

Company Registration No. 03875497 (England and Wales)

**SPORTING CLUB ST. HELENS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 OCTOBER 2020**



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 2020

The directors present the strategic report for the year ended 31 October 2020.

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 wholly owned, stadium facility.

Business performance, risks and objectives

St Helens had a successful year on the pitch winning the 2020 Grand Final in spectacular fashion for a second consecutive season. The COVID-19 pandemic restrictions meant that the final, and the majority of the season, was played behind closed doors without any supporters in attendance. The pandemic, and subsequent lockdowns, have had a detrimental effect on income streams across all areas of the business. Tax liabilities were deferred following agreement with HMRC. Employees took a voluntary pay cut in order to assist the company to manage its cash balances during the year.

Total revenues decreased by 31% from £8,612,268 in 2019 to £5,979,345 in 2020. Operating losses increased from £336,160 to £1,120,766 in 2020 as a result of decreased revenues due to restrictions imposed in response to the COVID-19 pandemic, which is offset by £976,174 of furlough income and £872,153 of cost savings in the rugby club. Earnings before interest, taxation, depreciation and amortisation decreased from £93,291 in 2019 to a loss of £714,522 in 2020.

At 31 October 2020, the group had net current liabilities of £11,900,011 (2019 - £13,111,008). The reduction is due mainly to the fact that season tickets went on sale post year end (2019 - pre year end) and therefore deferred income was lower at the year end.

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 along with the impact of the COVID-19 pandemic. The group believe they have in place the appropriate facilities and staff to ensure the team continues to challenge in all competitions.

The group made use of the Coronavirus Job Retention Scheme to support cashflow. Further, following the announcement of a support fund of £16m from the Department for Culture, Media and Sport (DCMS) for the sport of Rugby League, a successful application was made for a share of that fund. A bounce back loan was also secured.

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 9 and 10 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.

Post year end The Totally Wicked Stadium has been used as a vaccination centre by the NHS, generating additional income for the group.

Future Developments

Team performance in Super League in 2021 continues to be strong with the club placed second in the table. The Challenge Cup has been won for the first time in thirteen years. The group's focus in the short term is to manage through the effects of the pandemic with a view to fans fully returning for the 2022 season with revenue streams returning as a result.

The brand of the rugby club, together with the quality and facilities of the stadium mean it is well placed to perform well financially in the long term.

SPORTING CLUB ST. HELENS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

Statement by the directors in performance of their statutory duties in accordance with section 172 of the Companies Act 2006

The mission of St Helens RFC is to be a successful rugby league club regularly competing in, and winning, the competitions in which they participate. The directors have a duty to promote the success of the company for the benefit of its employees and key stakeholders.

Stakeholders

The directors actively engage with stakeholders of the company to create positive relationships. Our key stakeholders include our employees who are at the centre of our business working to achieve our aims. Members and supporters in the wider St Helens community are key to the company and ensuring they receive a positive experience whenever they visit the stadium is key to the business.

Customers

A main focus of St Helens RFC is to achieve excellent customer service. Some of our customers are also sponsors with whom we have developed long standing relationships, built on openness and quality of service. The directors and employees continue to promote these relationships with a view to ensuring the long term success of the business.

Suppliers

We work closely with our suppliers many of whom are based within the St Helens community. The directors believe it is important to create positive relationships with local businesses where possible as many employees of such businesses are also supporters.

St Helens Community

The directors recognise that the company is at the centre of the St Helens community and consideration is given to the effect on the community of prospective decisions before they are taken. The company is one of the largest employers in the area and the directors recognize their responsibility to the town.

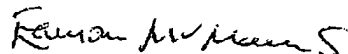
Decision Making

Key decisions are presented to the Board at executive meetings by the management team. Directors are briefed on any possible risks to the business or any of its stakeholders and how they are to be managed. The Directors take these factors into account before making a final decision which they believe to be in the best interests of the company.

Sustainability

The directors and senior management focus on the long term sustainability of the company when making business decisions in order to ensure stable returns. The Board annually reviews and approves a three year strategic plan and performance against this is reviewed in the year. The potential impact and risks to individual stakeholders of the plan are highlighted to the Board. This is to ensure that the company is conducting all business relationships with integrity.

On behalf of the board



.....
E Manus

Director

Date: 29.7.21

SPORTING CLUB ST. HELENS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2020

The directors present their report and financial statements for the year ended 31 October 2020.

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.

Results and dividends

The results for the year are set out on page 9.

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

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

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.

