

Super League (Europe) Limited

**Directors' report and financial
statements**

Registered number - 3238540

31 December 2003



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2003.

Principal activity

The company's principal activity is that of the management and promotion of the Rugby Football League competition known as the Super League. The company acts as an agent for the twelve (2002: twelve) Rugby League clubs who participated in the Super League competition in 2003.

Business review

The result for the year is shown on page 5. The company has made neither a profit nor a loss for the year, which reflects the nature of the operations of Super League (Europe) Limited. The company acts as an agent for the Super League clubs, and its turnover represents amounts received to cover administrative expenses and other disbursements properly incurred on the clubs' behalf.

Dividends

The directors do not recommend the payment of a dividend.

Directors and directors' interests

The directors who held office during the year were as follows:

Gary Hetherington	
Maurice Patrick Lindsay	
Robert Kevin Sweeney	Resigned 31 December 2003
James Alexander George Hartley	Resigned 17 February 2004
Andrew John Gatchliffe	
Kathryn Mary Hetherington	
Richard Wright	
Dave Mark Tarry	Resigned 1 January 2003, appointed 1 January 2004
John Edward Richardson	Resigned 8 December 2003
Anthony Arthur Chambers	
Nicholas Cartwright	
Ralph William James Rimmer	Appointed 1 January 2003
Sean McGuire	Appointed 17 February 2004
Diane Rogerson	Appointed 8 December 2003

The directors who held office at the end of the financial year had no disclosable interests in the shares of the company. However, the following directors were also directors of Super League clubs who are members of the company:

Gary Hetherington	Leeds Rhinos
Maurice Patrick Lindsay	Wigan Warriors
Robert Kevin Sweeney	Halifax RLFC
James Alexander George Hartley	St Helens
Andrew John Gatchliffe	Warrington Wolves
Kathryn Mary Hetherington	Hull FC
Richard Wright	Castleford Tigers
Dave Mark Tarry	Salford City Reds
John Edward Richardson	Wakefield Trinity Wildcats
Anthony Arthur Chambers	Widnes Vikings
Nicholas Cartwright	London Broncos
Ralph William James Rimmer	Huddersfield Giants
Sean McGuire	St Helens
Diane Rogerson	Wakefield Trinity Wildcats

Directors' report *(continued)*

Following changes to the clubs playing in Super League, share transfers occurred as follows:

1 January 2003 – Salford City Reds to Huddersfield Giants
1 January 2004 – Halifax RLFC to Salford City Reds

Auditors

A resolution for the reappointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



G Hetherington
Director

Sovereign House
South Parade
LEEDS
LS1 5QL

25 June 2004

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records which 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 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Independent report of the auditors to the members of Super League (Europe) Limited

We have audited the financial statements on pages 5 to 14.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP
Chartered Accountants
Registered Auditors

25 June 2004

Profit and loss account
for the year ended 31 December 2003

	<i>Note</i>	Continuing operations	
		2003	2002
		£	£
Turnover	<i>1</i>	3,125,277	2,713,040
Cost of sales		(2,317,671)	(1,989,371)
Gross profit		807,606	723,669
Administrative expenses		(842,542)	(760,567)
Operating loss		(34,936)	(36,898)
Interest receivable	<i>5</i>	35,852	40,457
Interest payable and similar charges	<i>6</i>	(916)	(3,559)
Profit on ordinary activities before taxation	<i>2</i>	-	-
Tax on profit on ordinary activities	<i>7</i>	-	-
Profit for the financial year		-	-

There are no recognised gains or losses in the year other than the result for the year as shown above.

Balance sheet
at 31 December 2003

	<i>Note</i>	2003	2002
		£	£
Fixed assets			
Tangible assets	8	48,691	16,511
Current assets			
Debtors	9	7,253,050	3,097,832
Cash at bank and in hand		285,754	546,538
		<u>7,538,804</u>	<u>3,644,370</u>
Creditors: amounts falling due within one year	10	<u>(7,587,481)</u>	<u>(3,660,867)</u>
Net current liabilities		(48,677)	(16,497)
Total assets less current liabilities		14	14
Net assets		14	14
Capital and reserves			
Called up share capital	11	12	12
Profit and loss account	12	-	-
Capital redemption reserve	12	2	2
Equity shareholders' funds	13	14	14

These financial statements were approved by the board of directors on 25 June 2004 and were signed on its behalf by:


G Hetherington
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The accounts are prepared on a going concern basis despite the net current liabilities of the company.

