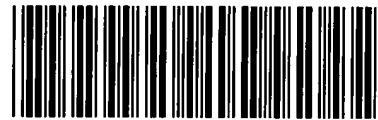


Company Registration No. 03875497 (England and Wales)

SPORTING CLUB ST. HELENS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 OCTOBER 2018

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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 5th Floor One City Place Queens Road Chester CH1 3BQ

SPORTING CLUB ST. HELENS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 OCTOBER 2018

The directors present the strategic report for the year ended 31 October 2018.

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 lines of revenues improved, particularly gate receipts, consequent upon improved results on the pitch.

Total revenues increased by 11% from £7,052,191 in 2017 to £7,837,617 in 2018. Operating losses decreased from £1,137,237 to £432,637 in 2018 as a result of maintaining costs at similar levels to 2017. Earnings before interest, taxation, depreciation and amortisation increased from a loss of £695,748 in 2017 to a profit of £28,281 in 2018.

At 31 October 2018, the group had net current liabilities of £14,486,486 (2017 - £14,110,673). This is as a result of other loans being repayable within 12 months. The majority of these are expected to be capitalised into equity as a result of a post balance sheet financial restructuring which is expected to be completed by 31 October 2019. The group has the financial support of Crowther Street Holdings Limited who are the holders of the loans, and as such, continue to adopt the going concern assumption.

Principal risks and uncertainties

The principal risk of the group is an adverse impact on the pitch, and its knock-on effect on income streams. The group believe they have in place the appropriate facilities and staff to ensure the team continues to challenge in all competitions.

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 8 and 9 respectively.

Key business areas

The 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.

SPORTING CLUB ST. HELENS LIMITED

STRATEGIC REPORT (CONTINUED)

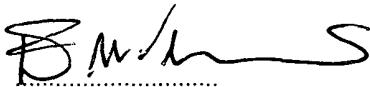
FOR THE YEAR ENDED 31 OCTOBER 2018

Future developments

Revenues streams continue to be strong in 2019 in all areas as a result of the team's good performances in all competitions. The group is expected to continue to continue to maintain a positive EBITDA.

The group balance sheet will be stronger once the conversion of short term loans into equity has taken place. The brand of the rugby club, together with the quality and facilities of the new stadium, mean it is well placed to perform well financially in the longer term.

On behalf of the board



E McManus

Director

Date: 24 JULY 2019

SPORTING CLUB ST. HELENS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2018

The directors present their report and financial statements for the year ended 31 October 2018.

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

Results and dividends

The results for the year are set out on page 8.

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

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

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, including the financial and economic factors affecting the performance of the group 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.

Future developments

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments and going concern.

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 2018

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



E McManus
Director

Date: 24 JULY 2019

SPORTING CLUB ST. HELENS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2018

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

We have audited the financial statements of Sporting Club St. Helens Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 October 2018 which comprise the consolidated statement of comprehensive income, the consolidated balance sheet, the company balance sheet, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 October 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPORTING CLUB ST. HELENS LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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

Ian Taylor (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
5th Floor
One City Place
Queens Road
Chester
CH1 3BQ
20 July 2019

SPORTING CLUB ST. HELENS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2018

		2018	2017
	Notes	£	£
Turnover	3	7,837,617	7,052,191
Administrative expenses		(8,270,254)	(8,189,428)
Operating loss	5	(432,637)	(1,137,237)
Interest payable and similar expenses	7	(248,857)	(227,227)
Loss before taxation		(681,494)	(1,364,464)
Tax on loss	8	(8,713)	(81,225)
Loss for the financial year		(690,207)	(1,445,689)
Other comprehensive income			
Revaluation of tangible fixed assets		-	1,891,758
Tax relating to stadium revaluation		54,185	(238,319)
Total comprehensive income for the year		(636,022)	207,750

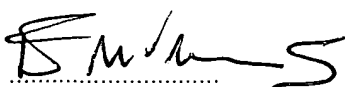
Loss for the financial year is all attributable to the owners of the parent company.

