

Company Registration No. 03875497 (England and Wales)

SPORTING CLUB ST HELENS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 OCTOBER 2016



SPORTING CLUB ST HELENS LIMITED

COMPANY INFORMATION

Directors	E McManus J A G Hartley J Nicholl K J Marren R K McCormack M Coleman D Coleman
Secretary	C R Whitehead
Company number	03875497
Registered office	St Helens RFC Stadium McManus Drive St Helens Merseyside WA9 3AL
Auditor	RSM UK Audit LLP Chartered Accountants One City Place Queens Road Chester CH1 3BQ

SPORTING CLUB ST HELENS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 OCTOBER 2016

The directors present the strategic report for the year ended 31 October 2016.

Fair review of the business

The results for the year and financial position of the company and the group are shown in the annexed financial statements.

Strategic objectives

To continue as one of the world's leading professional rugby league clubs and also to maximise non-rugby related revenue streams available to the club as a result of its ownership of its new, wholly owned, stadium facility.

Business performance, risks and objectives

All revenue streams, both rugby and non-rugby related, remained similar to the levels of 2015.

Total revenues decreased by approximately 4% from £7,779,105 in 2015 to £7,491,374 in 2016. Operating losses increased from £(400,837) to £(499,608) in 2016

Earnings before interest, taxation, depreciation and amortisation decreased from a profit of £33,466 in 2015 to a profit of £9,506 in 2016.

Key business areas

The new long term TV deals with Sky and the BBC have underpinned the financial performance of Super League and its clubs.

The operation of The Totally Wicked Stadium has strengthened both rugby and non-rugby related revenue streams, particularly in the areas of conferencing and hospitality.

Future developments

The financial performance of the group in 2017 will be adversely affected by the deterioration in the performances and results of the rugby team during the first half of the season.

However, given the strong balance sheet and brand of the rugby club, and the quality and facilities of its new stadium, it is in a position to perform well financially in the longer term.

Key performance indicators

The key performance indicators are operating profit/(loss) and the net assets figure. These indicators are disclosed in the financial statements on pages six and seven respectively.

On behalf of the board



E McManus

Director

29/08/17

SPORTING CLUB ST HELENS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2016

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

A separate strategic report has been prepared containing details of the objectives, performance, risks and uncertainties, key business areas, likely future developments and key performance indicators of the group.

Principal activities

The principal activity of the group continued to be that of a professional rugby league club and an amateur football club.

The principal activity of the company continued to be that of a holding company.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

E McManus
J A G Hartley
J Nicholl
K J Marren
R K McCormack
M Coleman
D Coleman

(Appointed 22 July 2016)

C R Whitehead replaced P J Kitchen as company secretary on 22 July 2016.

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Disabled persons

The group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled persons wherever appropriate.

Employee involvement

The group encourages the involvement of its employees in its management through regular meetings for the dissemination of information of particular concern to employees and for receiving their views on important matters of policy.

The club management team meet monthly and holds meetings with staff both pre and post all games to ensure good communication is maintained. Key messages and policy communications are conducted via team briefings and the club undertakes a staff appraisal system to create an environment where two-way communication is encouraged and good working practices are communicated and reviewed with employees and their managers.

Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

SPORTING CLUB ST HELENS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

Future developments

The future developments required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 has been included in the separate Strategic Report in accordance with section 414C(11) of the Companies Act 2006.

On behalf of the board



E McManus

Director

29/08/17

SPORTING CLUB ST HELENS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2016

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group 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;
- state whether applicable UK 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPORTING CLUB ST HELENS LIMITED

Opinion on financial statements

We have audited the group and parent company financial statements (the "financial statements") on pages 6 to 28. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 October 2016 and of the group's 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 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 (APB's) Ethical Standards for Auditors.

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

RSM UK Audit LLP

Michael Fairhurst FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
One City Place
Queens Road
Chester
CH1 3BQ

29 August 2017

SPORTING CLUB ST HELENS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2016

		2016 £	2015 £
Turnover	Notes 3	7,491,374	7,799,105
Administrative expenses		(7,990,982)	(8,199,942)
Operating loss	5	(499,608)	(400,837)
Interest payable and similar charges	7	(220,976)	(220,691)
Loss before taxation		(720,584)	(621,528)
Taxation	8	-	-
Loss for the financial year	21	(720,584)	(621,528)
Other comprehensive income net of taxation			
Tax relating to other comprehensive income	8	322,050	605,359
Total comprehensive income for the year		(398,534)	(16,169)