Business relationships

In accordance with section 172 of the Companies Act, the group has a requirement to report on a need to foster the group's business relationships with suppliers, customers and others. The relationships are considered in the decision making of the group, the details of which are included in the strategic report.

SPORTING CLUB ST. HELENS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

Post reporting date events

The group has applied for, and has received, a further £1.3m share of £16.7m of funding from the DCMS. This has been combined with the original loan received in 2020 with an interest payment holiday of two years and the total balance is due to be paid over 10 years. The 2021 season has been adversely affected by the restrictions enforced by the COVID-19 pandemic. This has resulted in three matches being played behind closed doors, and a further three games being played in front of supporters but a limited attendance of 25% of capacity. Matchday revenues have been absent for the first half of the season.

Commencing in December 2020 the stadium has become a COVID-19 vaccination centre for the North West. The NHS has now contracted until January 2021 to make use of the stadium for this purpose. Non matchday revenues have benefitted as a consequence.

Auditor

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

Energy and carbon reporting

The following section highlights the group's energy consumption and equivalent emissions of CO₂, in line with the SECR guidelines.

| | | |
|--|----------------------|----------------------|
| <i>Energy consumption</i> | | kWh |
| Aggregate of energy consumption in the year | | 960,072 |
| | | <hr/> |
| <i>Emissions of CO₂ equivalent</i> | Metric tonnes | Metric tonnes |
| Scope 1 - direct emissions | | |
| - Gas combustion | 26.00 | |
| - Biomass | 2.60 | |
| | <hr/> | 28.60 |
| Scope 2 - indirect emissions | | |
| - Electricity purchased | | 152.00 |
| Scope 3 - other indirect emissions | | |
| - Fuel consumed for transport not owned by the company | | - |
| | | <hr/> |
| Total gross emissions | | 180.60 |
| | | <hr/> |
| <i>Intensity ratio</i> | | |
| Tonnes CO ₂ e per employee | | 0.32 |
| | | <hr/> |

Quantification and reporting methodology

The group has followed the 2019 HM Government Environmental Reporting Guidelines. The group has also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per employee, the recommended ratio for the sector.

Measures taken to improve energy efficiency

In 2019 the company had an Energy Saving Opportunity Scheme (ESOS) report undertaken at the stadium. Recommendations from that report have been implemented. The COVID-19 pandemic resulted in the stadium being closed for a significant part of the year and as a consequence consumption is less than prior years.

SPORTING CLUB ST. HELENS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

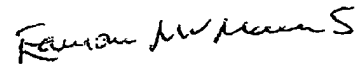
Statement of disclosure to auditor

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.

Matters of strategic importance

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.

On behalf of the board



.....
E McManus

Director

Date: 29.7.21

SPORTING CLUB ST. HELENS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2020

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 2020 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 of the parent company's affairs as at 31 October 2020 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 6, 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: <https://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

.....
30 July 2021

SPORTING CLUB ST. HELENS LIMITED

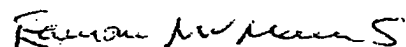
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2020

| | | 2020 | 2019 |
|--|----------|--------------------|------------------|
| | Notes | £ | £ |
| Turnover | 3 | 5,979,345 | 8,612,268 |
| Administrative expenses | | (8,076,275) | (8,948,428) |
| Other operating income | | 976,164 | - |
| Operating loss | 5 | (1,120,766) | (336,160) |
| Interest payable and similar expenses | 7 | (7,058) | (156,919) |
| Loss before taxation | | (1,127,824) | (493,079) |
| Tax on loss | 8 | 430,644 | 151,476 |
| Loss for the financial year | | (697,180) | (341,603) |
| Other comprehensive income | | | |
| Revaluation of tangible fixed assets | | (794,053) | - |
| Tax relating to stadium revaluation | | (351,765) | 52,752 |
| Total comprehensive income for the year | | (1,842,998) | (288,851) |

