

Company registration number 03683966 (England and Wales)

WARRINGTON SPORTS HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022



WARRINGTON SPORTS HOLDINGS LIMITED

COMPANY INFORMATION

Directors	S J Broomhead S Middleton - Chairman L N James K Fitzpatrick S J Moran M Lomax N A Summers
Secretary	C Agar
Company number	03683966
Registered office	The Halliwell Jones Stadium Mike Gregory Way Warrington Cheshire WA2 7NE
Auditor	Jackson Stephen LLP James House Stonecross Business Park Yew Tree Way Warrington Cheshire WA3 3JD
Business address	The Halliwell Jones Stadium Mike Gregory Way Warrington Cheshire WA2 7NE
Bankers	Lloyds Bank plc 53 King Street Manchester M2 4LQ

WARRINGTON SPORTS HOLDINGS LIMITED

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WARRINGTON SPORTS HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2022

The directors present the strategic report for the year ended 30 November 2022.

Fair review of the business

The Board of Directors' long term strategy is to continue to develop Warrington Wolves Rugby League club to be the best Rugby League Club in Super League.

2022 proved to be a financially challenging year, despite an increase in turnover to £6.0 million (2021: £5.2 million) revenues did not recover to pre-pandemic levels of £7.4 million.

Losses after tax increased to £1.4 million which was slightly worse than expected with several mitigating factors.

The effects of the covid-19 pandemic and the unprecedented financial challenges are still being felt due to the impact on sales and costs during 2020 and 2021, resulting in additional liabilities.

The reduced revenue from the central distribution and broadcast rights impacted revenue in 2022 and will continue to do so in 2023. Negotiations are taking place with the relevant parties for an increased broadcast deal for 2024 and beyond now the 12-year partnership with IMG and RL Commercial is in place.

The performance of the team in the 2022 season was disappointing, ending in a near bottom of the table finish. This affected revenues with gate, hospitality and retail revenues significantly below budget.

Many of the team were out of contract allowing for a re-build for the 2023 season which is proving fruitful with greater success on and off the field.

Expenditure remains to be under tight and prudent budgetary controls balanced with running an efficient and progressive business geared for growth and success. The stadium will continue to be updated and improved to ensure an attractive and modern venue for our customers.

The club continues to require additional funds which will be provided by the Directors for the foreseeable future.

Principal risks and uncertainties

The Board is responsible for continually assessing the risks applicable to the business.

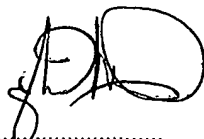
In connection with all Betfred Super League Clubs the Group is reliant upon British Sky Broadcasting Group for a significant part of its income. In respect of other significant aspects of income the Group faces the risks and uncertainties inherent in businesses engaged in professional sport, where financial outcome is directly linked to a team's on-field performance.

A significant part of the Group's income is generated through match-day attendance at the home fixtures of Warrington Wolves. Attendances may rise or fall depending upon a number of factors, including the team's on-field performances and the affordability of admission in a challenging economic climate.

Key performance indicators

The Group's turnover has increased in the year (£6.0m in 2022 vs £5.2m in 2021), along with the level of gross profit earned (£5.5m in 2022 vs £4.8m in 2021). These financial indicators, along with the controlling of administrative expenses, which have remained fairly consistent in the year, are seen as key to the Group's financial management. The increased gross profit has resulted in the Group reporting a reduced loss before taxation for the financial year (£1,183k loss in 2022 vs a loss of £1,350k in 2021).

On behalf of the board



.....
S Middleton - Chairman
Director

28 June 2023

WARRINGTON SPORTS HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2022

The directors present their annual report and financial statements for the year ended 30 November 2022.

Principal activities

The principal activity of the group continued to be that of the playing of professional rugby league football as a member of the Rugby Super League. The principal activity of the company is that of a holding company.

Results and dividends

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

No interim ordinary dividend was paid in the year. The directors do not recommend the payment of a final dividend.

Directors

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

S J Broomhead
S Middleton - Chairman
L N James
K Fitzpatrick
S J Moran
M Lomax
N A Summers

Financial instruments

Liquidity risk

The group aims to mitigate liquidity risk by closely managing cash generation by its operating business and monitoring performance. Capital investment is closely controlled with authorisation up to director level.

Interest rate risk

The group's exposure to changes in market interest rates relate primarily to the group's overdraft and loan facilities with variable interest rates. The group monitors potential changes in market interest rates and will take appropriate action as necessary to mitigate any perceived significant risk.