Loss for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

SPORTING CLUB ST HELENS LIMITED**CONSOLIDATED BALANCE SHEET****AS AT 31 OCTOBER 2016**

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	9	30,690,623		31,124,887	
Investments	10		2		2
		<u>30,690,625</u>		<u>31,124,889</u>	
Current assets					
Stocks	12	129,346		132,868	
Debtors	13	390,756		609,540	
Cash at bank and in hand		339,626		596,750	
		<u>859,728</u>		<u>1,339,158</u>	
Creditors: amounts falling due within one year	15	<u>(1,956,724)</u>		<u>(2,367,838)</u>	
Net current liabilities			<u>(1,096,996)</u>		<u>(1,028,680)</u>
Total assets less current liabilities			<u>29,593,629</u>		<u>30,096,209</u>
Creditors: amounts falling due after more than one year	14		(12,112,447)		(11,894,443)
Provisions for liabilities	18		(4,632,636)		(4,954,686)
Net assets			<u>12,848,546</u>		<u>13,247,080</u>
Capital and reserves					
Called up share capital	20	332,502		332,502	
Share premium account	21	4,840,510		4,840,510	
Revaluation reserve	21	17,179,322		17,272,623	
Other reserves	21	(11,451)		(11,451)	
Profit and loss reserves	21	(9,492,337)		(9,187,104)	
Total equity			<u>12,848,546</u>		<u>13,247,080</u>

The financial statements were approved by the board of directors and authorised for issue on 29/10/17
and are signed on its behalf by:



E McManus
Director

SPORTING CLUB ST HELENS LIMITED**COMPANY BALANCE SHEET****AS AT 31 OCTOBER 2016**

	Notes	2016 £	£	2015 £	£
Fixed assets					
Investments	10		18,453		18,453
Current assets					
Debtors falling due after one year	13	17,267,007		17,049,003	
Cash at bank and in hand		2		2	
		<u>17,267,009</u>		<u>17,049,005</u>	
Creditors: amounts falling due within one year	15	(3)		(3)	
Net current assets			<u>17,267,006</u>		<u>17,049,002</u>
Total assets less current liabilities			<u>17,285,459</u>		<u>17,067,455</u>
Creditors: amounts falling due after more than one year	14	(12,112,447)		(11,894,443)	
Net assets			<u><u>5,173,012</u></u>		<u><u>5,173,012</u></u>
Capital and reserves					
Called up share capital	20	332,502		332,502	
Share premium account	21	4,840,510		4,840,510	
Total equity			<u><u>5,173,012</u></u>		<u><u>5,173,012</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's profit for the year was £Nil (2015 - £Nil).

The financial statements were approved by the board of directors and authorised for issue on 29/08/17 and are signed on its behalf by:



E McManus
Director

SPORTING CLUB ST HELENS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2016

	Share capital £	Share premium account £	Revaluation reserve £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 November 2014	332,502	4,840,510	16,891,782	(11,451)	(8,790,094)	13,263,249
Year ended 31 October 2015:						
Loss for the year	-	-	-	-	(621,528)	(621,528)
Other comprehensive income net of taxation:						
Tax relating to other comprehensive income	-	-	605,359	-	-	605,359
Total comprehensive income for the year	-	-	605,359	-	(621,528)	(16,169)
Transfers	-	-	(224,518)	-	224,518	-
Balance at 31 October 2015	332,502	4,840,510	17,272,623	(11,451)	(9,187,104)	13,247,080
Year ended 31 October 2016:						
Loss for the year	-	-	-	-	(720,584)	(720,584)
Other comprehensive income net of taxation:						
Tax relating to other comprehensive income	-	-	322,050	-	-	322,050
Total comprehensive income for the year	-	-	322,050	-	(720,584)	(398,534)
Transfers	-	-	(415,351)	-	415,351	-
Balance at 31 October 2016	332,502	4,840,510	17,179,322	(11,451)	(9,492,337)	12,848,546

SPORTING CLUB ST HELENS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2016

	Share capital £	Share premium account £	Total £
Balance at 1 November 2014	332,502	4,840,510	5,173,012
Year ended 31 October 2015:			
Profit and total comprehensive income for the year	-	-	-
Balance at 31 October 2015	332,502	4,840,510	5,173,012
Year ended 31 October 2016:			
Profit and total comprehensive income for the year	-	-	-
Balance at 31 October 2016	332,502	4,840,510	5,173,012

