

**Company Registration No. 03389199 (England and Wales)**

**SCARLETS REGIONAL LIMITED**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2015**

SATURDAY



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19/03/2016

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COMPANIES HOUSE

# SCARLETS REGIONAL LIMITED

## COMPANY INFORMATION

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### Directors

Mr N V Short  
Mr R A Cammish  
Mr J D Daniels (Appointed 1 October 2014)  
Mr P J Davies  
Mr E W Evans  
Mr H D Evans  
Mr T P Griffiths  
Mr O G R Jones  
Mr W M Morgan  
Mr B G L Phillips  
Mr P J Morgan (Appointed 1 August 2014)  
Mr G H Wise  
Mr D B Jones (Appointed 1 October 2015)  
Mr D Owen (Appointed 30 November 2015)

### Secretary

Mr P J Morgan

### Company number

03389199

### Registered office

Parc Y Scarlets  
Parc Pemberton Retail Park  
Llanelli  
Carmarthenshire  
United Kingdom  
SA14 9UZ

### Auditors

Broomfield & Alexander Limited  
Charter Court  
Phoenix Way  
Enterprise Park  
SWANSEA  
UK  
SA7 9FS

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# **SCARLETS REGIONAL LIMITED**

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# SCARLETS REGIONAL LIMITED

## CHAIRMAN'S STATEMENT

### FOR THE YEAR ENDED 30 JUNE 2015

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During the last 12 months I am happy to report that Scarlets have made good progress in a number of areas of the business and importantly Rugby.

The season ended June 2015 is the first full season that Wayne Pivac Scarlets head coach has led Rugby and his insight and maturity as an experienced coach has led to a strengthening and investment in a number of areas behind the scenes in Rugby. For example, a high altitude training room for the professional players as well as strengthening the coaching staff with the addition of Byron Heyward as Defence coach, and for the 2015-6 season the return to the Scarlets of Stephen Jones

On the pitch Scarlets achieved qualification for the top European Tournament – the Champions Cup. This is the 20th successive season that we have qualified for the top European competition.

Relationships with the Welsh Rugby Union are now changing. In August 2014 we signed a new Rugby Services Agreement with the WRU which goes some way towards providing much needed additional investment in the professional game and Scarlets management have now started to work collaboratively with our Union in a number of areas; for example, the New National Dual Contracts for selected international players.

I would like to thank Scarlets fans for their impressive loyalty, and despite the many alternative ways that they could spend their time every weekend our 4000 season ticket holders and average gate of 7000 per game come to Parc y Scarlets in all weathers to watch us play our attractive style of winning rugby. Without our fans, season ticket holders, and loyal sponsors we would be greatly diminished both on and off the field of play.

During 2014/15 we have continued to build an open relationship with CRYSTAL 16, Scarlets loyal Supporters Trust, as well as our feeder clubs in West Wales who provide us with much of our young talent and for the first time in the modern era we held a pre-season game at Llandovery in August 2015 where Scarlets played Bedford. This was very well received.

My thanks go to the Funding Directors who have continued to invest in Scarlets to ensure that we have a competitive squad and coaching staff and it is my pleasure in confirming the appointment of Mr David Owen a retired partner of Deloitte Consulting together with Brian Jones from Castell Howell Foods to the Scarlets Board in October 2015. Brian's appointment also strengthens the long standing relationship between Scarlets and Carmarthen Quins.

Looking to the future, Scarlets Board and Management have a very clear and well defined vision and strategy of where our ambitions lie going forward and we will continue to invest in developing our Rugby talent with the aim of improving our on field performance year on year.



Mr N V Short  
Chairman

10/03/2016

# SCARLETS REGIONAL LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 30 JUNE 2015**

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The directors present the strategic report and financial statements for the year ended 30 June 2015.

### Review of the business

The company incurred a loss of £987,615 for the year ended 30th June 2015 and is a significant improvement of the previous year's financial results. This was the first year of the new Rugby Service Agreement with the WRU which not only improved revenue to the Scarlets but provided a new system of rewarding our significant contribution to the national playing squad.

During the year a number of new and exciting commercial partnerships have been launched which has made a positive contribution to commercial revenues and provided much needed capital to invest in our playing squad.