Foreign currency risk

The group trades primarily in the UK and as such the level of foreign currency risk is quite low.

Credit risk

It is the group's policy that customers who wish to trade on credit terms are subject to credit verification procedures. The group only offers terms to recognised creditworthy third parties. In addition, receivables balances are monitored on an ongoing basis, along with debtor days, and action is taken promptly when payment terms are breached.

Auditor

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

WARRINGTON SPORTS HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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;
- 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.

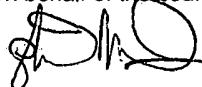
Strategic report

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.

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 auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



S Middleton - Chairman
Director

28 June 2023

WARRINGTON SPORTS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WARRINGTON SPORTS HOLDINGS LIMITED

Opinion

We have audited the financial statements of Warrington Sports Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 November 2022 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group cash flow statement 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 30 November 2022 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

WARRINGTON SPORTS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF WARRINGTON SPORTS HOLDINGS LIMITED

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 included within the Directors' Report, 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.

Irregularities and fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities including fraud is detailed below.

Based on our understanding of the company and sector, we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to, the Companies Act 2006, UK tax, employment, pension and health and safety legislation and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management bias in accounting estimates and judgements and the risk of fraudulent revenue recognition.

WARRINGTON SPORTS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF WARRINGTON SPORTS HOLDINGS LIMITED

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management about actual and potential litigation and claims, their policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- obtaining an understanding of provisions and holding discussions with management to understand the basis of recognition or non-recognition of tax provisions; and
- in addressing the risk of fraud through management override of controls: testing the appropriateness of journal entries; assessing whether the accounting estimates, judgements and decisions made by management are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available 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.

Jackson Stepler LLP

Peter Atkinson F.C.A. (Senior Statutory Auditor)
For and on behalf of Jackson Stepler LLP

Chartered Accountants
Statutory Auditor

Aug 15, 2023
Date:

James House
Stonecross Business Park
Yew Tree Way
Warrington
Cheshire
WA3 3JD

WARRINGTON SPORTS HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 NOVEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	5,965,184	5,210,527
Cost of sales		(426,872)	(384,673)
Gross profit		5,538,312	4,825,854
Administrative expenses		(6,711,068)	(6,726,288)
Other operating income		40,000	569,122
Operating loss	4	(1,132,756)	(1,331,312)
Interest receivable and similar income	8	80	277
Interest payable and similar expenses	9	(50,348)	(18,847)
Loss before taxation		(1,183,024)	(1,349,882)
Taxation	10	(204,918)	204,918
Loss for the financial year		(1,387,942)	(1,144,964)
Loss for the financial year is attributable to:			
- Owners of the parent company		(1,291,333)	(1,100,454)
- Non-controlling interests		(52,099)	(44,510)
		(1,387,942)	(1,144,964)

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

WARRINGTON SPORTS HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 30 NOVEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	12		13,170,728		13,320,681
Current assets					
Stocks	15	275,903		137,902	
Debtors	16	1,073,295		694,083	
Cash at bank and in hand		54,425		625,103	
		1,403,623		1,457,088	
Creditors: amounts falling due within one year	17	(4,313,389)		(3,638,578)	
Net current liabilities			(2,909,766)		(2,181,490)
Total assets less current liabilities			10,260,962		11,139,191
Creditors: amounts falling due after more than one year	18		(2,368,121)		(2,636,008)
Net assets			7,892,841		8,503,183
Capital and reserves					
Called up share capital	22		173,461		173,461
Share premium account	23		764,185		764,185
Other reserves	23		10,101,346		10,179,049
Capital contribution reserve	23		777,600		-
Profit and loss reserves	23		(3,833,401)		(2,575,261)
Equity attributable to owners of the parent company			7,983,191		8,541,434
Non-controlling interests			(90,350)		(38,251)
			7,892,841		8,503,183

The financial statements were approved by the board of directors and authorised for issue on 28 June 2023 and are signed on its behalf by:



