

REGISTERED NUMBER: 00174692

WIGAN RUGBY LEAGUE CLUB LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019



WIGAN RUGBY LEAGUE CLUB LIMITED

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WIGAN RUGBY LEAGUE CLUB LIMITED

COMPANY INFORMATION
for the Year Ended 30 November 2019

DIRECTORS:

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

SECRETARY:

D J Moore

REGISTERED OFFICE:

Robin Park Arena
Loire Drive
Wigan
Lancashire
WN5 0UH

REGISTERED NUMBER:

00174692 (England and Wales)

AUDITORS:

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

BANKERS:

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

SOLICITORS:

Brabners LLP
55 King Street
Manchester
M2 4LQ

WIGAN RUGBY LEAGUE CLUB LIMITED

STRATEGIC REPORT for the Year Ended 30 November 2019

The directors present their strategic report for the year ended 30 November 2019.

REVIEW OF BUSINESS

The Company reported an operating loss of £885k (2018: £1,395k) for the year, with the results influenced by the following major factors:

- Turnover remained steady at £6.551m (2018: £6.563m), with the reduction in performance based prize money offset by the increased matchday and sundry revenues from participation in the World Club Challenge in February 2019, hosted at the DW Stadium.
- Salary costs also remained steady at £4.847m (2018: £4.868m) following 5 consecutive years of like-for-like growth since 2014.
- The Company's improved operating performance on 2018 was driven by direct and administrative cost reductions of over £0.5m, achieved through identified administrative cost efficiencies.
- The Company has benefitted from transfer fees received of £0.20m in the year (2018: £0.18m).

The Board committed to a review of the Company's financial outlook following the unsustainable operating loss incurred in the year ended November 2018. The significantly improved operating performance in the year to November 2019 reflects the first stage of that review, albeit the Board's defined goal is to return to at least a break-even position year on year. The Company was on track to further improve financial performance in the year to November 2020, albeit this has now been significantly impacted by the pervasive impact on revenues of COVID-19. Nevertheless, the Company still expects to deliver improved financial performance year on year in 2020.

On the pitch, the Men's First Team's Grand Final win at the end of the 2018 season heralded the end of an era with Shaun Wane departing after seven successful years as Head Coach and the departure of John Bateman to Canberra Raiders. Adrian Lam was appointed head coach for the 2019 season, and despite the transition and a shaky start the team were able to repeat their finishing league position from 2018 of 2nd in Super League. Unfortunately, the club fell short at the final hurdle of a repeat appearance in the Grand Final with a loss to Salford in the Preliminary Final.

The club's Academy team continued their domination of their competition, securing the title for the tenth time in the last twelve seasons, losing just 1 of their 24 matches all season, and triumphing in the Academy Grand Final 22-10 over St Helens.

The Women's team completed its second year in the Women's Super League, but were unable to repeat their inaugural Grand Final success. The Women's team participation and reach in the community continues to grow and thrive and is an integral part of the club's performance department going forward.

Off the pitch, the club completed the relocation of the first team, academy, and offices to the new headquarters at Robin Park Arena in September 2019, with investment of over £3.5m in a refurbishment of the existing facility and new build extension. The modern office and recreation amenities, "state of the art" training facilities, and location adjacent to the DW Stadium will benefit significantly the club's performance, community, commercial, and administration departments.

Finally, whilst not relevant to the reporting year, it is material to note that the Company's financial position has been affected significantly during 2020 by the impact of COVID-19, in particular due to the complete cessation of matchday revenue from March 2020 onwards. The Board has taken steps to take advantage of available financial support from government and to secure sufficient investment and funding from shareholders 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 once there is a return to matchday attendances.