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 2018**

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	9	31,857,216		32,211,647	
Investments	10		2		2
		31,857,218		32,211,649	
Current assets					
Stocks	12	134,043		98,489	
Debtors	13	833,989		552,149	
Cash at bank and in hand		485,198		243,734	
		1,453,230		894,372	
Creditors: amounts falling due within one year	14	(15,939,716)		(15,005,045)	
Net current liabilities		(14,486,486)		(14,110,673)	
Total assets less current liabilities		17,370,732		18,100,976	
Creditors: amounts falling due after more than one year	15	(43,750)		(92,500)	
Provisions for liabilities	19	(4,906,708)		(4,952,180)	
Net assets		12,420,274		13,056,296	
Capital and reserves					
Called up share capital	21	332,502		332,502	
Share premium account	22	4,840,510		4,840,510	
Revaluation reserve	22	18,437,007		18,615,919	
Other reserves	22	(11,451)		(11,451)	
Profit and loss reserves	22	(11,178,294)		(10,721,184)	
Total equity		12,420,274		13,056,296	

The financial statements were approved by the board of directors and authorised for issue on 24 July 2019 and are signed on its behalf by:



E Manus
Director

SPORTING CLUB ST. HELENS LIMITED**COMPANY BALANCE SHEET****AS AT 31 OCTOBER 2018**

	Notes	2018 £	£	2017 £	£
Fixed assets					
Investments	10		18,453		18,453
Current assets					
Debtors falling due after more than one year	13	17,731,355		17,485,011	
Debtors falling due within one year	13	880,000		500,000	
Cash at bank and in hand		2		2	
		18,611,357		17,985,013	
Creditors: amounts falling due within one year	14	(13,456,798)		(12,830,454)	
Net current assets			5,154,559		5,154,559
Total assets less current liabilities			5,173,012		5,173,012
Capital and reserves					
Called up share capital	21		332,502		332,502
Share premium account	22		4,840,510		4,840,510
Total equity			5,173,012		5,173,012

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 result and total comprehensive income for the year was £0 (2017 - £0).

The financial statements were approved by the board of directors and authorised for issue on 24 JULY 2019 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 2018

	Share capital £	Share premium account £	Revaluation reserve £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 November 2016	332,502	4,840,510	17,179,322	(11,451)	(9,492,337)	12,848,546
Year ended 31 October 2017:						
Loss for the year	-	-	-	-	(1,445,689)	(1,445,689)
Other comprehensive income:						
Revaluation of tangible fixed assets	-	-	1,891,758	-	-	1,891,758
Tax relating to stadium revaluation	-	-	(238,319)	-	-	(238,319)
Total comprehensive income for the year	-	-	1,653,439	-	(1,445,689)	207,750
Transfers	-	-	(216,842)	-	216,842	-
Balance at 31 October 2017	332,502	4,840,510	18,615,919	(11,451)	(10,721,184)	13,056,296
Year ended 31 October 2018:						
Loss for the year	-	-	-	-	(690,207)	(690,207)
Other comprehensive income:						
Tax relating to stadium revaluation	-	-	54,185	-	-	54,185
Total comprehensive income for the year	-	-	54,185	-	(690,207)	(636,022)
Transfers	-	-	(233,097)	-	233,097	-
Balance at 31 October 2018	332,502	4,840,510	18,437,007	(11,451)	(11,178,294)	12,420,274

SPORTING CLUB ST. HELENS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2018

	Share capital £	Share premium account £	Total £
Balance at 1 November 2016	332,502	4,840,510	5,173,012
	<hr/>	<hr/>	<hr/>
Year ended 31 October 2017:			
Result and total comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 31 October 2017	332,502	4,840,510	5,173,012
	<hr/>	<hr/>	<hr/>
Year ended 31 October 2018:			
Result and total comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 31 October 2018	332,502	4,840,510	5,173,012
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

SPORTING CLUB ST. HELENS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 OCTOBER 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash absorbed by operations	23		(29,536)		(515,914)
Interest paid			(2,513)		(9,223)
Net cash outflow from operating activities			(32,049)		(525,137)
Investing activities					
Purchase of tangible fixed assets		(106,487)		(70,755)	
Net cash used in investing activities			(106,487)		(70,755)
Financing activities					
Proceeds from borrowings		380,000		700,000	
Repayment of borrowings		-		(200,000)	
Net cash generated from financing activities			380,000		500,000
Net increase/(decrease) in cash and cash equivalents			241,464		(95,892)
Cash and cash equivalents at beginning of year			243,734		339,626
Cash and cash equivalents at end of year			485,198		243,734

SPORTING CLUB ST. HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

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 land and buildings at fair value. The principal accounting policies adopted are set out below.

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 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.

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).

All financial statements are made up to 31 October 2018. 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 and balances with group companies are eliminated on consolidation.