S Middleton - Chairman
Director

WARRINGTON SPORTS HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 30 NOVEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	12	13,093,189		13,214,901	
Investments	13	1,223,000		1,223,000	
		<u>14,316,189</u>		<u>14,437,901</u>	
Current assets					
Cash at bank and in hand		-		550,103	
Creditors: amounts falling due within one year	17	<u>(2,383,646)</u>		<u>(2,771,282)</u>	
Net current liabilities		<u>(2,383,646)</u>		<u>(2,221,179)</u>	
Total assets less current liabilities		<u>11,932,543</u>		<u>12,216,722</u>	
Creditors: amounts falling due after more than one year	18	<u>(308,155)</u>		<u>(506,872)</u>	
Net assets		<u><u>11,624,388</u></u>		<u><u>11,709,850</u></u>	
Capital and reserves					
Called up share capital	22	173,461		173,461	
Share premium account	23	764,185		764,185	
Other reserves	23	10,101,346		10,179,049	
Profit and loss reserves	23	585,396		593,155	
Total equity		<u><u>11,624,388</u></u>		<u><u>11,709,850</u></u>	

As permitted by s408 of the Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £85,462 (2021 - £85,212 loss).

The financial statements were approved by the board of directors and authorised for issue on 28 June 2023 and are signed on its behalf by:



S Middleton - Chairman
Director

Company Registration No. 03683966

WARRINGTON SPORTS HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY **FOR THE YEAR ENDED 30 NOVEMBER 2022**

	Share capital £	Share premium account £	Other reserves £	Capital contribution reserve £	Profit and loss reserves £	Total controlling interest £	Non- controlling interest £	Total £
Balance at 1 December 2020	173,461	764,185	10,256,752	-	(1,552,510)	9,641,888	6,259	9,648,147
Year ended 30 November 2021:								
Loss and total comprehensive income for the year	-	-	-	-	(1,100,454)	(1,100,454)	(44,510)	(1,144,964)
Transfers	-	-	(77,703)	-	77,703	-	-	-
Balance at 30 November 2021	173,461	764,185	10,179,049	-	(2,575,261)	8,541,434	(38,251)	8,503,183
Year ended 30 November 2022:								
Loss and total comprehensive income for the year	-	-	-	-	(1,335,843)	(1,335,843)	(52,099)	(1,387,942)
Transfers	-	-	(77,703)	-	77,703	-	-	-
Other movements	-	-	-	777,600	-	777,600	-	777,600
Balance at 30 November 2022	173,461	764,185	10,101,346	777,600	(3,833,401)	7,983,191	(90,350)	7,892,841

WARRINGTON SPORTS HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 NOVEMBER 2022

	Share capital £	Share premium account £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 December 2020	173,461	764,185	10,256,752	600,664	11,795,062
Year ended 30 November 2021:					
Loss and total comprehensive income for the year	-	-	-	(85,212)	(85,212)
Transfers	-	-	(77,703)	77,703	-
Balance at 30 November 2021	173,461	764,185	10,179,049	593,155	11,709,850
Year ended 30 November 2022:					
Loss and total comprehensive income for the year	-	-	-	(85,462)	(85,462)
Transfers	-	-	(77,703)	77,703	-
Balance at 30 November 2022	173,461	764,185	10,101,346	585,396	11,624,388

WARRINGTON SPORTS HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash absorbed by operations	29	(1,343,022)		(935,450)	
Interest paid		(50,348)		(18,847)	
Income taxes (paid)/refunded		(204,918)		204,918	
Net cash outflow from operating activities		(1,598,288)		(749,379)	
Investing activities					
Purchase of tangible fixed assets		-		(31,755)	
Proceeds from disposal of tangible fixed assets		-		2,000	
Proceeds from disposal of investments		3,492		-	
Repayment of loans		(3,492)		1,730	
Interest received		80		277	
Net cash generated from/(used in) investing activities			80		(27,748)
Financing activities					
Proceeds from borrowings		-		1,500,000	
Proceeds from capital contribution		777,600		-	
Repayment of borrowings		(30,681)		(10,484)	
Repayment of bank loans		(158,717)		(130,184)	
Net cash generated from financing activities		588,202		1,359,332	
Net (decrease)/increase in cash and cash equivalents		(1,010,006)		582,205	
Cash and cash equivalents at beginning of year		625,103		42,898	
Cash and cash equivalents at end of year		(384,903)		625,103	
Relating to:					
Cash at bank and in hand		54,425		625,103	
Bank overdrafts included in creditors payable within one year		(439,328)		-	

WARRINGTON SPORTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

Company information

Warrington Sports Holdings Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Halliwell Jones Stadium, Mike Gregory Way, Warrington, Cheshire, WA2 7NE.

The group consists of Warrington Sports Holdings Limited and all of its subsidiaries.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

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

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

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

WARRINGTON SPORTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

The consolidated group financial statements consist of the financial statements of the parent company Warrington Sports Holdings Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 30 November 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

1.3 Going concern

The group has net current liabilities of £2,909,766 at the balance sheet date. The directors have reviewed the current level of banking and other facilities and this, along with the continued financial support of the directors and parent company, has enabled them to consider that the group has a sufficient level of financial resources to enable it to continue in operational existence for the foreseeable future.