SPORTING CLUB ST HELENS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 OCTOBER 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash absorbed by operations	22	(179,302)		(218,452)	
Interest paid		(2,972)		(2,687)	
Net cash outflow from operating activities		<u>(182,274)</u>		<u>(221,139)</u>	
Investing activities					
Purchase of tangible fixed assets		<u>(74,850)</u>		<u>(54,522)</u>	
Net cash used in investing activities		(74,850)		(54,522)	
Net cash used in financing activities		-		-	
Net decrease in cash and cash equivalents		<u>(257,124)</u>		<u>(275,661)</u>	
Cash and cash equivalents at beginning of year		596,750		872,411	
Cash and cash equivalents at end of year		<u><u>339,626</u></u>		<u><u>596,750</u></u>	

SPORTING CLUB ST HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2016

1 Accounting policies

Company information

Sporting Club St Helens Limited ("the company") is a private company limited by shares, and is registered, domiciled and incorporated in England and Wales. The registered office is St Helens RFC Stadium, McManus Drive, St Helens, Merseyside, WA9 3AL.

The group consists of Sporting Club St Helens Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of long leasehold properties at fair value. The principal accounting policies adopted are set out below.

Transition to FRS 102

These group and company financial statements for the year ended 31 October 2016 are the first financial statements of Sporting Club St Helens Limited and the group prepared in accordance with FRS 102. The group and company financial statements for the year ended 31 October 2015 were prepared in accordance with previous UK GAAP. The date of transition was 1 November 2014.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended the accounting policy for deferred taxation to comply with FRS 102.

Comparative figures have been restated to reflect the adjustments made. Adjustments are recognised directly in equity at the transition date and are detailed in note 26.

Reduced disclosure exemptions

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

SPORTING CLUB ST HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

1 Accounting policies (Continued)

Basis of consolidation

The consolidated financial statements incorporate those of Sporting Club St Helens Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 October 2016. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

Going concern

During the year the group has made a loss of £398,534 and at the balance sheet date has net current liabilities of £1,096,996.

Crowther Street Holdings Limited, a company controlled by M Coleman, a director, has agreed to provide further financial support as necessary to enable the group to settle its liabilities as they fall due.

The directors have prepared budgets and cash flow forecasts for the group, which show the group can continue to trade within its existing borrowing facilities with further support from the directors. Therefore the directors have prepared the financial statements on the going concern basis.

SPORTING CLUB ST HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

1 Accounting policies (Continued)

Turnover

Prize money is dependent on where the club has finished in the major competitions and the league. It is accounted for in the season to which it relates.

Gate receipts relate to the proceeds taken at the turnstiles for each game and the season ticket sales for the season. Any prepaid season ticket sales are included within deferred income.

Sale of players relates to players sold which were under contract to the club. The income is accounted for when the sale contract is agreed.

Television fees relate to the payments for television coverage from SKY and the BBC. It is accounted for on an accruals basis.

Sponsorship, advertising and hospitality is accounted for in the season to which it relates. Any prepaid sales are included within deferred income.

Merchandising relates to shop sales and is accounted for on a receipts basis.

Lottery donations are accounted for on a receipts basis.

All of the above items exclude value added tax.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Long leasehold land and buildings	1% straight line
Plant and machinery	at varying rates on reducing balance
Computer equipment	at varying rates on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and loss are recognised in profit or loss.

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

SPORTING CLUB ST HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2016

1 Accounting policies (Continued)

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

SPORTING CLUB ST HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

1 Accounting policies (Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the group are recorded at the fair value of the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

Taxation

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

SPORTING CLUB ST HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

1 Accounting policies (Continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

The 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.

Critical judgements

At the end of the year, the directors do not consider that there were any critical judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

Key sources of estimation uncertainty

The main judgements applied in preparing these financial statements concern the carrying value of the group's leasehold land and buildings. The basis on which this has been reflected in these financial statements is set out in note 9.