SPORTING CLUB ST. HELENS LIMITED**CONSOLIDATED BALANCE SHEET****AS AT 31 OCTOBER 2020**

| | Notes | 2020 £ | £ | 2019 £ | £ |
|--|-------|---------------------|---|---------------------|---|
| Fixed assets | | | | | |
| Tangible assets | 9 | 30,273,587 | | 31,455,395 | |
| Investments | 10 | | 2 | | 2 |
| | | <u>30,273,589</u> | | <u>31,455,397</u> | |
| Current assets | | | | | |
| Stocks | 12 | 128,118 | | 144,428 | |
| Debtors | 13 | 1,038,533 | | 1,417,231 | |
| Cash at bank and in hand | | 982,454 | | 706,362 | |
| | | <u>2,149,105</u> | | <u>2,268,019</u> | |
| Creditors: amounts falling due within one year | 14 | (14,049,116) | | (15,379,027) | |
| Net current liabilities | | <u>(11,900,011)</u> | | <u>(13,111,008)</u> | |
| Total assets less current liabilities | | <u>18,373,578</u> | | <u>18,344,389</u> | |
| Creditors: amounts falling due after more than one year | 15 | (1,523,134) | | (6,667) | |
| Provisions for liabilities | 18 | (5,112,300) | | (4,756,580) | |
| Net assets | | <u>11,738,144</u> | | <u>13,581,142</u> | |
| Capital and reserves | | | | | |
| Called up share capital | 20 | 482,502 | | 482,502 | |
| Share premium account | 21 | 6,140,229 | | 6,140,229 | |
| Revaluation reserve | 21 | 16,883,017 | | 18,259,297 | |
| Other reserves | 21 | (11,451) | | (11,451) | |
| Profit and loss reserves | 21 | (11,756,153) | | (11,289,435) | |
| Total equity | | <u>11,738,144</u> | | <u>13,581,142</u> | |

The financial statements were approved by the board of directors and authorised for issue on 29 July 2021
and are signed on its behalf by:



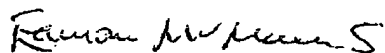
.....
E McManus
Director

SPORTING CLUB ST. HELENS LIMITED**COMPANY BALANCE SHEET****AS AT 31 OCTOBER 2020**

| | Notes | 2020 £ | £ | 2019 £ | £ |
|---|-------|---------------------|------------------|---------------------|------------------|
| Fixed assets | | | | | |
| Investments | 10 | | 18,453 | | 18,453 |
| Current assets | | | | | |
| Debtors falling due after more than one year | 13 | 18,697,747 | | 18,765,627 | |
| Cash at bank and in hand | | 2 | | 2 | |
| | | <u>18,697,749</u> | | <u>18,765,629</u> | |
| Creditors: amounts falling due within one year | 14 | <u>(12,111,070)</u> | | <u>(12,178,950)</u> | |
| Net current assets | | | <u>6,586,679</u> | | <u>6,586,679</u> |
| Total assets less current liabilities | | | <u>6,605,132</u> | | <u>6,605,132</u> |
| Capital and reserves | | | | | |
| Called up share capital | 20 | | 482,502 | | 482,502 |
| Share premium account | 21 | | 6,140,229 | | 6,140,229 |
| Profit and loss reserves | 21 | | (17,599) | | (17,599) |
| Total equity | | | <u>6,605,132</u> | | <u>6,605,132</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 result and total comprehensive income for the year was £0 (2019 - £17,599 loss).

The financial statements were approved by the board of directors and authorised for issue on 29 July 2021 and are signed on its behalf by:



.....
E Manus
Director

SPORTING CLUB ST. HELENS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2020

| | Notes | Share capital £ | Share premium account £ | Revaluation reserve £ | Other reserves £ | Profit and loss reserves £ | Total £ |
|--|-------|--------------------|----------------------------|--------------------------|---------------------|-------------------------------|-------------|
| Balance at 1 November 2018 | | 332,502 | 4,840,510 | 18,437,007 | (11,451) | (11,178,294) | 12,420,274 |
| Year ended 31 October 2019: | | | | | | | |
| Loss for the year | | - | - | - | - | (341,603) | (341,603) |
| Other comprehensive income: | | | | | | | |
| Tax relating to stadium revaluation | | - | - | 52,752 | - | - | 52,752 |
| Total comprehensive income for the year | | - | - | 52,752 | - | (341,603) | (288,851) |
| Conversion of loan to shares | 20 | 150,000 | 1,299,719 | - | - | - | 1,449,719 |
| Transfers | | - | - | (230,462) | - | 230,462 | - |
| Balance at 31 October 2019 | | 482,502 | 6,140,229 | 18,259,297 | (11,451) | (11,289,435) | 13,581,142 |
| Year ended 31 October 2020: | | | | | | | |
| Loss for the year | | - | - | - | - | (697,180) | (697,180) |
| Other comprehensive income: | | | | | | | |
| Revaluation of tangible fixed assets | | - | - | (794,053) | - | - | (794,053) |
| Tax relating to other comprehensive income | | - | - | (351,765) | - | - | (351,765) |
| Total comprehensive income for the year | | - | - | (1,145,818) | - | (697,180) | (1,842,998) |
| Transfers | | - | - | (230,462) | - | 230,462 | - |
| Balance at 31 October 2020 | | 482,502 | 6,140,229 | 16,883,017 | (11,451) | (11,756,153) | 11,738,144 |