1.4 Turnover

Turnover represents amounts receivable for goods sold and services provided by the balance sheet date net of VAT and trade discounts, and comprises:

-Income receivable from all match day activities from Warrington Wolves games held at The Halliwell Jones Stadium, together with the Club's share of gate receipts from cup matches played elsewhere;

-Income receivable from media contracts, including contracts centrally negotiated by the Rugby Super League; and

-Income receivable from the exploitation of the Warrington Wolves brand through sponsorship and commercial agreements.

Income received prior to the year end in respect of future seasons is treated as deferred income.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years.

1.6 Tangible fixed assets

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

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

Long leasehold land and buildings	4% per annum reducing balance basis or over the remaining lease term
Fixtures, fittings and equipment	25% per annum reducing balance basis

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 recognised in the profit and loss account.

WARRINGTON SPORTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

1.7 Fixed asset investments

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

1.8 Impairment of fixed assets

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

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

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

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.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial Instruments

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

Financial instruments are recognised in the group's balance sheet 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 debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

WARRINGTON SPORTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.12 Equity Instruments

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

WARRINGTON SPORTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 Employee benefits

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

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

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

1.15 Retirement benefits

The company operates a defined contribution scheme. Contributions payable are charged to the profit and loss account in the year they are payable.

1.16 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

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.

WARRINGTON SPORTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

1.17 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. The critical estimates made by the directors in preparing these financial statements relate to the useful economic life of goodwill which is 20 years and the useful economic life of the long leasehold property included in Note 12, which is deemed to be the length of related leases, as well as their assessment of the required level of stock and debtor provisions to ensure that the group's assets are included at the correct carrying amounts at the balance sheet date.

3 Turnover and other revenue

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

	2022 £	2021 £
Turnover analysed by class of business		
Income generated from the operation of a professional rugby league club	5,327,215	4,553,709
Sale of merchandise	637,969	656,818
	<u>5,965,184</u>	<u>5,210,527</u>
	2022 £	2021 £
Other significant revenue		
Interest income	80	277
Furlough grants received	-	509,903
Grants received	40,000	40,000
Sundry income	-	19,219
	<u></u>	<u></u>
	2022 £	2021 £
Turnover analysed by geographical market		
United Kingdom	<u>5,965,184</u>	<u>5,210,527</u>

WARRINGTON SPORTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

4 Operating loss

	2022	2021
	£	£
Operating loss for the year is stated after charging/(crediting):		
Government grants	(40,000)	(549,903)
Depreciation of owned tangible fixed assets	147,558	156,973
Loss/(profit) on disposal of tangible fixed assets	2,395	(1,944)
Property rental income	(272,681)	(254,144)
Operating lease charges	3,943	14,282

5 Employees

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

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Players	59	61	-	-
Coaches and fitness staff	22	20	-	-
Administration	34	36	-	-
Ground and matchday staff	3	4	-	-
Total	118	121	-	-

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	4,668,991	4,809,911	-	-
Social security costs	459,482	488,751	-	-
Pension costs	89,731	88,941	-	-
	5,218,204	5,387,603	-	-

6 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	3,750	3,500
Audit of the financial statements of the company's subsidiaries	9,250	9,000
	13,000	12,500

WARRINGTON SPORTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	93,200	105,708
Company pension contributions to defined contribution schemes	7,200	5,794
	<u>100,400</u>	<u>111,502</u>

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 1 (2021 - 1).

8 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	80	34
Other interest income	-	243
	<u>80</u>	<u>277</u>

9 Interest payable and similar expenses

	2022 £	2021 £
Interest on bank overdrafts	248	1,778
Interest on bank loans	50,100	17,069
	<u>50,348</u>	<u>18,847</u>

10 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	-	(204,918)
Adjustments in respect of prior periods	204,918	-
	<u>204,918</u>	<u>(204,918)</u>

WARRINGTON SPORTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

10 Taxation

(Continued)

The actual charge/(credit) for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Loss before taxation	(1,183,024)	(1,349,882)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(224,775)	(256,478)
Tax effect of expenses that are not deductible in determining taxable profit	6,832	678
Tax effect of income not taxable in determining taxable profit	(7,600)	(7,600)
Unutilised tax losses carried forward	202,531	239,610
Adjustments in respect of prior years	204,918	-
Permanent capital allowances in excess of depreciation	(113)	-
Depreciation on assets not qualifying for tax allowances	-	23,790
Amortisation on assets not qualifying for tax allowances	23,125	-
Research and development tax credit	-	(204,918)
Taxation charge/(credit)	204,918	(204,918)

A UK corporation tax rate of 25% was announced in the Chancellor's Budget of 3 March 2021, and will apply from 1 April 2023.