WIGAN RUGBY LEAGUE CLUB LIMITED

STRATEGIC REPORT for the Year Ended 30 November 2019

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:-

	2019 £m	2018 £m
Turnover	6.6	6.6
Staff costs	(4.8)	(4.9)
Earnings before interest, taxation, depreciation, amortisation, impairment and profit on sales of players registrations	(1.0)	(1.4)
Operating loss	(0.9)	(1.4)
Profit on sales of players' registrations	0.2	0.2
Net loss after taxation	(0.9)	(1.2)
Level of debt: due to bank	(0.75)	(0.75)
	2019 Numbers	2018 Numbers
Average league attendance	11,432	11,708
Final league position	2nd	2nd
Play off position (Grand Final)	3rd	1st
Challenge Cup	Sixth round	Quarter Final

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

PRINCIPAL RISKS AND UNCERTAINTIES

The Board are responsible for continually assessing the risks applicable to the business. Material risks and uncertainties by a combination of their scale and likelihood are as follows:

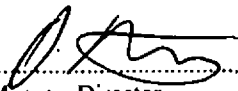
- As mentioned in the Strategic Review, all match day revenues of the club have been pervasively impacted by the COVID-19 pandemic. Based on current UK government advice, Super League have deferred the start of the 2021 season to March 2021 to give the best chance of match day crowds being unaffected. Should games continue to be played wholly behind closed doors or with restricted attendances, this will affect financial performance in 2021 as well. However, the club is well positioned to secure additional funding to ensure liquidity and cash flow are maintained in this event.

- Like all Super League clubs, the Company is reliant upon British Sky Broadcasting Group PLC ("Sky") for a material part of its income. The current broadcasting rights for Super League, including the level of income, are guaranteed until the end of the 2021 Super League season in November 2021. The Super League executive are engaged in a tender process for broadcasting rights beyond this date as at the date of this report.

- 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.

STRATEGIC REPORT
for the Year Ended 30 November 2019

ON BEHALF OF THE BOARD:


.....
D J Moore - Director

Date:26/11/2020.....

WIGAN RUGBY LEAGUE CLUB LIMITED

REPORT OF THE DIRECTORS for the Year Ended 30 November 2019

The directors present their report with the financial statements of the company for the year ended 30 November 2019.

PRINCIPAL ACTIVITY

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

RESULTS AND DIVIDENDS

The results for the year and financial position of the Company are as shown in the annexed financial statements. The Company made an operating loss for the year of £885k (2018 - loss of £1,395k). After deducting interest payable and similar charges, the Company's loss for the year after taxation was £911k (2018 - £1,216k). This amount is to be transferred to reserves and no dividend can be paid (2018 - £nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 December 2018 to the date of this report.

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

Other changes in directors holding office are as follows:

D C Eales was appointed as a director after 30 November 2019 but prior to the date of this report.

GOING CONCERN

The Company has reduced the level of operating losses in the year through various cost cutting measures and a review of operations as referred to in the Review of Business on pages 2 and 3.

The Company has been affected by the COVID-19 pandemic as detailed in the Review of Business and the Principal Risks and Uncertainties in the Strategic Report. Through maximising usage of the available appropriate financial support from government, and through investment from the parent company, the Company has been able and will be able to maintain liquidity and cash flow during this period.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. This includes the offer of continued financial support from the 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.

REPORT OF THE DIRECTORS
for the Year Ended 30 November 2019

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.

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

Date:26/11/2020.....

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 2019 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2019 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 2019/20, 2020/21 and 2021/22. 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 and also on loans and grants provided by Government in response to the COVID-19 pandemic. The existence of operating losses, working capital requirements and reliance upon these loans and grants indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WIGAN RUGBY LEAGUE CLUB LIMITED (REGISTERED NO: 00174692)**

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

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

Auditors' responsibilities for the audit of the financial statements

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

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.