The Board acknowledges that the current season will have challenges to all aspects of the business due to the Rugby World Cup. However, we are pleased to see that attendance has been encouraging for the Pro12 league games and despite losing several key players to the national squad we have started the first part of the season at the top of the league.

Furthermore, the Board invested an additional £850,000 directly into our total rugby budget to further strengthen our backroom elite performance group to support our ambition of being in the top European Cup competition.

### Principle risks and uncertainties

The principle risk to the company is that projected income levels are not reached, the company is dependent on Welsh Rugby Union investment and the continuing goodwill of funding directors and supporters.

The company recorded a loss for the year and has net liabilities at the balance sheet date. Following on from a restructured Rugby Service Agreement with the WRU, projected results for the 2015-16 year show steady results comparable with the current year and the Board will continue to invest in development of talent leading to the business being loss-making.

### Development and performance

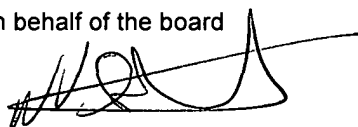
The directors aim to improve performance on and off the field. This coupled with improved income from WRU should move the company towards profitability.

### Financial key performance indicators

The key performance indicators are set out below:

	2015	2014
	£	£
Turnover	8,976,506	7,953,439
Gross Profit	28%	22%

On behalf of the board



Mr N V Short

Director

10/03/2016

# SCARLETS REGIONAL LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 JUNE 2015

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The directors present their report and financial statements for the year ended 30 June 2015.

#### Results and dividends

The results for the year are set out on page 7.

#### Directors

The following directors have held office since 1 July 2014:

Mr N V Short	
Mr M J Davies	(Resigned 30 September 2014)
Mr N Gallivan	(Resigned 31 July 2014)
Mr R A Cammish	
Mr J D Daniels	(Appointed 1 October 2014)
Mr P J Davies	
Mr E W Evans	
Mr H D Evans	
Mr T P Griffiths	
Mr O G R Jones	
Mr W M Morgan	
Mr B G L Phillips	
Mr P J Morgan	(Appointed 1 August 2014)
Mr G H Wise	
Mr D B Jones	(Appointed 1 October 2015)
Mr D Owen	(Appointed 30 November 2015)

#### Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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;
- 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.

# SCARLETS REGIONAL LIMITED

## DIRECTORS' REPORT (CONTINUED)

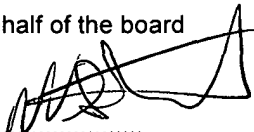
**FOR THE YEAR ENDED 30 JUNE 2015**

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### Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



.....  
Mr N V Short

Director

.....  
10/03/2016

# **SCARLETS REGIONAL LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF SCARLETS REGIONAL LIMITED**

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We have audited the financial statements of Scarlets Regional Limited for the year ended 30 June 2015 set out on pages 7 to 20. 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 auditors' 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 Directors' Responsibilities Statement set out on pages 3 - 4, 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 Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **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 30 June 2015 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.



# SCARLETS REGIONAL LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBERS OF SCARLETS REGIONAL LIMITED

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#### Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in the accounting policies to the financial statements concerning both the company's ability to continue as a going concern and the carrying value of the stadium.

#### Going concern

The company incurred a net loss of £987,615 during the year ended 30th June 2015 and, at that date, the company had an excess of liabilities over assets of £4,543,066. These conditions along with the other matters explained in the accounting policies to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

#### Carrying value of the stadium

The carrying value of the stadium as at 30th June 2015 was £9,620,731. The trading conditions referred to above, along with the other matters explained in the accounting policies to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the carrying value of the stadium. Were these key assumptions to which the accounting policies refer not realised, the result would be a requirement to reduce the carrying value of the stadium. Any adjustment required would be a non-cash item.