The group has estimated losses of £5,745,375 (2021: £4,679,424) available for carry forward against future trading profits. A deferred tax asset has not been recognised in respect of these losses in view of the uncertainty of the timing and extent of their utilisation.

11 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 December 2021 and 30 November 2022	1,600,138
Amortisation and impairment	
At 1 December 2021 and 30 November 2022	1,600,138
Carrying amount	
At 30 November 2022	-
At 30 November 2021	-

The company had no intangible fixed assets at 30 November 2022 or 30 November 2021.

WARRINGTON SPORTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

12 Tangible fixed assets

Group	Long leasehold land and buildings £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 December 2021	15,018,053	670,174	15,688,227
Disposals	-	(55,007)	(55,007)
At 30 November 2022	15,018,053	615,167	15,633,220
Depreciation and impairment			
At 1 December 2021	1,803,152	564,394	2,367,546
Depreciation charged in the year	121,712	25,846	147,558
Eliminated in respect of disposals	-	(52,612)	(52,612)
At 30 November 2022	1,924,864	537,628	2,462,492
Carrying amount			
At 30 November 2022	13,093,189	77,539	13,170,728
At 30 November 2021	13,214,901	105,780	13,320,681
Company			
			Long leasehold land and buildings £
Cost			
At 1 December 2021 and 30 November 2022			15,018,053
Depreciation and impairment			
At 1 December 2021			1,803,152
Depreciation charged in the year			121,712
At 30 November 2022			1,924,864
Carrying amount			
At 30 November 2022			13,093,189
At 30 November 2021			13,214,901

13 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	14	-	-	1,223,000	1,223,000

WARRINGTON SPORTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

13 Fixed asset investments (Continued)

Movements in fixed asset investments Company	Shares in subsidiaries £
Cost or valuation	
At 1 December 2021 and 30 November 2022	1,223,000
Carrying amount	
At 30 November 2022	1,223,000
At 30 November 2021	1,223,000

14 Subsidiaries

Details of the company's subsidiaries at 30 November 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
The Warrington Football Club Limited	England and Wales	Playing professional rugby league football	Ordinary Shares	96.00

15 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Goods for resale	275,903	137,902	-	-

16 Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
Amounts falling due within one year:				
Trade debtors	363,006	141,497	-	-
Other debtors	29,232	9,997	-	-
Prepayments and accrued income	681,057	542,589	-	-
	1,073,295	694,083	-	-

WARRINGTON SPORTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

17 Creditors: amounts falling due within one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	19	597,370	158,042	597,370	158,042
Other borrowings	19	78,489	40,000	-	-
Trade creditors		424,341	333,172	-	-
Amounts owed to group undertakings		1,861,854	1,861,854	1,782,902	2,609,866
Other taxation and social security		214,096	275,011	-	-
Other creditors		674,548	778,490	-	-
Accruals and deferred income		462,691	192,009	3,374	3,374
		<u>4,313,389</u>	<u>3,638,578</u>	<u>2,383,646</u>	<u>2,771,282</u>

18 Creditors: amounts falling due after more than one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	19	43,691	202,408	43,691	202,408
Other borrowings	19	2,245,266	2,314,436	185,300	185,300
Government grants	20	79,164	119,164	79,164	119,164
		<u>2,368,121</u>	<u>2,636,008</u>	<u>308,155</u>	<u>506,872</u>

19 Loans and overdrafts

		Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans		201,733	360,450	201,733	360,450
Bank overdrafts		439,328	-	439,328	-
Other loans		2,323,755	2,354,436	185,300	185,300
		<u>2,964,816</u>	<u>2,714,886</u>	<u>826,361</u>	<u>545,750</u>
Payable within one year		675,859	198,042	597,370	158,042
Payable after one year		<u>2,288,957</u>	<u>2,516,844</u>	<u>228,991</u>	<u>387,708</u>

WARRINGTON SPORTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

19 Loans and overdrafts

(Continued)

The bank loans and overdrafts are secured by a debenture over the group's assets. In addition, another loan of £100,955 (2021: £121,636) is also secured by a debenture over the group's assets, of which £40,000 (2021: £40,000) is due within one year.