SPORTING CLUB ST. HELENS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2020

| | Notes | Share capital £ | Share premium account £ | Profit and loss reserves £ | Total £ |
|--|-------|--------------------|----------------------------|-------------------------------|------------|
| Balance at 1 November 2018 | | 332,502 | 4,840,510 | - | 5,173,012 |
| Year ended 31 October 2019: | | | | | |
| Loss and total comprehensive income for the year | | - | - | (17,599) | (17,599) |
| Conversion of loan to shares | 20 | 150,000 | 1,299,719 | - | 1,449,719 |
| Balance at 31 October 2019 | | 482,502 | 6,140,229 | (17,599) | 6,605,132 |
| Year ended 31 October 2020: | | | | | |
| Profit and total comprehensive income for the year | | - | - | - | - |
| Balance at 31 October 2020 | | 482,502 | 6,140,229 | (17,599) | 6,605,132 |

SPORTING CLUB ST. HELENS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2020

| | Notes | 2020 £ | £ | 2019 £ | £ |
|---|-------|-----------|-------------|-----------|----------|
| Cash flows from operating activities | | | | | |
| Cash (absorbed by)/generated from operations | 22 | | (1,019,382) | | 251,441 |
| Interest paid | | | (3,066) | | (2,647) |
| Income taxes refunded/(paid) | | | 54,295 | | - |
| | | | | | |
| Net cash (outflow)/inflow from operating activities | | | (968,153) | | 248,794 |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (18,489) | | (27,630) | - |
| | | | | | |
| Net cash used in investing activities | | | (18,489) | | (27,630) |
| Financing activities | | | | | |
| Proceeds from borrowings | | 1,260,000 | | - | |
| Repayment of borrowings | | (47,266) | | - | |
| Proceeds of new bank loans | | 50,000 | | - | |
| | | | | | |
| Net cash generated from/(used in) financing activities | | | 1,262,734 | | - |
| | | | | | |
| Net increase in cash and cash equivalents | | | 276,092 | | 221,164 |
| Cash and cash equivalents at beginning of year | | | 706,362 | | 485,198 |
| | | | | | |
| Cash and cash equivalents at end of year | | | 982,454 | | 706,362 |

SPORTING CLUB ST. HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2020

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 2020. 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 2020

1 Accounting policies (Continued)

Going concern

On 11 March 2020, the World Health Organization declared the global coronavirus outbreak to be a pandemic, with the United Kingdom implementing lockdown measures on 23 March 2020. This resulted in a temporary suspension to Super League. As a result of this, matchday revenues ceased. The group accessed government support by way of the furlough scheme, rateable value and hospitality grants and deferrals of tax repayments, which allowed the group to manage their cash balances throughout the lockdown period.

The Super League season resumed on 2 August 2020 behind closed doors. This meant that matchday revenues ceased. The group was able to secure a bounce back loan and a loan of £1.26m from a £16m fund provided by government as specific support to the sport of rugby league.

The 2021 season commenced in March with games initially behind closed doors and then from mid April attendances of 25% of the total ground capacity available only to existing season ticket holders. The group has been able to secure a further government loan as support for the absence of match and non matchday revenues. Further, the stadium has been selected as a vaccination centre for Covid 19 and the NHS has contracted to hire the stadium for the rest of 2021 providing much needed revenue. All supporters were allowed into games from 19 July and for the rest of the season. On this basis the Directors have produced cashflow forecasts to October 2022 which show that the group can continue as a going concern for at least 12 months from the date the financial statements are approved.

The group has modelled the scenario that fans will return to the stadium from July 2021. The ultimate parent, Crowther Street Holdings Limited has confirmed it will provide financial support to the group for a period of at least 12 months from the date of signing these financial statements. The directors have satisfied themselves Crowther Street Holdings will be able to provide any support needed as a result of support it has from its main shareholder.

As a result, the Directors believe it is appropriate to continue to prepare the accounts under the going concern assumption.

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. Future credits against season tickets are recognised as 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.

SPORTING CLUB ST. HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

1 Accounting policies (Continued)

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.

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 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.

SPORTING CLUB ST. HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

1 Accounting policies (Continued)

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.

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.

SPORTING CLUB ST. HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

1 Accounting policies (Continued)

Equity instruments

Equity instruments issued by the group are recorded at the fair value of proceeds received, net of transaction costs.