#### Opinion on other matter 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.

#### 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, 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.



**Matthew Thomas (Senior Statutory Auditor)**  
for and on behalf of Broomfield & Alexander Limited

15<sup>th</sup> March 2016

**Chartered Accountants**  
**Statutory Auditor**

Charter Court  
Phoenix Way  
Enterprise Park  
SWANSEA  
UK  
SA7 9FS

# SCARLETS REGIONAL LIMITED

## PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 30 JUNE 2015**

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	Notes	2015 £	2014 £
Turnover	2	8,976,506	7,953,439
Cost of sales		(6,454,194)	(6,229,942)
Gross profit		2,522,312	1,723,497
Administrative expenses		(3,446,267)	(3,249,399)
Other operating income		50,409	179,128
Operating loss	3	(873,546)	(1,346,774)
Exceptional items	8	-	(274,902)
Interest payable and similar charges	4	(114,069)	(124,278)
Loss on ordinary activities before taxation		(987,615)	(1,745,954)
Tax on loss on ordinary activities	9	-	-
Loss for the year	18	(987,615)	(1,745,954)

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The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

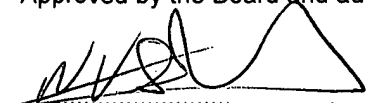
# SCARLETS REGIONAL LIMITED

## BALANCE SHEET

AS AT 30 JUNE 2015

	Notes	2015		2014	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10	10,014,733		10,011,128	
Investments	11	14,550		14,300	
		<u>10,029,283</u>		<u>10,025,428</u>	
<b>Current assets</b>					
Stocks	12	19,471		29,357	
Debtors	13	1,220,762		884,841	
Cash at bank and in hand		5,626		220,863	
		<u>1,245,859</u>		<u>1,135,061</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(3,624,093)</u>		<u>(3,288,063)</u>	
<b>Net current liabilities</b>		<u>(2,378,234)</u>		<u>(2,153,002)</u>	
<b>Total assets less current liabilities</b>		<u>7,651,049</u>		<u>7,872,426</u>	
<b>Creditors: amounts falling due after more than one year</b>	15	<u>(12,194,115)</u>		<u>(12,036,667)</u>	
		<u>(4,543,066)</u>		<u>(4,164,241)</u>	
<b>Capital and reserves</b>					
Called up share capital	17	10,863,137		10,254,347	
Profit and loss account	18	<u>(15,406,203)</u>		<u>(14,418,588)</u>	
<b>Shareholders' funds</b>	19	<u>(4,543,066)</u>		<u>(4,164,241)</u>	

Approved by the Board and authorised for issue on 10/03/2016



Mr N V Short  
Director

Company Registration No. 03389199

# SCARLETS REGIONAL LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	£	2015 £	£	2014 £
<b>Net cash outflow from operating activities</b>	<b>22</b>		(1,024,739)		(1,179,302)
<b>Returns on investments and servicing of finance</b>					
Interest paid		(114,069)		(124,278)	
<b>Net cash outflow for returns on investments and servicing of finance</b>			(114,069)		(124,278)
<b>Capital expenditure and financial investment</b>					
Payments to acquire tangible assets		(302,728)		(178,695)	
Payments to acquire investments		(250)		-	
Receipts from sales of tangible assets		-		5,917	
<b>Net cash outflow for capital expenditure</b>			(302,978)		(172,778)
<b>Net cash outflow before management of liquid resources and financing</b>			(1,441,786)		(1,476,358)
<b>Financing</b>					
Issue of ordinary share capital		608,790		1,150,000	
Other new long term loans		157,448		287,535	
<b>Net cash inflow from financing</b>			766,238		1,437,535
<b>Decrease in cash in the year</b>	<b>23, 24</b>		(675,548)		(38,823)

# SCARLETS REGIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 JUNE 2015**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention.

#### **1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### **1.3 Turnover**

Turnover represents amounts invoiced, excluding value added tax, in respect of the sale of goods and services. Ticket income, hospitality income and income from competitions are recognised as revenue when the respective event takes place. Revenue from commercial contracts - including broadcasting revenue, sponsorship and the lease of hospitality boxes is recognised based on the terms of the contract.

#### **1.4 Tangible fixed assets and depreciation**

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	2% - Straight line
Plant and machinery	20% - Straight line
Heritage Trail	20% - Straight line

#### **1.5 Leasing and hire purchase commitments**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### **1.6 Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

#### **1.7 Stock**

Stock is valued at the lower of cost and net realisable value, consists of finished goods purchased for resale. Cost is based upon purchase price and is determined on a first in, first out basis. Provision is made for obsolete or slow moving items.