Use of our report

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

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



Date: 26/11/2012

WIGAN RUGBY LEAGUE CLUB LIMITED

INCOME STATEMENT
for the Year Ended 30 November 2019

	Notes	2019 £	2018 £
TURNOVER		6,551,920	6,563,126
Cost of sales		<u>926,025</u>	<u>1,077,213</u>
GROSS PROFIT		5,625,895	5,485,913
Administrative expenses		<u>6,715,167</u>	<u>7,055,856</u>
		(1,089,272)	(1,569,943)
Other operating income		<u>203,809</u>	<u>174,945</u>
OPERATING LOSS		(885,463)	(1,394,998)
Interest payable and similar expenses	5	<u>25,362</u>	<u>23,876</u>
LOSS BEFORE TAXATION	6	(910,825)	(1,418,874)
Tax on loss	7	<u>-</u>	<u>(203,298)</u>
LOSS FOR THE FINANCIAL YEAR		<u>(910,825)</u>	<u>(1,215,576)</u>

The notes form part of these financial statements

WIGAN RUGBY LEAGUE CLUB LIMITED

OTHER COMPREHENSIVE INCOME
for the Year Ended 30 November 2019

	Notes	2019 £	2018 £
LOSS FOR THE YEAR		(910,825)	(1,215,576)
OTHER COMPREHENSIVE INCOME			
Impairment of freehold property		-	(1,400,000)
Income tax relating to other comprehensive income		-	241,149
		<u>-</u>	<u>241,149</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>-</u>	<u>(1,158,851)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(910,825)</u>	<u>(2,374,427)</u>

The notes form part of these financial statements

WIGAN RUGBY LEAGUE CLUB LIMITED (REGISTERED NUMBER: 00174692)

STATEMENT OF FINANCIAL POSITION
30 November 2019

	Notes	2019		2018	
		£	£	£	£
FIXED ASSETS					
Intangible assets	8		54,833		9,968
Tangible assets	9		2,324,901		2,401,843
Investments	10		<u>1</u>		<u>1</u>
			2,379,735		2,411,812
CURRENT ASSETS					
Stocks	11	239,837		244,371	
Debtors	12	752,742		1,088,534	
Cash at bank and in hand		<u>123,478</u>		<u>187,831</u>	
		1,116,057		1,520,736	
CREDITORS					
Amounts falling due within one year	13	<u>8,915,052</u>		<u>8,440,983</u>	
NET CURRENT LIABILITIES			<u>(7,798,995)</u>		<u>(6,920,247)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(5,419,260)</u>		<u>(4,508,435)</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>(6,910,878)</u>		<u>(6,000,053)</u>
SHAREHOLDERS' FUNDS			<u>(5,419,260)</u>		<u>(4,508,435)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 26/11/2020 and were signed on its behalf by:


.....
D J Moore - Director

The notes form part of these financial statements

WIGAN RUGBY LEAGUE CLUB LIMITED**STATEMENT OF CHANGES IN EQUITY**
for the Year Ended 30 November 2019

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 December 2017	128,000	(4,876,207)	2,614,199	(2,134,008)
Changes in equity				
Total comprehensive income	-	(1,123,846)	(1,250,581)	(2,374,427)
Balance at 30 November 2018	128,000	(6,000,053)	1,363,618	(4,508,435)
Changes in equity				
Total comprehensive income	-	(910,825)	-	(910,825)
Balance at 30 November 2019	128,000	(6,910,878)	1,363,618	(5,419,260)

The notes form part of these financial statements

WIGAN RUGBY LEAGUE CLUB LIMITED

STATEMENT OF CASH FLOWS
for the Year Ended 30 November 2019

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	(673,508)	(1,123,827)
Interest paid		<u>(25,362)</u>	<u>(23,876)</u>
Net cash from operating activities		<u>(698,870)</u>	<u>(1,147,703)</u>
 Cash flows from investing activities			
Purchase of intangible fixed assets		(73,500)	(10,800)
Purchase of tangible fixed assets		(70,808)	(28,422)
Sale of intangible fixed assets		200,000	175,000
Sale of tangible fixed assets		<u>6,333</u>	<u>120,000</u>
Net cash from investing activities		<u>62,025</u>	<u>255,778</u>
 Cash flows from financing activities			
Amounts received from parent company		567,716	714,536
Amounts repaid by related undertakings		<u>2,000</u>	<u>114,573</u>
Net cash from financing activities		<u>569,716</u>	<u>829,109</u>
 Decrease in cash and cash equivalents		<u>(67,129)</u>	<u>(62,816)</u>
Cash and cash equivalents at beginning of year	2	<u>(563,564)</u>	<u>(500,748)</u>
 Cash and cash equivalents at end of year	2	<u><u>(630,693)</u></u>	<u><u>(563,564)</u></u>