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 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 2020

1 Accounting policies (Continued)

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

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:

| | 2020 £ | 2019 £ |
|---|------------------|------------------|
| Turnover analysed by class of business | | |
| Rugby related income | 5,402,625 | 7,179,084 |
| Catering and hospitality | 576,720 | 1,433,184 |
| | <u>5,979,345</u> | <u>8,612,268</u> |
| | | |
| | 2020 £ | 2019 £ |
| Other revenue | | |
| Grants received - furlough income | 976,164 | - |
| | <u>976,164</u> | <u>-</u> |

SPORTING CLUB ST. HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

3 Turnover and other revenue (Continued)

| | 2020 £ | 2019 £ |
|--|-----------|-----------|
| Turnover analysed by geographical market | | |
| United Kingdom | 5,979,345 | 8,612,268 |

4 Employees

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

| | Group 2020 Number | 2019 Number | Company 2020 Number | 2019 Number |
|----------------------------|-------------------------|----------------|---------------------------|----------------|
| Playing and coaching staff | 75 | 67 | - | - |
| General staff | 70 | 70 | - | - |
| Catering and stewards | 420 | 427 | - | - |
| | <u>565</u> | <u>564</u> | <u>-</u> | <u>-</u> |

Their aggregate remuneration comprised:

| | Group 2020 £ | 2019 £ | Company 2020 £ | 2019 £ |
|-----------------------|--------------------|------------------|----------------------|-----------|
| Wages and salaries | 4,300,751 | 4,706,651 | - | - |
| Social security costs | 398,926 | 448,346 | - | - |
| Pension costs | 52,203 | 45,579 | - | - |
| | <u>4,751,880</u> | <u>5,200,576</u> | <u>-</u> | <u>-</u> |

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

5 Operating loss

| | 2020 £ | 2019 £ |
|---|-----------|-----------|
| Operating loss for the year is stated after charging/(crediting): | | |
| Government grants | (976,164) | - |
| Depreciation of owned tangible fixed assets | 406,244 | 429,451 |
| Operating lease charges | 65,871 | 168,202 |

SPORTING CLUB ST. HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

| | | |
|---|------------------|------------------|
| 6 Auditor's remuneration | 2020 | 2019 |
| | £ | £ |
| Fees payable to the company's auditor and associates: | | |
| For audit services | | |
| Audit of the financial statements of the group and company | 4,550 | 3,800 |
| Audit of the financial statements of the company's subsidiaries | 22,950 | 17,200 |
| | <u>27,500</u> | <u>21,000</u> |
| For other services | | |
| Taxation compliance services | 3,100 | 2,250 |
| Other taxation services | - | 9,000 |
| All other non-audit services | 7,500 | 18,985 |
| | <u>10,600</u> | <u>30,235</u> |
| 7 Interest payable and similar expenses | 2020 | 2019 |
| | £ | £ |
| Interest on financial liabilities measured at amortised cost: | | |
| Interest on bank overdrafts and loans | 1,250 | - |
| Interest on other loans | 2,742 | 154,272 |
| | <u>3,992</u> | <u>154,272</u> |
| Other finance costs: | | |
| Other interest | 3,066 | 2,647 |
| | <u>7,058</u> | <u>156,919</u> |
| Total interest payable | | |
| | <u>7,058</u> | <u>156,919</u> |
| 8 Taxation | 2020 | 2019 |
| | £ | £ |
| Current tax | | |
| Research and development tax credit | (434,599) | (54,100) |
| Deferred tax | | |
| Origination and reversal of timing differences | (875) | (97,376) |
| Changes in tax rates | 4,830 | - |
| | <u>3,955</u> | <u>(97,376)</u> |
| Total deferred tax | | |
| | <u>3,955</u> | <u>(97,376)</u> |
| Total tax credit | <u>(430,644)</u> | <u>(151,476)</u> |

SPORTING CLUB ST. HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

8 Taxation (Continued)

The total tax credit 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:

| | 2020 £ | 2019 £ |
|--|-------------|-----------|
| Loss before taxation | (1,127,824) | (493,079) |
| Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%) | (214,287) | (93,685) |
| Tax effect of expenses that are not deductible in determining taxable profit | 2,901 | 6,316 |
| Tax effect of utilisation of tax losses not previously recognised | - | (101,201) |
| Unutilised tax losses carried forward | 61,344 | 35,410 |
| Change in unrecognised deferred tax assets | 4,829 | - |
| Effect of change in corporation tax rate | 299,080 | - |
| Research and development tax credit | (434,599) | (54,100) |
| Short term timing differences | - | (957) |
| Fixed asset timing differences | 58,795 | 56,741 |
| Chargeable gains | (208,707) | - |
| Taxation credit for the year | (430,644) | (151,476) |

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

| | 2020 £ | 2019 £ |
|--------------------------|-----------|-----------|
| Deferred tax arising on: | | |
| Revaluation of property | 351,765 | (52,752) |

The company and group has a deferred tax asset of £192,365 (2019 - £172,116) arising from short term timing differences relating to interest 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 £2,632,341 (2019 - £2,309,060) 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.