SPORTING CLUB ST HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2016 £	2015 £
Turnover analysed by class of business		
Rugby related income	6,141,305	6,448,069
Catering and hospitality	1,350,069	1,351,036
	<u>7,491,374</u>	<u>7,799,105</u>

Turnover analysed by geographical market

	2016 £	2015 £
United Kingdom	<u>7,491,374</u>	<u>7,799,105</u>

4 Employees

The average monthly number of persons (including directors) employed during the year was:

	Group 2016 Number	2015 Number	Company 2016 Number	2015 Number
Playing and coaching staff	73	69	-	-
Other staff	69	66	-	-
Catering and stewards	418	513	-	-
	<u>560</u>	<u>648</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2016 £	2015 £	Company 2016 £	2015 £
Wages and salaries	4,040,516	3,862,447	-	-
Social security costs	392,033	371,096	-	-
Pension costs	14,461	140,596	-	-
	<u>4,447,010</u>	<u>4,374,139</u>	<u>-</u>	<u>-</u>

SPORTING CLUB ST HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

5 Operating loss

	2016 £	2015 £
Operating loss for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	509,114	434,303
Cost of stocks recognised as an expense	1,005,737	1,140,550
Operating lease charges	159,042	169,101
	<u>1,673,893</u>	<u>1,743,954</u>

6 Auditor's remuneration

	2016 £	2015 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	3,500	3,500
Audit of the financial statements of the company's subsidiaries	15,500	15,000
	<u>19,000</u>	<u>18,500</u>
For other services		
Taxation compliance services	3,500	3,000
All other non-audit services	9,000	8,500
	<u>12,500</u>	<u>11,500</u>

7 Interest payable and similar charges

	2016 £	2015 £
Interest on financial liabilities measured at amortised cost:		
Other interest on financial liabilities	218,004	218,004
Other finance costs:		
Other interest	2,972	2,687
Total finance costs	<u>220,976</u>	<u>220,691</u>

SPORTING CLUB ST HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

8 Taxation

The total tax charge for the year included in the profit and loss account can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2016 £	2015 £
Loss before taxation	(720,584)	(621,528)
Expected tax credit based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	(144,117)	(124,306)
Tax effect of expenses that are not deductible in determining taxable profit	3,555	7,124
Tax effect of utilisation of tax losses not previously recognised	-	(1,277)
Permanent capital allowances in excess of depreciation	65,842	46,265
Short term timing differences	74,720	72,194
Taxation charge for the year	-	-

In addition to the amount charged to profit or loss, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2016 £	2015 £
Deferred tax arising on:		
Revaluation of property	(322,050)	(605,359)

The company and group has a deferred tax asset of £173,000 (2015 - £196,000) arising from short term timing differences which has not been provided for in the balance sheet as it is not expected to be recoverable in the foreseeable future.

The group has a deferred tax asset of £2,169,000 (2015 - £2,508,000) arising from trading losses available for relief against future profits, which has not been provided for in the balance sheet as it is not expected to be recoverable within the foreseeable future.

Reductions to the UK Corporation tax rates were substantively enacted as part of the Finance Bill 2015 on 2 July 2015. These reduced the main rate to 20% from 1 April 2015.

Further reductions to 19% from 1 April 2017 and to 18% from 1 April 2020 were substantively enacted 26 October 2015. On 6 September 2016, a further reduction to 17% was substantively enacted to take effect from 1 April 2020.

SPORTING CLUB ST HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

9 Tangible fixed assets

Group	Long leasehold land and buildings £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation				
At 1 November 2015	30,006,345	1,839,473	409,941	32,255,759
Additions	-	68,140	6,710	74,850
At 31 October 2016	30,006,345	1,907,613	416,651	32,330,609
Depreciation and impairment				
At 1 November 2015	272,207	530,750	327,915	1,130,872
Depreciation charged in the year	329,209	128,942	50,963	509,114
At 31 October 2016	601,416	659,692	378,878	1,639,986
Carrying amount				
At 31 October 2016	29,404,929	1,247,921	37,773	30,690,623
At 31 October 2015	29,734,138	1,308,723	82,026	31,124,887

The company had no tangible fixed assets at 31 October 2016 or 31 October 2015.

The leasehold land and buildings were valued at 31 October 2014 on an open market basis by a firm of independent Chartered Surveyors. The directors believe that there has been no significant change in this value to 31 October 2016.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	Group 2016 £	2015 £	Company 2016 £	2015 £
Cost	7,984,483	7,984,483	-	-
Accumulated depreciation	(392,142)	(312,297)	-	-
Carrying value	7,592,341	7,672,186	-	-

SPORTING CLUB ST HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2016

10 Fixed asset investments

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Investments in subsidiaries	11	-	-	18,453	18,453
Unlisted investments		2	2	-	-
		<u>2</u>	<u>2</u>	<u>18,453</u>	<u>18,453</u>

Movements in fixed asset investments Group

	Investments other than loans £
Cost or valuation	
At 1 November 2015 and 31 October 2016	2
Carrying amount	
At 31 October 2016	<u>2</u>
At 31 October 2015	<u>2</u>