The notes form part of these financial statements

WIGAN RUGBY LEAGUE CLUB LIMITED

NOTES TO THE STATEMENT OF CASH FLOWS
for the Year Ended 30 November 2019

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

	2019	2018
	£	£
Loss before taxation	(910,825)	(1,418,874)
Depreciation charges	72,458	76,298
Loss/(profit) on disposal of fixed assets	68,959	(1,495)
Amortisation of intangible fixed assets	20,882	74,164
Loss/(profit) on intangible asset sales	(192,246)	(175,000)
Finance costs	<u>25,362</u>	<u>23,876</u>
	(915,410)	(1,421,031)
Decrease/(increase) in stocks	4,534	(116,664)
Decrease in trade and other debtors	333,792	1,087,422
Decrease in trade and other creditors	<u>(96,424)</u>	<u>(673,554)</u>
Cash generated from operations	<u>(673,508)</u>	<u>(1,123,827)</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 2019

	30/11/19	1/12/18
	£	£
Cash and cash equivalents	123,478	187,831
Bank overdrafts	<u>(754,171)</u>	<u>(751,395)</u>
	<u>(630,693)</u>	<u>(563,564)</u>

Year ended 30 November 2018

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

The notes form part of these financial statements

WIGAN RUGBY LEAGUE CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 November 2019

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 £885k and has net liabilities of £5,419k.

The company remains reliant upon the continued financial support of its parent company, Lenagan Investments Limited, which has provided loan monies, amounting to £5,845k, 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:

Profit and loss and cashflow forecasts have been prepared for 2019/20, 2020/21 and 2021/22, which indicate that, whilst operating losses may continue, working capital requirements will be met by existing bank overdraft facilities, additional loan funding from its parent company, Lenagan Investments Limited and also on loans and grants provided by Government in response to the COVID-19 pandemic.

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

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

Turnover

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

Player registrations

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

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

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

WIGAN RUGBY LEAGUE CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 30 November 2019

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

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

Depreciation on freehold property

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

Impairment of tangible fixed assets

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

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

Stocks

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

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, 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.

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.

WIGAN RUGBY LEAGUE CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 30 November 2019

2. ACCOUNTING POLICIES - continued

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) Impairment of freehold property

The carrying amount of the company's assets are reviewed annually to determine whether there is any indication of impairment. During the course of this review the Directors have concluded that the carrying value of the company's freehold property has not been impaired.

WIGAN RUGBY LEAGUE CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 November 2019

4. EMPLOYEES AND DIRECTORS

	2019 £	2018 £
Wages and salaries	4,439,594	4,454,352
Social security costs	<u>407,429</u>	<u>413,800</u>
	<u><u>4,847,023</u></u>	<u><u>4,868,152</u></u>

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

	2019	2018
Playing and coaching staff	71	71
Administration	<u>28</u>	<u>29</u>
	<u><u>99</u></u>	<u><u>100</u></u>

	2019 £	2018 £
Directors' remuneration	<u><u>108,233</u></u>	<u><u>109,465</u></u>

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

Money purchase schemes	<u><u>2</u></u>	<u><u>2</u></u>
------------------------	-----------------	-----------------

In addition Director, Dr Chris Brookes invoiced for his services as Club doctor.