SPORTING CLUB ST. HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies (Continued)

Going concern

During the year the group has made a loss of £636,022 and at the balance sheet date has net current liabilities of £14,486,486.

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 using the going concern basis.

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 and are recorded at the fair value of the consideration receivable.

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 10% and 20% on reducing balance
Computer equipment	at 20% and 33% 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.

SPORTING CLUB ST. HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies (Continued)

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 depreciated replacement cost.

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 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.

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.

Interests in unlisted investments 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.

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.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises goods for resale.

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' 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.

SPORTING CLUB ST. HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies (Continued)

Basic financial assets

Basic financial assets, which include trade and other debtors, amounts receivable from group undertakings 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.

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.

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 trade and other creditors and other loans, 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.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

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 proceeds received, net of transaction costs.

SPORTING CLUB ST. HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

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.

Deferred tax

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.

For non-depreciable assets measured using the revaluation model, deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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 profit or loss 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 leased asset are consumed.

SPORTING CLUB ST. HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Valuation of land and buildings

The main estimates 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.

3 Turnover and other revenue

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

	2018 £	2017 £
Turnover analysed by class of business		
Rugby related income	6,396,124	5,832,643
Catering and hospitality	1,441,493	1,219,548
	<u>7,837,617</u>	<u>7,052,191</u>
	2018 £	2017 £
Turnover analysed by geographical market		
United Kingdom	<u>7,837,617</u>	<u>7,052,191</u>

SPORTING CLUB ST. HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

4 Employees

The average monthly number of persons employed during the year was:

	Group 2018 Number	2017 Number	Company 2018 Number	2017 Number
Playing and coaching staff	71	73	-	-
General staff	70	72	-	-
Catering and stewards	445	458	-	-
	<u>586</u>	<u>603</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Wages and salaries	4,348,401	4,073,139	-	-
Social security costs	407,931	402,206	-	-
Pension costs	24,488	15,841	-	-
	<u>4,780,820</u>	<u>4,491,186</u>	<u>-</u>	<u>-</u>

Directors of the group are not remunerated, hence no disclosure of director's remuneration.

5 Operating loss

	2018 £	2017 £
Operating loss for the year is stated after charging:		
Depreciation of owned tangible fixed assets	460,918	441,489
Cost of stocks recognised as an expense	1,042,526	952,587
Operating lease charges	<u>80,271</u>	<u>178,741</u>

SPORTING CLUB ST. HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

6 Auditor's remuneration

	2018	2017
	£	£
Fees payable to the company's auditor and its 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	15,700	15,500
	<u>19,200</u>	<u>19,000</u>
For other services		
Taxation compliance services	6,100	3,500
All other non-audit services	20,000	7,500
	<u>26,100</u>	<u>11,000</u>

7 Interest payable and similar expenses

	2018	2017
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on other loans	246,344	218,004
Other finance costs:		
Other interest	2,513	9,223
Total interest payable	<u>248,857</u>	<u>227,227</u>

SPORTING CLUB ST. HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

8 Taxation

	2018 £	2017 £
Deferred tax		
Origination and reversal of timing differences	8,713	81,225

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:

	2018 £	2017 £
Loss before taxation	(681,494)	(1,364,464)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.00%)	(129,484)	(259,248)
Tax effect of expenses that are not deductible in determining taxable profit	11,698	9,660
Tax effect of utilisation of tax losses not previously recognised	(3,255)	(1,742)
Unutilised tax losses carried forward	69,572	183,491
Short term timing differences	1,640	1,216
Fixed asset timing differences	58,542	147,848
Taxation charge for the year	8,713	81,225

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

	2018 £	2017 £
Deferred tax arising on:		
Revaluation of property	(54,185)	238,319

The company and group has a deferred tax asset of £172,116 (2017 - £172,116) 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 £2,143,222 (2017 - £2,333,139) 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.

A reduction to the UK Corporation tax rate was substantively enacted on 6 September 2016, reducing the main rate to 17% from 1 April 2020.

The deferred tax assets and liabilities reflect this rate.