The deferred tax liability at 31 October 2020 has been calculated based on a rate of 19% as this is the substantively enacted rate.

Post year end the substantively enacted rate of corporation tax has been changed to 25%. Had this applied at 31 October 2020 the deferred tax liability would increase to £6,726,711.

SPORTING CLUB ST. HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

9 Tangible fixed assets

| Group | Long leasehold land and buildings £ | Plant and machinery £ | Computer equipment £ | Total £ |
|------------------------------------|--|-----------------------------|----------------------------|-------------|
| Cost or valuation | | | | |
| At 1 November 2019 | 31,000,000 | 1,969,655 | 429,781 | 33,399,436 |
| Additions | - | 5,749 | 12,740 | 18,489 |
| Revaluation | (1,725,000) | - | - | (1,725,000) |
| At 31 October 2020 | 29,275,000 | 1,975,404 | 442,521 | 31,692,925 |
| Depreciation and impairment | | | | |
| At 1 November 2019 | 623,249 | 900,929 | 419,863 | 1,944,041 |
| Depreciation charged in the year | 307,698 | 75,888 | 22,658 | 406,244 |
| Revaluation | (930,947) | - | - | (930,947) |
| At 31 October 2020 | - | 976,817 | 442,521 | 1,419,338 |
| Carrying amount | | | | |
| At 31 October 2020 | 29,275,000 | 998,587 | - | 30,273,587 |
| At 31 October 2019 | 30,376,751 | 1,068,726 | 9,918 | 31,455,395 |

The company had no tangible fixed assets at 31 October 2020 or 31 October 2019.

The leasehold land and buildings of £29,275,000 were valued at 31 October 2020 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 2020 £ | 2019 £ | Company 2020 £ | 2019 £ |
|--------------------------|--------------------|-----------|----------------------|-----------|
| Cost | 7,984,483 | 7,984,483 | - | - |
| Accumulated depreciation | (711,522) | (631,677) | - | - |
| Carrying value | 7,272,961 | 7,352,806 | - | - |

SPORTING CLUB ST. HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

10 Fixed asset investments

| | Notes | Group 2020 £ | 2019 £ | Company 2020 £ | 2019 £ |
|-----------------------------|-------|--------------------|-----------|----------------------|---------------|
| 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 2019 and 31 October 2020

2

Carrying amount

At 31 October 2020

2

At 31 October 2019

2

Movements in fixed asset investments

Company

Investments in subsidiaries £

Cost

At 1 November 2019 and 31 October 2020

18,453

Carrying amount

At 31 October 2020

18,453

At 31 October 2019

18,453

SPORTING CLUB ST. HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

11 Subsidiaries

Details of the company's subsidiaries at 31 October 2020 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 2020 £ | 2019 £ | Company 2020 £ | 2019 £ |
|------------------|--------------------|-----------|----------------------|-----------|
| Goods for resale | 128,118 | 144,426 | - | - |

13 Debtors

| | Group 2020 £ | 2019 £ | Company 2020 £ | 2019 £ |
|--|--------------------|------------------|----------------------|-------------------|
| Amounts falling due within one year: | | | | |
| Trade debtors | 309,860 | 485,727 | - | - |
| Corporation tax recoverable | 434,404 | 54,100 | - | - |
| Other debtors | 52,483 | 150,523 | - | - |
| Prepayments and accrued income | 241,786 | 726,881 | - | - |
| | <u>1,038,533</u> | <u>1,417,231</u> | <u>-</u> | <u>-</u> |
| Amounts falling due after more than one year: | | | | |
| Amounts owed by group undertakings | - | - | 18,697,747 | 18,765,627 |
| | <u>-</u> | <u>-</u> | <u>18,697,747</u> | <u>18,765,627</u> |
| Total debtors | <u>1,038,533</u> | <u>1,417,231</u> | <u>18,697,747</u> | <u>18,765,627</u> |

SPORTING CLUB ST. HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

13 Debtors (Continued)

Amounts due from group undertakings owed in greater than one year have no set repayment date and do not attract interest. In the opinion of the directors they are not expected to be recovered within 12 months from the balance sheet date.