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019 £	2018 £
Bank interest	24,743	23,876
Other interest	<u>619</u>	<u>-</u>
	<u><u>25,362</u></u>	<u><u>23,876</u></u>

6. LOSS BEFORE TAXATION

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

	2019 £	2018 £
Depreciation - owned assets	72,458	76,298
Profit on player transfers	(192,246)	(175,000)
Loss/(profit) on disposal of tangible fixed assets	68,959	(1,495)
Player registration fees amortisation	20,882	74,163
Foreign exchange differences	319	6,170
Stadium rental costs	241,818	294,648
Auditor's remuneration - audit fees	11,500	10,750
Auditor's remuneration - accountancy and taxation	900	2,750
Loan fees received	<u><u>(85,332)</u></u>	<u><u>(54,864)</u></u>

WIGAN RUGBY LEAGUE CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 November 2019**

7. TAXATION

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	2019 £	2018 £
Deferred tax	<u>-</u>	<u>(203,298)</u>
Tax on loss	<u>-</u>	<u>(203,298)</u>

Reconciliation of total tax credit 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:

	2019 £	2018 £
Loss before tax	<u>(910,825)</u>	<u>(1,418,874)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	(173,057)	(269,586)
Effects of:		
Income not taxable for tax purposes	(21,330)	(21,398)
Other permanent differences	-	4
Adjust closing deferred tax to average rate	-	244,311
Adjust opening deferred tax to average rate	-	(185,516)
Chargeable (losses)/gains	-	(269,519)
Deferred tax recognised in equity	194,387	241,149
Deferred tax not recognised	<u>-</u>	<u>57,257</u>
Total tax credit	<u>-</u>	<u>(203,298)</u>

Tax effects relating to effects of other comprehensive income

There were no tax effects for the year ended 30 November 2019.

	Gross £	2018 Tax £	Net £
Impairment of freehold property	<u>(1,400,000)</u>	<u>241,149</u>	<u>(1,158,851)</u>
	<u>(1,400,000)</u>	<u>241,149</u>	<u>(1,158,851)</u>

A deferred tax asset of £2,372,016 (2018 - £2,075,848) has not been provided within the financial statements, due to the uncertainty of when or if the asset will crystallise.

WIGAN RUGBY LEAGUE CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 November 2019**

8. INTANGIBLE FIXED ASSETS

	Player registration fees £
COST	
At 1 December 2018	38,333
Additions	73,500
Disposals	<u>(10,800)</u>
At 30 November 2019	<u>101,033</u>
AMORTISATION	
At 1 December 2018	28,365
Amortisation for year	20,882
Eliminated on disposal	<u>(3,047)</u>
At 30 November 2019	<u>46,200</u>
NET BOOK VALUE	
At 30 November 2019	<u>54,833</u>
At 30 November 2018	<u>9,968</u>

9. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to leasehold property £	Fixtures and fittings £	Computer equipment £	Totals £
COST OR VALUATION					
At 1 December 2018	2,200,000	141,674	236,040	223,291	2,801,005
Additions	-	-	61,943	8,865	70,808
Disposals	<u>-</u>	<u>(115,106)</u>	<u>-</u>	<u>-</u>	<u>(115,106)</u>
At 30 November 2019	<u>2,200,000</u>	<u>26,568</u>	<u>297,983</u>	<u>232,156</u>	<u>2,756,707</u>
DEPRECIATION					
At 1 December 2018	-	48,230	173,696	177,236	399,162
Charge for year	-	8,005	39,903	24,550	72,458
Eliminated on disposal	<u>-</u>	<u>(39,814)</u>	<u>-</u>	<u>-</u>	<u>(39,814)</u>
At 30 November 2019	<u>-</u>	<u>16,421</u>	<u>213,599</u>	<u>201,786</u>	<u>431,806</u>
NET BOOK VALUE					
At 30 November 2019	<u>2,200,000</u>	<u>10,147</u>	<u>84,384</u>	<u>30,370</u>	<u>2,324,901</u>
At 30 November 2018	<u>2,200,000</u>	<u>93,444</u>	<u>62,344</u>	<u>46,055</u>	<u>2,401,843</u>

WIGAN RUGBY LEAGUE CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 30 November 2019