Movements in fixed asset investments Company

	Shares in group undertakings £
Cost or valuation	
At 1 November 2015 and 31 October 2016	18,453
Carrying amount	
At 31 October 2016	<u>18,453</u>
At 31 October 2015	<u>18,453</u>

11 Subsidiaries

Details of the company's subsidiaries at 31 October 2016 are as follows:

Name of undertaking	Country of incorporation	Nature of business	Class of shares held	% Held Direct Indirect
St Helens Rugby Football Club Limited	England and Wales	Professional Rugby League Club	Ordinary	100.00
St Helens Town Limited	England and Wales	Amateur Football Club	Ordinary	100.00

SPORTING CLUB ST HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2016

12 Stocks

	Group 2016 £	2015 £	Company 2016 £	2015 £
Finished goods and goods for resale	129,346	132,868	-	-

During the year, an impairment loss on finished goods of £1,645 was reversed within administrative expenses (2015 - £549 loss recognised).

13 Debtors

	Group 2016 £	2015 £	Company 2016 £	2015 £
Amounts falling due within one year:				
Trade debtors	185,328	230,918	-	-
Other debtors	106,197	276,006	-	-
Prepayments and accrued income	99,231	102,616	-	-
	<u>390,756</u>	<u>609,540</u>	<u>-</u>	<u>-</u>
Amounts falling due after more than one year:				
Amount owed by group undertakings	-	-	17,267,007	17,049,003
	<u>-</u>	<u>-</u>	<u>17,267,007</u>	<u>17,049,003</u>
Total debtors	<u>390,756</u>	<u>609,540</u>	<u>17,267,007</u>	<u>17,049,003</u>

During the year, an impairment loss of £Nil (2015 - £12,000) was recognised in respect of trade debtors due from customers who are known to be in financial difficulty and from whom payment was overdue by more than three months.

14 Creditors: amounts falling due after more than one year

	Notes	Group 2016 £	2015 £	Company 2016 £	2015 £
Other borrowings	16	12,112,447	11,894,443	12,112,447	11,894,443

SPORTING CLUB ST HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

15 Creditors: amounts falling due within one year

	Group 2016 £	2015 £	Company 2016 £	2015 £
Trade creditors	293,432	389,621	-	-
Other taxation and social security	332,743	356,896	-	-
Deferred income	937,336	1,155,277	-	-
Other creditors	25,655	124,367	3	3
Accruals	367,558	341,677	-	-
	<u>1,956,724</u>	<u>2,367,838</u>	<u>3</u>	<u>3</u>

16 Borrowings

	Group 2016 £	2015 £	Company 2016 £	2015 £
Other loans	<u>12,112,447</u>	<u>11,894,443</u>	<u>12,112,447</u>	<u>11,894,443</u>
Payable after one year	<u>12,112,447</u>	<u>11,894,443</u>	<u>12,112,447</u>	<u>11,894,443</u>

The other loans have been provided by Crowther Street Holdings Limited, a company controlled by M Coleman, a director of Sporting Club St Helens Limited.

During the year ended 31 October 2013 the short and medium term loans from Crowther Street Holdings were consolidated into one loan. The total loan balance at 31 October 2016 is £12,112,447 (2015 - £11,894,443), bears interest at 1.5% above LIBOR, and is due for repayment on 31 October 2018. Partial or full repayment of the loan can be made in multiples of £250,000. The loan is convertible into ordinary shares of the company at the option of the lender. The conversion price per share is based on 50% of the Net Tangible Asset value per share when a conversion notice is issued, or price per share if there is an acquisition of the company.

The loans from Crowther Street Holdings Limited are secured by a debenture over all of the assets and undertaking of Sporting Club St Helens Limited and its subsidiary, St Helens Rugby Football Club Limited.

17 Financial instruments

	Group 2016 £	2015 £	Company 2016 £	2015 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	291,525	506,924	17,267,007	17,049,003
Equity instruments measured at cost less impairment	<u>2</u>	<u>2</u>	<u>-</u>	<u>-</u>
Carrying amount of financial liabilities				
Measured at amortised cost	<u>12,799,092</u>	<u>12,750,108</u>	<u>12,112,450</u>	<u>11,894,446</u>

SPORTING CLUB ST HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

18 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016 £	Liabilities 2015 £
Group		
Revaluations	3,686,808	3,953,221
Rolled over gains	945,828	1,001,465
	<u>4,632,636</u>	<u>4,954,686</u>

The company has no deferred tax assets or liabilities.