#### **1.8 Pensions**

The company operates a defined contribution pension scheme for the employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

# SCARLETS REGIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2015

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#### **1 Accounting policies (Continued)**

##### **1.9 Going concern**

The company incurred a net loss of £987,615 (2014: £1,745,954) during the year ended 30 June 2015 and at the balance sheet date, the company had excess liabilities over assets of £4,543,066 (£2014: £4,164,241). The company is dependent on future short and long term funding being available to enable it to continue operating and to meet its liabilities as they fall due.

The club's financial well-being is dependent on the continued goodwill and financial support of its supporters, sponsors, directors and investors. Projections prepared on this basis suggest that there is adequate funding to enable the company to continue to trade for at least 12 months from the date of signing the balance sheet, and so is appropriate to prepare the financial statements on the going concern basis.

However, there remains a very small margin in terms of the company meeting its ongoing liabilities, and so there can be no real certainty with ongoing cashflows. The financial statements do not include any adjustments that would result from a withdrawal of this financial support.

The directors whose loans are detailed in note 21 to the accounts, have also agreed as part of the loan arrangement that no repayments will be made to them for 12 months post the signing of the accounts, if it were to jeopardise the going concern status of the club. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis.

The financial statements do not reflect the adjustments that would have been made should continuing finance not be available, namely reducing the value of the assets to their realisable amounts, providing for any further liabilities which might arise and reclassifying all fixed assets and long term liabilities as current assets and liabilities respectively.

##### **1.10 Investment properties**

In accordance with standard accounting practice, investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. No depreciation or amortisation is provided in respect to freehold investment properties and leasehold investment properties with over 20 years to run.

Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the directors believe that the policy of not providing depreciation is necessary in order to give a true and fair view, since the current value of investment properties, and changes to that current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been included cannot be separately identified or quantified.

#### **2 Turnover**

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

# SCARLETS REGIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2015

<b>3</b>	<b>Operating loss</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Operating loss is stated after charging:		
	Depreciation of tangible assets	299,123	288,302
	Loss on disposal of tangible assets	-	5,552
	Auditors' remuneration (including expenses and benefits in kind)	7,750	9,995
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Interest payable</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	9,429	361
	On other loans wholly repayable within five years	104,640	123,522
	Hire purchase interest	-	395
		<u>          </u>	<u>          </u>
		114,069	124,278
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Employees</b>		
	<b>Number of employees</b>		
	The average monthly number of employees (including directors) during the year was:		
		<b>2015</b>	<b>2014</b>
		<b>Number</b>	<b>Number</b>
	Number of staff	237	210
		<u>          </u>	<u>          </u>
	<b>Employment costs</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Wages and salaries	5,805,329	5,399,747
	Social security costs	582,582	513,016
	Other pension costs	33,046	15,545
		<u>          </u>	<u>          </u>
		6,420,957	5,928,308
		<u>          </u>	<u>          </u>
<b>6</b>	<b>Directors' remuneration</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Remuneration for qualifying services	162,650	269,867
		<u>          </u>	<u>          </u>

# SCARLETS REGIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

### 7 Retirement Benefits

	2015 £	2014 £
Contributions payable by the company for the year	33,046	15,545

### 8 Exceptional items

	2015 £	2014 £
Amounts written off fixed asset investments:		
- permanent diminution in value	-	274,902

### 9 Taxation

	2015 £	2014 £
<b>Total current tax</b>	-	-
<b>Factors affecting the tax charge for the year</b>		
Loss on ordinary activities before taxation	(987,615)	(1,745,954)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2014 - 23.00%)	(197,523)	(401,569)
Effects of:		
Depreciation add back	59,825	85,770
Other tax adjustments	137,698	315,799
	197,523	401,569
<b>Current tax charge for the year</b>	-	-

Based on previous financial performance, the company expects to be able to utilise trading losses brought forward against future profits.