SPORTING CLUB ST. HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

9 Tangible fixed assets

Group	Long leasehold land and buildings £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation				
At 1 November 2017	31,000,000	1,954,163	440,856	33,395,019
Additions	-	44,625	61,862	106,487
At 31 October 2018	31,000,000	1,998,788	502,718	33,501,506
Depreciation and impairment				
At 1 November 2017	-	760,346	423,026	1,183,372
Depreciation charged in the year	312,942	96,019	51,957	460,918
At 31 October 2018	312,942	856,365	474,983	1,644,290
Carrying amount				
At 31 October 2018	30,687,058	1,142,423	27,735	31,857,216
At 31 October 2017	31,000,000	1,193,817	17,830	32,211,647

The company had no tangible fixed assets at 31 October 2018 or 31 October 2017.

The leasehold land and buildings of £31,000,000 were valued at 31 October 2017 based on a depreciated replacement cost by Charterfields a firm of independent Chartered Surveyors, in accordance with the Royal Institution of Chartered Surveyors. Charterfields are not connected with the group.

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 2018 £	2017 £	Company 2018 £	2017 £
Cost	7,984,483	7,984,483	-	-
Accumulated depreciation	(551,832)	(471,987)	-	-
Carrying value	7,432,651	7,512,496	-	-

SPORTING CLUB ST. HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

10 Fixed asset investments

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
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>

The unlisted investment represents the group's share in Super League (Europe) Limited.

Movements in fixed asset investments

Group

Unlisted investments £

Cost

At 1 November 2017 and 31 October 2018

2

Carrying amount

At 31 October 2018

2

At 31 October 2017

2

Movements in fixed asset investments

Company

Investments in subsidiaries £

Cost

At 1 November 2017 and 31 October 2018

18,453

Carrying amount

At 31 October 2018

18,453

At 31 October 2017

18,453

SPORTING CLUB ST. HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

11 Subsidiaries

Details of the company's subsidiaries at 31 October 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
St Helens Rugby Football Club Limited	St Helens Rfc Stadium, Mcmanus Drive, St. Helens, Merseyside, WA9 3AL	Professional Rugby League Club	Ordinary	100	
St Helens Town Limited	4 Grant Close, St Helens, Merseyside, WA10 2HG	Amateur Football Club	Ordinary	100	

12 Stocks

	Group 2018 £	2017 £	Company 2018 £	2017 £
Goods for resale	134,043	98,489	-	-

During the year, an impairment loss on goods for resale of £nil was reversed within administrative expenses (2017 - £53,796).

13 Debtors

	Group 2018 £	2017 £	Company 2018 £	2017 £
Amounts falling due within one year:				
Trade debtors	356,873	229,830	-	-
Amounts owed by group undertakings	-	-	880,000	500,000
Other debtors	104,210	92,378	-	-
Prepayments and accrued income	372,906	229,941	-	-
	<u>833,989</u>	<u>552,149</u>	<u>880,000</u>	<u>500,000</u>
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	17,731,355	17,485,011
	<u>-</u>	<u>-</u>	<u>17,731,355</u>	<u>17,485,011</u>
Total debtors	<u>833,989</u>	<u>552,149</u>	<u>18,611,355</u>	<u>17,985,011</u>

SPORTING CLUB ST. HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

13 Debtors (Continued)

Amounts due from group undertakings have no set repayment date and accrue interest at LIBOR +1.5%. In the opinion of the directors they are not expected to be recovered within 12 months from the balance sheet date.

14 Creditors: amounts falling due within one year

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Other loans	16	13,456,795	12,830,451	13,456,795	12,830,451
Trade creditors		580,771	411,828	-	-
Other taxation and social security		378,376	368,642	-	-
Deferred income		1,104,440	1,005,093	-	-
Other creditors		80,173	74,360	3	3
Accruals		339,161	314,671	-	-
		<u>15,939,716</u>	<u>15,005,045</u>	<u>13,456,798</u>	<u>12,830,454</u>

15 Creditors: amounts falling due after more than one year

	Group 2018 £	2017 £	Company 2018 £	2017 £
Other creditors	43,750	92,500	-	-
	<u>43,750</u>	<u>92,500</u>	<u>-</u>	<u>-</u>

16 Borrowings

	Group 2018 £	2017 £	Company 2018 £	2017 £
Other loans	13,456,795	12,830,451	13,456,795	12,830,451
	<u>13,456,795</u>	<u>12,830,451</u>	<u>13,456,795</u>	<u>12,830,451</u>
Payable within one year	13,456,795	12,830,451	13,456,795	12,830,451
	<u>13,456,795</u>	<u>12,830,451</u>	<u>13,456,795</u>	<u>12,830,451</u>

SPORTING CLUB ST. HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

16 Borrowings (Continued)

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 Limited were consolidated into one loan. The total loan balance at 31 October 2018 is £12,576,795 (2017 - £12,330,451), bears interest at 1.5% above LIBOR, and was 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.