	Group 2016 £	Company 2016 £
Movements in the year:		
Liability at 1 November 2015	4,954,686	-
Credit to other comprehensive income	(49,542)	-
Effect of change in tax rate - other comprehensive income	(272,508)	-
	<u>4,632,636</u>	<u>-</u>
Liability at 31 October 2016	<u>4,632,636</u>	<u>-</u>

The deferred tax liability set out above in relation to revaluations will be released in line with the excess depreciation charge transferred from the revaluation reserve annually.

19 Retirement benefit schemes

	2016 £	2015 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>14,461</u>	<u>140,596</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund. At 31 October 2016 pension contributions of £60,500 (2015 - £9,000) were outstanding.

SPORTING CLUB ST HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

20 Share capital

	Group and company	
	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
332,502 Ordinary of £1 each	332,502	332,502

The company has one class of ordinary shares which have the rights to receive dividends and to receive assets on a winding up. Each share is entitled to one vote in any circumstances.

21 Reserves

Share premium

Consideration received for shares issued above their nominal value net of transaction costs.

Revaluation reserve

The cumulative revaluation gains and losses in respect of land and buildings, except revaluation gains and losses recognised in profit or loss.

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

22 Cash generated from group operations

	2016	2015
	£	£
Loss for the year after tax	(720,584)	(621,528)
Adjustments for:		
Finance costs	220,976	220,691
Depreciation and impairment of tangible fixed assets	509,114	434,303
Movements in working capital:		
Decrease/(increase) in stocks	3,522	(44,370)
Decrease in debtors	218,784	454,579
Decrease in creditors	(193,173)	(1,817,404)
(Decrease)/increase in deferred income	(217,941)	1,155,277
Cash absorbed by operations	(179,302)	(218,452)

SPORTING CLUB ST HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2016

23 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2016 £	2015 £	Company 2016 £	2015 £
Within one year	50,599	36,879	-	-
Between one and five years	73,859	50,621	-	-
	<u>124,458</u>	<u>87,500</u>	<u>-</u>	<u>-</u>

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel of the group, who are senior members of staff, is as follows.

	2016 £	2015 £
Aggregate compensation	<u>512,200</u>	<u>497,100</u>

There is a secured loan from a company controlled by a director, M Coleman, of £12,112,447 (2015 - £11,894,443). During the year the loan accrued interest payable to M Coleman of £218,004 (2015 - £218,004). Details are given in note 16.

25 Controlling party

In the directors' opinion there is no one single ultimate controlling party.

SPORTING CLUB ST HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31-OCTOBER-2016

26 Reconciliations on adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on; (i) the consolidated equity at the date of transition to FRS 102; (ii) the consolidated equity at the end of the comparative period; and (iii) the consolidated profit or loss for the comparative period reported under previous UK GAAP are given below.

Reconciliation of equity - group

	Notes	1 November 2014 £	31 October 2015 £
Equity as reported under previous UK GAAP		18,823,294	18,201,766
Adjustments arising from transition to FRS 102:			
Deferred tax on revalued property	a	(4,447,306)	(3,953,221)
Deferred taxation on rolled over gains	a	(1,112,739)	(1,001,465)
Equity reported under FRS 102		<u>13,263,249</u>	<u>13,247,080</u>

Reconciliation of profit/ (loss) - group

	2015 £
Profit/ (loss) as reported under previous UK GAAP and under FRS 102	<u>(621,528)</u>

Notes to reconciliations on adoption of FRS 102 - group

a. Deferred taxation

FRS 102 requires deferred tax to be provided for in relation to all timing differences. As a result deferred tax has been provided for in conjunction with land and buildings being included in these accounts at fair value. The result is a deferred tax liability at transition of £4,447,306, which had reduced to £3,953,221 at 31 October 2015, with corresponding reductions in equity. This does not impact on profit reported for the period as the deferred tax is recognised along with any valuation gains and losses as part of other comprehensive income.

FRS 102 requires deferred tax to be provided for in relation to all timing differences. As a result deferred tax has been provided for in conjunction with rolled over gains. The result is a deferred tax liability at transition of £1,112,739, which had reduced to £1,001,465 at 31 October 2015, with corresponding reductions in equity. This does not impact on profit reported for the period as the deferred tax is recognised along with any valuation gains and losses as part of other comprehensive income.

The company had no restatements arising from the adoption of FRS 102.