The Corporation tax recoverable above relates to R&D tax reclaims for the 2018 and 2019 year ends. The total claims made were £453,958, £19,366 of which was received in a previous period. Post year end, a further £222,004 has been received but HMRC have opened up an enquiry into the total claims made. The directors believe that this amount is fully recoverable.

14 Creditors: amounts falling due within one year

| | Notes | Group 2020 £ | 2019 £ | Company 2020 £ | 2019 £ |
|------------------------------------|-------|--------------------|-------------------|----------------------|-------------------|
| Other loans | 16 | 12,111,067 | 12,158,333 | 12,111,067 | 12,158,333 |
| Trade creditors | | 314,049 | 1,216,641 | - | - |
| Amounts owed to group undertakings | | - | - | - | 20,614 |
| Other taxation and social security | | 372,659 | 343,930 | - | - |
| Deferred income | | 277,961 | 1,031,566 | - | - |
| Other creditors | | 119,969 | 67,113 | 3 | 3 |
| Accruals | | 853,411 | 561,444 | - | - |
| | | <u>14,049,116</u> | <u>15,379,027</u> | <u>12,111,070</u> | <u>12,178,950</u> |

Amounts due to group undertakings have no set repayment date and do not attract interest.

15 Creditors: amounts falling due after more than one year

| | Notes | Group 2020 £ | 2019 £ | Company 2020 £ | 2019 £ |
|---------------------------|-------|--------------------|--------------|----------------------|-----------|
| Bank loans and overdrafts | 16 | 50,000 | - | - | - |
| Other borrowings | 16 | 1,262,742 | - | - | - |
| Deferred income | | 210,392 | - | - | - |
| Other creditors | | - | 6,667 | - | - |
| | | <u>1,523,134</u> | <u>6,667</u> | <u>-</u> | <u>-</u> |

Deferred income due in greater than one year relates to credits given to season ticket holders against future season tickets as a result of games they were unable to attend during the year.

Amounts included above which fall due after five years are as follows:

| | | | | |
|------------------------|--------------|----------|----------|----------|
| Payable by instalments | <u>4,997</u> | <u>-</u> | <u>-</u> | <u>-</u> |
|------------------------|--------------|----------|----------|----------|

SPORTING CLUB ST. HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

16 Borrowings

| | Group 2020 £ | 2019 £ | Company 2020 £ | 2019 £ |
|-------------------------|--------------------|-------------------|----------------------|-------------------|
| Bank loans | 50,000 | - | - | - |
| Other borrowings | 1,262,742 | - | - | - |
| Other loans | 12,111,067 | 12,158,333 | 12,111,067 | 12,158,333 |
| | <u>13,423,809</u> | <u>12,158,333</u> | <u>12,111,067</u> | <u>12,158,333</u> |
| Payable within one year | 12,111,067 | 12,158,333 | 12,111,067 | 12,158,333 |
| Payable after one year | <u>1,312,742</u> | <u>-</u> | <u>-</u> | <u>-</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 Limited were consolidated into one loan. The total loan balance at 31 October 2020 is £12,111,067 (2019 - £12,158,333), does not attract interest, and is technically due for repayment on demand. 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 is £10 per share and has a term of 5 years.

The loan 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.

The other borrowings relate to a loan of £1.26m from RFL Investments Limited which is part of a package of government support measures. The loan attracts interest at 0.2%, being levied a year after drawdown. The loan is due to be fully repaid by October 2025. The loan is secured by a charge over all the assets and undertakings of St Helens Rugby Football Club Limited.

The bank loan is a Coronavirus Bounce Back Loan; interest is charged at a rate of 2.5%, being levied a year after drawdown. The loan is due to be fully repaid by October 2026 and is secured by HM Government.

17 Provisions for liabilities

| | Notes | Group 2020 £ | 2019 £ | Company 2020 £ | 2019 £ |
|--------------------------|-------|--------------------|------------------|----------------------|-----------|
| Deferred tax liabilities | 18 | <u>5,112,300</u> | <u>4,756,580</u> | <u>-</u> | <u>-</u> |

SPORTING CLUB ST. HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

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 2020 £ | Liabilities 2019 £ |
|--------------------------------|--------------------------|--------------------------|
| Group | | |
| Accelerated capital allowances | 108,943 | 101,201 |
| Tax losses | (108,943) | (101,201) |
| Revaluations | 4,058,681 | 3,818,190 |
| Rolled over gains | 1,057,102 | 945,828 |
| Short-term timing differences | (3,483) | (7,438) |
| | <u>5,112,300</u> | <u>4,756,580</u> |

The company has no deferred tax assets or liabilities.

| | Group 2020 £ | Company 2020 £ |
|--------------------------------------|--------------------|----------------------|
| Movements in the year: | | |
| Liability at 1 November 2019 | 4,756,580 | - |
| Charge to profit or loss | 3,955 | - |
| Charge to other comprehensive income | 351,765 | - |
| Liability at 31 October 2020 | <u>5,112,300</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.