There was an additional loan in the year from Crowther Street Holdings Limited of £380,000 (2017 - £700,000) with an outstanding balance of £880,000 at 31 October 2018 (2017 - £500,000). The loan is repayable within 12 months and no interest is being charged on the loan.

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

17 Financial instruments

	Group 2018 £	2017 £	Company 2018 £	2017 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	677,725	422,208	n/a	n/a
Equity instruments measured at cost less impairment	2	2	n/a	n/a
	<u>677,725</u>	<u>422,208</u>	<u>n/a</u>	<u>n/a</u>
Carrying amount of financial liabilities				
Measured at amortised cost	14,500,650	13,723,810	n/a	n/a
	<u>14,500,650</u>	<u>13,723,810</u>	<u>n/a</u>	<u>n/a</u>

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

18 Provisions for liabilities

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Deferred tax liabilities	19	4,906,708	4,952,180	-	-
		<u>4,906,708</u>	<u>4,952,180</u>	<u>-</u>	<u>-</u>

SPORTING CLUB ST. HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

19 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 2018 £	Liabilities 2017 £
Group		
Accelerated capital allowances	105,507	98,434
Revaluations	3,870,942	3,925,127
Rolled over gains	945,828	945,828
Short-term timing differences	(15,569)	(17,209)
	<u>4,906,708</u>	<u>4,952,180</u>

The company has no deferred tax assets or liabilities.

	Group 2018 £	Company 2018 £
Movements in the year:		
Liability at 1 November 2017	4,952,180	-
Charge to profit or loss	8,713	-
Credit to other comprehensive income	(54,185)	-
	<u>4,906,708</u>	<u>-</u>
Liability at 31 October 2018	<u>4,906,708</u>	<u>-</u>

The majority of 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.

20 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>24,488</u>	<u>15,841</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 2018 pension contributions of £10,963 (2017 - £4,347) were outstanding and included in other creditors.

SPORTING CLUB ST. HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

21 Share capital

	Group and company	
	2018	2017
	£	£
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.

22 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, net of respective deferred tax.

Other reserves

The acquisition of St Helens Rugby Football Club Limited and St Helens Town Limited was achieved by a share for share exchange and therefore merger accounting principles have been adopted. An amount of £11,451, which represents the excess of the nominal value of the shares issued over the nominal value of the shares acquired in St Helens Rugby Football Club Limited and St Helens Town Limited has been charged to other reserves.

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

23 Cash generated from group operations

	2018	2017
	£	£
Loss for the year after tax	(690,207)	(1,445,689)
Adjustments for:		
Taxation charged	8,713	81,225
Interest payable	248,857	227,227
Depreciation and impairment of tangible fixed assets	460,918	441,489
Movements in working capital:		
(Increase)/decrease in stocks	(35,554)	30,857
Increase in debtors	(281,840)	(161,393)
Increase in creditors	160,230	242,613
Increase in deferred income	99,347	67,757
Cash absorbed by operations	(29,536)	(515,914)

SPORTING CLUB ST. HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

24 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 2018 £	2017 £	Company 2018 £	2017 £
Within one year	160,158	71,476	-	-
Between one and five years	33,696	65,498	-	-
	<u>193,854</u>	<u>136,974</u>	<u>-</u>	<u>-</u>

25 Events after the reporting date

On 31 January 2019, 150,000 ordinary shares were allotted for a price of £10 per share.

The repayment date for the medium term loans due to Crowther Street Holdings Limited has been extended to 31 August 2019. It is anticipated that a new consolidated loan agreement replacing the current arrangements will be entered into with Crowther Street Holdings Limited prior to 31 August 2019.

26 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.

	2018 £	2017 £
Aggregate compensation	<u>575,402</u>	<u>589,449</u>

Transactions with related parties

A director of the company has significant influence over RCMA Stratford Ltd. Sales to the entity during the year have totalled £12,000 (2017 - £124,175) and a debtor balance of £Nil (2017 - £1,177) is held at the year end.

The company has common shareholders with Rhino Rugby. Purchases from the entity during the year have totalled £8,634 (2017 - £Nil). There is no balance outstanding at year end.

27 Controlling party

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