9. TANGIBLE FIXED ASSETS - continued

Cost or valuation at 30 November 2019 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>26,568</u>	<u>297,983</u>	<u>232,156</u>	<u>1,251,036</u>
	<u>2,200,000</u>	<u>26,568</u>	<u>297,983</u>	<u>232,156</u>	<u>2,756,707</u>

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

	2019 £	2018 £
Cost	<u>694,329</u>	<u>694,329</u>
Aggregate depreciation	<u>205,336</u>	<u>191,449</u>
Value of land in freehold land and buildings	<u>488,993</u>	<u>502,880</u>

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

The Directors consider the estimated fair market value of £2.2 million as reasonable.

10. FIXED ASSET INVESTMENTS

	Participating interests £
COST	
At 1 December 2018	
and 30 November 2019	<u>1</u>
NET BOOK VALUE	
At 30 November 2019	<u>1</u>
At 30 November 2018	<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.

WIGAN RUGBY LEAGUE CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 November 2019

11. STOCKS

	2019	2018
	£	£
Goods for resale	<u>239,837</u>	<u>244,371</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade debtors	417,592	357,488
Other debtors	186,985	189,035
Accrued income	1,457	421,239
Prepayments	<u>146,708</u>	<u>120,772</u>
	<u>752,742</u>	<u>1,088,534</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Bank loans and overdrafts (see note 14)	754,171	751,395
Trade creditors	835,910	1,034,767
Social security and other taxes	237,638	264,830
Other creditors	6,726	24,300
Amounts owed to group undertakings	5,845,283	5,277,567
Deferred income	1,139,001	1,018,152
Accrued expenses	<u>96,323</u>	<u>69,972</u>
	<u>8,915,052</u>	<u>8,440,983</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2019	2018
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>754,171</u>	<u>751,395</u>

15. LEASING AGREEMENTS

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

	2019	2018
	£	£
Within one year	17,000	17,000
Between one and five years	<u>51,000</u>	<u>68,000</u>
	<u>68,000</u>	<u>85,000</u>

WIGAN RUGBY LEAGUE CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 30 November 2019

16. SECURED DEBTS

The following secured debts are included within creditors:

	2019 £	2018 £
Bank overdrafts	754,171	751,395
Amounts owed to parent company	<u>5,845,283</u>	<u>5,277,567</u>
	<u>6,599,454</u>	<u>6,028,962</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: £1	2019 £	2018 £
128,000	Ordinary		<u>128,000</u>	<u>128,000</u>

18. RESERVES

	Retained earnings £	Revaluation reserve £	Totals £
At 1 December 2018	(6,000,053)	1,363,618	(4,636,435)
Deficit for the year	<u>(910,825)</u>	-	<u>(910,825)</u>
At 30 November 2019	<u>(6,910,878)</u>	<u>1,363,618</u>	<u>(5,547,260)</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 £54,551 (2018 - £25,896). There was £9,650 (2018 - £4,666) of outstanding contributions to the fund as at the year end.

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.

WIGAN RUGBY LEAGUE CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 30 November 2019

21. OTHER FINANCIAL COMMITMENTS

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

22. RELATED PARTY DISCLOSURES

Loans from group undertakings

During the year the Company had loan transactions with Lenagan Investments Limited as follows: loans received of £1,152,250 and repaid of £527,600. The company also recharged certain expenses totalling £56,934. At 30 November 2019 an amount of £5,845,283 (2018 - £5,277,567) was owed to Lenagan Investments Limited..

Loans to/(from) associated undertakings

During the year the Company had loan transactions with associated companies as follows: loans paid of £Nil and repaid of £2,000. At 30 November 2019 there is an amount of £182,322 (2018 - £184,322) owed by associated undertakings.

Transactions with associated undertakings

During the year the Company has recharged wages and certain expenses totalling £5,703 and have paid rent and associated costs totalling £115,722 to associated undertakings. At 30 November 2019 an amount of £65,231 was owed to the company.