leeds Cricket, Football & Athletic Company was charged £38,723 (2015 - £50,400) in respect of services provided by Leeds Rugby Foundation. Mr P G Hirst and Mr G Hetherington, directors of the company, are also trustees of this charity. The balance owed by Leeds Rugby Foundation at the period end was £38,819 (2015 - £9,883). Additionally, during 2012 the company provided a loan of £80,000 to Leeds Rugby Foundation, the outstanding amount at the 2016 year end is £Nil (2015 - £20,000).

The company provides stadium facilities to Leeds Rugby Union Football Club Limited, a company with common directors. The revenue recognised in the year in respect of this amounted to £760,972 (2015 - £689,964). During the year the company was charged £182,276 (2015 - £158,329) in respect of services provided by Leeds Rugby Union Football Club Limited. The balance owed by Leeds Rugby Union Football Club Limited at the year end was £3,732 (2015 - £37,898).

A donation of £Nil (2015 - £Nil) was paid to the charity Leeds Rugby Foundation during the year. P G Hirst and G Hetherington, directors of the company, are also trustees of this charity.

At 31 October 2016 the company was owed £3,300,000 (2015 - £4,658,679) by Leeds Rugby Limited, the parent company. Interest of £33,044 (2015 - £32,957) was charged during the year.

During the year the company had the following transactions and balances with Caddick Group plc, the ultimate parent company:

- Sales to Caddick Group plc - £50,630 (2015 - £72,554)
- Management charge from Caddick Group plc - £59,023 (2015 - £69,250)
- Purchases from Caddick Group plc - £2,915,853 (2015 - £234,671)
- Charges from Caddick Group plc for group relief utilised - £Nil (2015 - £15,432)
- Year end balance owed by Caddick Group plc - £Nil (2015 - £4,628)
- Year end balance owed to Caddick Group plc - £147,698 (2015 - £81,430)

The Leeds Cricket, Football & Athletic Company Limited

**Notes to the Financial Statements
For the Year Ended 31 October 2016**

27. Ultimate parent undertaking and controlling party

The company is controlled by Leeds Rugby Limited.

The parent of the largest and smallest group for which consolidated accounts are prepared is Caddick Group plc. Consolidated accounts are available from Companies House, Cardiff, CF14 3UZ.

In the opinion of the directors this is the company's ultimate parent company.

The ultimate controlling party of Caddick Group plc is the Paul Caddick Accumulation and Maintenance Settlement Trust.

The Leeds Cricket, Football & Athletic Company Limited

**Notes to the Financial Statements
For the Year Ended 31 October 2016**

28. First time adoption of FRS 102

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 November 2014. The impact of the transition to FRS 102 is as follows:

Reconciliation of equity at 1 November 2014

	Note	£
Equity at 1 November 2014 under previous UK GAAP		16,397,568
Deferred tax provision on revalued tangible fixed assets		(382,360)
Deferred tax provision on rolled over gain		(719,219)
Equity shareholders funds at 1 November 2014 under FRS 102		15,295,989

Reconciliation of equity at 31 October 2015

	Note	£
Equity at 31 October 2015 under previous UK GAAP		17,558,725
Deferred tax provision on revalued tangible fixed assets		(335,142)
Deferred tax provision on rolled over gain		(622,093)
Equity shareholders funds at 31 October 2015 under FRS 102		16,601,490

Reconciliation of profit and loss account for the year ended 31 October 2015

	£
Profit for the year under UK GAAP	1,166,162
Deferred tax credit on rolled over gain	97,126
Profit for the year ended 31 October 2015 under FRS 102	1,263,288

The following were changes in accounting policies arising from the transition to FRS 102:

- 1 FRS 102 requires that deferred tax be recognised on revaluations of property. This was not required under previous UK GAAP unless there was a binding agreement to sell the revalued asset and the gains or losses expected to arise on sale had been recognised. This change has been retrospectively applied, leading to the recognition of additional deferred tax liabilities at the date of transition and to decrease the deferred tax charge in other comprehensive income for the year ended 31 October 2015.
- 2 FRS 102 requires that deferred tax be recognised on rolled over gains. This was not required under previous UK GAAP. This change has been retrospectively applied, leading to the recognition of additional deferred tax liabilities at the date of transition and to decrease the deferred tax charge for the year ended 31 October 2015.