19 Retirement benefit schemes

| | 2020 £ | 2019 £ |
|---|---------------|---------------|
| Defined contribution schemes | | |
| Charge to profit or loss in respect of defined contribution schemes | <u>52,203</u> | <u>45,579</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.

SPORTING CLUB ST. HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

20 Share capital

| | Group and Company | | | |
|-------------------------------|-------------------|---------|---------|---------|
| | 2020 | 2019 | 2020 | 2019 |
| | Number | Number | £ | £ |
| Ordinary share capital | | | | |
| Issued and fully paid | | | | |
| Ordinary of £1 each | 482,502 | 482,502 | 482,502 | 482,502 |

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.

On 31 January 2019 £1,500,000 of loans were capitalised into 150,000 ordinary shares at a value of £10 per share. £50,281 of costs were incurred which were directly attributable to the conversion, and therefore debited against share premium.

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, 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.

SPORTING CLUB ST. HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

22 Cash generated from group operations

| | 2020 £ | 2019 £ |
|--|--------------------|----------------|
| Loss for the year after tax | (697,180) | (341,603) |
| Adjustments for: | | |
| Taxation credited | (430,644) | (151,476) |
| Interest payable | 7,058 | 156,919 |
| Government grant | (1,250) | - |
| Depreciation and impairment of tangible fixed assets | 406,244 | 429,451 |
| Movements in working capital: | | |
| Decrease/(increase) in stocks | 16,308 | (10,383) |
| Decrease/(increase) in debtors | 759,002 | (529,142) |
| (Decrease)/increase in creditors | (535,707) | 770,549 |
| (Decrease) in deferred income | (543,213) | (72,874) |
| Cash (absorbed by)/generated from operations | (1,019,382) | 251,441 |

23 Analysis of changes in net debt - group

| | 1 November 2019 £ | Cash flows £ | Other movements £ | 31 October 2020 £ |
|---------------------------------|-------------------------|------------------|-------------------------|-------------------------|
| Cash at bank and in hand | 706,362 | 276,092 | - | 982,454 |
| Borrowings excluding overdrafts | (12,158,333) | (1,268,218) | 2,742 | (13,423,809) |
| | <u>(11,451,971)</u> | <u>(992,126)</u> | <u>2,742</u> | <u>(12,441,355)</u> |

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 2020 £ | 2019 £ | Company 2020 £ | 2019 £ |
|----------------------------|--------------------|----------------|----------------------|-----------|
| Within one year | 280,301 | 96,262 | - | - |
| Between one and five years | 190,800 | 52,532 | - | - |
| In over five years | - | 190 | - | - |
| | <u>471,101</u> | <u>148,984</u> | <u>-</u> | <u>-</u> |

SPORTING CLUB ST. HELENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

25 Events after the reporting date

The group has applied for, and has received, a further £1.3m share of £16.7m of funding from the DCMS. This has been combined with the original loan received in 2020 with an interest payment holiday of two years and the total balance is due to be paid over 10 years. The 2021 season has been adversely affected by the restrictions enforced by the COVID-19 pandemic. This has resulted in three matches being played behind closed doors, and a further three games being played in front of supporters but a limited attendance of 25% of capacity. Matchday revenues have been absent for the first half of the season.

Commencing in December 2020 the stadium has become a COVID-19 vaccination centre for the North West. The NHS has now contracted until January 2021 to make use of the stadium for this purpose. Non matchday revenues have benefitted as a consequence.

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.

| | 2020 £ | 2019 £ |
|------------------------|-----------|-----------|
| Aggregate compensation | 627,140 | 641,805 |

Transactions with related parties

A director of the company has significant influence over APN Facilities Management Limited. Purchases from the entity totalled £Nil (2019 - £Nil) during the year and at the end of the year the balance owed was £1,740 (2019 - £10,260).

The company has common shareholders with Rhino Rugby. Purchases from the entity during the year have totalled £Nil (2019 - £536). There is no balance outstanding at year end (2019 - £Nil).

27 Directors' transactions

There is a secured loan from a company controlled by a director, M Coieman, of £12,111,067 (2019 - £12,158,333). During the year the loan accrued interest payable to the company of £Nil (2019 - £154,272). Details are given in note 16.

28 Controlling party

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