# SCARLETS REGIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

### 10 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
<b>Cost</b>			
At 1 July 2014	11,112,028	637,224	11,749,252
Additions	-	302,728	302,728
	<hr/>	<hr/>	<hr/>
At 30 June 2015	11,112,028	939,952	12,051,980
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1 July 2014	1,264,990	473,134	1,738,124
Charge for the year	226,307	72,816	299,123
	<hr/>	<hr/>	<hr/>
At 30 June 2015	1,491,297	545,950	2,037,247
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 30 June 2015	9,620,731	394,002	10,014,733
	<hr/>	<hr/>	<hr/>
At 30 June 2014	9,847,038	164,090	10,011,128
	<hr/>	<hr/>	<hr/>

# SCARLETS REGIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

### 11 Fixed asset investments

	Unlisted investments	Shares in participating interests	Shares in group undertakings	Total
	£	£	£	£
<b>Cost</b>				
At 1 July 2014	14,300	-	100	14,400
Additions	-	250	-	250
	<u>14,300</u>	<u>250</u>	<u>100</u>	<u>14,650</u>
At 30 June 2015	14,300	250	100	14,650
<b>Provisions for diminution in value</b>				
At 1 July 2014 & at 30 June 2015	-	-	100	100
	<u>-</u>	<u>-</u>	<u>100</u>	<u>100</u>
<b>Net book value</b>				
At 30 June 2015	14,300	250	-	14,550
	<u>14,300</u>	<u>250</u>	<u>-</u>	<u>14,550</u>
At 30 June 2014	14,300	-	-	14,300
	<u>14,300</u>	<u>-</u>	<u>-</u>	<u>14,300</u>

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
<b>Subsidiary undertakings</b>			
Llanelli RFC Limited	UK	Ordinary	100.00
<b>Participating interests</b>			
Pro Rugby Wales Limited	UK	Ordinary	25.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves 2015	Profit/(loss) for the year 2015
	Principal activity	£	£
Llanelli RFC Limited	Dormant	100	-
Pro Rugby Wales Limited	PR Support	(44,045)	224
		<u>100</u>	<u>224</u>

### 12 Stocks

	2015	2014
	£	£
Stock in hand	19,471	29,357
	<u>19,471</u>	<u>29,357</u>

# SCARLETS REGIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2015

13 Debtors	2015 £	2014 £
Trade debtors	418,446	627,503
Other debtors	571,912	-
Prepayments and accrued income	230,404	257,338
	<u>1,220,762</u>	<u>884,841</u>
14 Creditors: amounts falling due within one year	2015 £	2014 £
Bank overdraft	460,311	-
Trade creditors	1,045,382	1,033,073
Taxes and social security costs	492,162	679,731
Other creditors	464,469	299,626
Accruals and deferred income	1,161,769	1,275,633
	<u>3,624,093</u>	<u>3,288,063</u>
15 Creditors: amounts falling due after more than one year	2015 £	2014 £
Other loans	<u>12,194,115</u>	<u>12,036,667</u>
<b>Analysis of loans</b>		
Not wholly repayable within five years other than by instalments:		
Debentures	764,362	755,909
Other loans	10,964,152	10,924,154
Wholly repayable within five years	465,601	356,604
	<u>12,194,115</u>	<u>12,036,667</u>

Included within creditors is an amount of £2,614,000 (2014: £2,614,000) which is owed to Carmarthenshire Country Council. The amount is secured by a floating charge over the company's assets. The company pledges not to encumber any assets without Carmarthenshire Country Council's consent. Interest is charged at 4% per annum. The loan is due for repayment during 2023.

The balance of the other creditors relates to subordinated debts of the directors. The loans are secured by the assets of the company but acknowledge that Carmarthenshire County Council have a prior charge. The loans are due for repayment during 2023.

The debentures are unsecured and interest free, and are due for repayment 15 years from the date of issue.

# SCARLETS REGIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2015

#### 16 Financial commitments

At 30 June 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 June 2016:

	<b>Land and buildings</b>	
	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Operating leases which expire:		
In over five years	82,500	82,500

#### 17 Share capital

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
10,363,135 Ordinary shares of £1 each	10,363,135	9,754,345
500 Special ordinary shares of £1000 each	500,000	500,000
2 Heritage shares of £1 each	2	2
	<u>10,863,137</u>	<u>10,254,347</u>

608,790 Ordinary £1 shares were issued at par value and purchased by funding related parties during the year.