The Super League clubs have undertaken, in the event of Super League (Europe) Limited ("SLE") having net liabilities, to permit SLE to release, unconditionally for its own accounts & benefit an amount equivalent to such net liabilities. This amount shall then be treated as a reduction in the liabilities of SLE, being a release from the amount owing to the clubs.

Under Financial Reporting Standard No. 1 (Revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a small company.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Fixtures and fittings	- 3 years
Motor vehicles	- 3 years

Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight-line basis over the life of the lease.

Pension scheme

The company participates in a group personal pension scheme. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

Taxation

Taxation is only payable on interest receivable as the company acts as agent for the Rugby League Clubs in the Super League who are members of the company.

Turnover

Turnover represents amounts to directly cover administrative expenses and other disbursements properly incurred on the clubs' behalf, in accordance with the disclosed agency agreement between the company and the Super League clubs.

Notes (continued)

1 Accounting policies (continued)

Translation of foreign currencies

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at exchange rates ruling at the date of the balance sheet. Transactions in foreign currencies are translated at the rate of exchange on the date of transaction and gains or losses on the translation are taken to the profit and loss account.

2 Profit on ordinary activities before taxation

	2003 £	2002 £
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration:		
Audit	6,000	6,000
Non – audit	850	10,485
Operating lease rentals		
Land and buildings	47,280	38,293
Depreciation of tangible fixed assets		
Owned	6,489	5,066
Leased	7,661	1,380
	<u> </u>	<u> </u>

3 Staff costs

Staff costs were as follows:

	2003 £	2002 £
Wages and salaries	-	103,691
Social security costs	-	14,132
Other pension costs	-	1,497
	<u> </u>	<u> </u>
	-	119,320
	<u> </u>	<u> </u>

The average number of persons employed by the company during the year is analysed below:

	2003	2002
Administration	-	4
	<u> </u>	<u> </u>

At 1 June 2002 the staff employed by the Company had their employment transferred to the Rugby Football League. A management charge is made by the Rugby Football League to reflect the costs incurred by employing staff to carry out such duties as necessary in the management of Super League (Europe) Limited.

Notes *(continued)*

4 Directors' remuneration

	2003 £	2002 £
Directors' emoluments	-	-
Pension contributions	-	-
	<u> </u>	<u> </u>

5 Interest receivable

	2003 £	2002 £
Bank interest	35,852	40,457
	<u> </u>	<u> </u>

6 Interest payable and similar charges

	2003 £	2002 £
On hire purchase contracts	-	281
On bank loans	916	3,278
	<u> </u>	<u> </u>
	916	3,559
	<u> </u>	<u> </u>

7 Taxation

	2003 £	2002 £
<i>UK corporation tax</i>		
Current tax on income for the period	-	-
Adjustments in respect of prior periods	-	-
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>

Notes (continued)

8 Tangible fixed assets

	Motor Vehicles	Fixtures and fittings	Total
	£	£	£
Cost			
At beginning of year	14,571	47,268	61,839
Additions	-	46,330	46,330
	<hr/>	<hr/>	<hr/>
At end of year	14,571	93,598	108,169
	<hr/>	<hr/>	<hr/>
Depreciation			
At beginning of year	3,910	41,418	45,328
Charge for year	7,661	6,489	14,150
	<hr/>	<hr/>	<hr/>
At end of year	11,571	47,907	59,478
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2003	3,000	45,691	48,691
	<hr/>	<hr/>	<hr/>
At 31 December 2002	10,661	5,850	16,511
	<hr/>	<hr/>	<hr/>

Total net book value of fixed assets as at 31 December 2003 includes £3,000 (2002: £10,661) in respect of assets acquired under hire purchase contracts. Depreciation charged in the year on these assets amounted to £7,661 (2002: £1,380).

9 Debtors

	2003 £	2002 £
Trade debtors	6,052,446	2,674,806
Prepayments and accrued income	1,200,602	423,024
Called up share capital unpaid	2	2
	<hr/>	<hr/>
	7,253,050	3,097,832
	<hr/>	<hr/>

Notes *(continued)*

10 Creditors: amounts falling due within one year

	2003 £	2002 £
Trade creditors	192,058	187,426
Other taxation and social security	905,287	645,303
Other creditors	5,611,519	2,566,901
Accruals and deferred income	878,617	261,237
	<u>7,587,481</u>	<u>3,660,867</u>