#### 18 Statement of movements on profit and loss account

	<b>Profit and loss account £</b>
Balance at 1 July 2014	(14,418,588)
Loss for the year	(987,615)
Balance at 30 June 2015	<u>(15,406,203)</u>

# SCARLETS REGIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

19 Reconciliation of movements in Shareholders' funds	2015 £	2014 £
Loss for the financial year	(987,615)	(1,745,954)
Proceeds from issue of shares	608,790	1,150,000
Net depletion in shareholders' funds	(378,825)	(595,954)
Opening Shareholders' funds	(4,164,241)	(3,568,287)
Closing Shareholders' funds	(4,543,066)	(4,164,241)

### 20 Control

There was no ultimate controlling party during the current or previous year.

### 21 Related party relationships and transactions

During the year the company entered into related party transaction as follows:

#### Mr H D Evans - Director

	2015 £	2014 £
Amount owing at the year end	3,179,334	3,179,334
No interest was charged on the amount outstanding		

#### Mr T G Griffiths - Director

	2015 £	2014 £
Amount owing at the year end	1,002,547	1,002,547
No interest was charged on the amount outstanding		

#### Mr O G R Jones - Director

	2015 £	2014 £
Amount owing at the year end	100,000	-
Amount advanced to the company during the year	100,000	-
No interest was charged on the amount outstanding		

# SCARLETS REGIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2015

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#### 21 Related party relationships and transactions (Continued)

##### Mr B G L Phillips - Director

	2015	2014
	£	£
Amount owing at the year end	40,000	-
Amount advanced to the company during the year	40,000	-
No interest was charged on the amount outstanding		

##### Nednil Limited - Company under common directorship (P J Davies)

	2015	2014
	£	£
Amount owing at the year end	2,117,440	2,197,440
Amount (repaid)/advanced to the company during the year	(80,000)	250,000
No interest was charged on the amount outstanding		

##### Mr G Wise - Director

	2015	2014
	£	£
Amount owing at the year end	1,490,833	1,490,833
Amount repaid during the year	-	50,000
No interest was charged on the amount outstanding		

##### Mr N V Short - Director

	2015	2014
	£	£
Amount owing at the year end	420,000	640,000
Amount (repaid)/advanced to the company during the year	(220,000)	200,000
No interest was charged on the amount outstanding		

##### Welsh Whisky Company Limited - Company under common directorship (N V Short)

	2015	2014
	£	£
Amount owing at the year end	100,000	100,000
No interest was charged on the amount outstanding		

# SCARLETS REGIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

22	Reconciliation of operating loss to net cash outflow from operating activities	2015	2014
		£	£
	Operating loss	(873,546)	(1,346,774)
	Depreciation of tangible assets	299,123	288,302
	Loss on disposal of tangible assets	-	5,552
	Decrease in stocks	9,886	18,943
	Increase in debtors	(335,921)	(461,100)
	(Decrease)/Increase in creditors within one year	(124,281)	315,775
	<b>Net cash outflow from operating activities</b>	<b>(1,024,739)</b>	<b>(1,179,302)</b>

23	Analysis of net debt	1 July 2014	Cash flow	Other non-cash changes	30 June 2015
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	220,863	(215,237)	-	5,626
	Bank overdrafts	-	(460,311)	-	(460,311)
		<u>220,863</u>	<u>(675,548)</u>	<u>-</u>	<u>(454,685)</u>
	Debt:				
	Debts falling due after one year	(12,036,667)	(157,448)	-	(12,194,115)
	<b>Net debt</b>	<b>(11,815,804)</b>	<b>(832,996)</b>	<b>-</b>	<b>(12,648,800)</b>

24	Reconciliation of net cash flow to movement in net debt	2015	2014
		£	£
	Decrease in cash in the year	(675,548)	(38,823)
	Cash inflow from increase in debt	(157,448)	(287,535)
	<b>Movement in net debt in the year</b>	<b>(832,996)</b>	<b>(326,358)</b>
	Opening net debt	(11,815,804)	(11,489,446)
	<b>Closing net debt</b>	<b>(12,648,800)</b>	<b>(11,815,804)</b>