11 Called up share capital

	2003 £	2002 £
<i>Authorised</i>		
Equity: Ordinary shares of £1 each	<u>50</u>	<u>50</u>
<i>Allotted and called up</i>		
Equity: Ordinary shares of £1 each		
- paid	10	10
- unpaid	2	2
	<u>12</u>	<u>12</u>

Notes (continued)

12 Reserves

	Capital redemption reserve £	Profit and loss account £
At beginning of year	2	-
Retained profit for the year	-	-
At end of year	2	-

13 Reconciliation of movements in equity shareholders' funds

	2003 £	2002 £
Profit for the year	-	-
Redemption of unpaid shares in the year	-	2
Net addition to equity shareholders' funds	-	2
Opening equity shareholders' funds	14	12
Closing equity shareholders' funds	14	14

14 Commitments

Amounts falling due in the next twelve months under non-cancellable operating leases, analysed by the date of expiry of the lease are as follows:

	2003 Land and buildings £	2002 Land and buildings £
Within one year	-	-
Within two to five years	49,280	47,280

15 Pension scheme

The company does not participate in a personal pension scheme. At 1 June 2002 the staff employed by the company had their employment transferred to the Rugby Football League (the RFL). These former employees are eligible to join the RFL's pension scheme.

Notes (continued)

16 Related party transactions

The members of the company are the twelve Super League rugby clubs.

In 2003, the total monies receivable by Super League (Europe) Limited on behalf of the clubs was £12,503,825 (2002: £11,301,188). Of this amount £7,900,000 (2002: £7,900,000) was distributed directly in respect of television rights, £490,473 (2002: nil), was distributed in respect of prior year surpluses, and £3,125,277 (2002: £2,713,040) has been recognised as turnover in Super League (Europe) Limited, being the amount to directly cover administrative expenses and other disbursements properly incurred on the clubs' behalf, as set out in the agency agreement. The remainder is the surplus of monies receivable, being £748,075 (2002: £688,148).

Of this surplus, £240,000 (2002: £480,000) was distributed in equal proportions to the clubs during the year and £508,075 (2002: £208,148) is included within other creditors at the year-end.

In total, other creditors includes £5,312,315 (2002: £2,344,711) due to the twelve current Super League clubs and Halifax RLFC, who were relegated from Super League at the end of the 2003 season. This represents the above undistributed surplus, prior year surpluses of £271,723 (2002: £600,830), £2,150,943 (2002: £1,975,000) which relates to the first tranche of broadcast rights monies for 2004, covering the period from 1 January 2004 to 31 March 2004, £2,400,000 (2002: £nil) being the initial signing-on fee of the broadcast rights, less £18,426 (2002: £22,600) sundry club debtors, less £nil (2002: £416,667) advanced to clubs in respect of broadcast rights.

Within accruals and deferred income £759,314 (2002: £54,277) is due to the 12 Super League clubs. This represents sundry amounts due.

Within trade debtors £92,006 (2002: £55,119) is owed to Super League (Europe) Limited by the 12 Super League clubs and Salford City Reds. These debtors are recoverable, in the last resort, through deductions from broadcast rights monies.

Notes (continued)

16 Related party transactions (continued)

The following amounts were also payable to members in respect of prize money:

Club	£
Bradford Bulls	290,000
Wigan Warriors	185,000
Leeds Rhinos	155,000
St Helens	130,000
London Broncos	100,000
Warrington Wolves	80,000
Hull FC	45,000
Castleford Tigers	35,000
Widnes Vikings	27,000
Huddersfield Giants	22,000
Wakefield Trinity Wildcats	18,000
Halifax RLFC	13,000
	<hr/>
	1,100,000
	<hr/>

Eleven of the directors of the company during the year were also directors, at some point in the year, of Super League clubs who are/were members of the company. These details are as follows:

Director	Super League Club
Gary Hetherington	Leeds Rhinos
Maurice Patrick Lindsay	Wigan Warriors
Robert Sweeney	Halifax RLFC
James Alexander George Hartley	St Helens
Andrew John Gatliffe	Warrington Wolves
Kathryn Mary Hetherington	Hull FC
Richard Wright	Castleford Tigers
Dave Mark Terry	Salford City Reds
John Edward Richardson	Wakefield Trinity Wildcats
Anthony Arthur Chambers	Widnes Vikings
Nicholas Cartwright	London Broncos
Ralph William James Rimmer	Huddersfield Giants
Sean McGuire	St Helens
Diane Rogerson	Wakefield Trinity Wildcats