Included in other loans is a loan for £2,000,000 (2021: £2,000,000) being repayable by monthly instalments over the next 10 years at an interest rate of 1.0% above the base rate with a loan for £37,500 (2021: £47,500) being repayable by consecutive monthly instalments over the next 4 years at an interest rate of 2.0% per annum above the base rate.

Included in bank loans is a loan for £121,909 (2021: £223,418) being repayable by monthly instalments over the next 2 years at an interest rate of 1.75% above the base rate with a loan for £79,824 (2021: £137,032) being repayable by consecutive monthly instalments over the next 2 years at an interest rate of 3.0% per annum above the base rate.

20 Government grants

	Group 2022 £	2021 £	Company 2022 £	2021 £
Arising from government grants	<u>79,164</u>	<u>119,164</u>	<u>79,164</u>	<u>119,164</u>

Government grants relate to amounts received in previous years which are being recognised over the period to which the asset relates, which is 20 years.

21 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>89,731</u>	<u>88,941</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.

22 Share capital

	Group and company 2022	2021
Issued and fully paid		
173,461 Ordinary shares of £1 each	<u>173,461</u>	<u>173,461</u>

WARRINGTON SPORTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

23 Reserves

Profit and loss reserves

Includes all current and prior period retained profits and losses, net of distributions to shareholders.

Share premium account

Represents the amount received for the sale of shares in the company above their nominal value.

Other reserves

Represents the reserve created to reflect the value of the long leasehold land and buildings transferred to the group in prior years. An amount equivalent to the annual depreciation charge on the long leasehold land and building transferred to the group is transferred to the profit and loss reserve each year.

Capital contribution reserve

The capital contribution reserve represents the introduction of funds by the ultimate parent company that does not constitute share capital or debt.

24 Operating lease commitments

Operating lease payments represent rentals payable by the company for certain items of plant and equipment. Leases are negotiated for an average of 3 to 4 years.

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		Company	
	2022	2021	2022	2021
	£	£	£	£
Within one year	3,667	376	-	-
Between two and five years	4,278	-	-	-
	<u>7,945</u>	<u>376</u>	<u>-</u>	<u>-</u>

25 Financial commitments, guarantees and contingent liabilities

Warrington Sports Holdings Limited and The Warrington Football Club Limited are subject to a cross guarantee in favour of the group's bankers. At 30 November 2022 the company had a contingent liability under this agreement amounting to £Nil (2021: £Nil).

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, including the directors, is as follows.

	2022	2021
	£	£
Aggregate compensation	<u>112,595</u>	<u>124,871</u>

WARRINGTON SPORTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

26 Related party transactions

(Continued)

Other information

At the balance sheet date the group owed £1,861,854 (2021: £1,861,854) to SJM Holdings North Limited, its ultimate parent company, following advances of short term loans to the group.

27 Controlling party

The company is a subsidiary undertaking of SJM Holdings North Limited, a company registered in England and Wales. Copies of the consolidated financial statements can be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The ultimate controlling party is deemed to be S J Moran.

28 Directors' transactions

A director had a loan account balance with the group of £185,300 (2021: £185,300) payable to him at the year-end, which is disclosed within other borrowings in Note 18.

29 Cash absorbed by group operations

	2022 £	2021 £
Loss for the year after tax	(1,387,942)	(1,144,964)
Adjustments for:		
Taxation charged/(credited)	204,918	(204,918)
Finance costs	50,348	18,847
Investment income	(80)	(277)
Loss/(gain) on disposal of tangible fixed assets	2,395	(1,944)
Depreciation and impairment of tangible fixed assets	147,558	156,973
Movements in working capital:		
(Increase)/decrease in stocks	(138,001)	14,336
Increase in debtors	(379,212)	(190,619)
Increase in creditors	196,994	458,846
Decrease in deferred income	(40,000)	(40,000)
Cash absorbed by operations	(1,343,022)	(933,720)

WARRINGTON SPORTS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

30 Analysis of changes in net debt - group

	1 December 2021 £	Cash flows £	30 November 2022 £
Cash at bank and in hand	625,103	(570,678)	54,425
Bank overdrafts	-	(439,328)	(439,328)
	<u>625,103</u>	<u>(1,010,006)</u>	<u>(384,903)</u>
Borrowings excluding overdrafts	(2,714,886)	189,398	(2,525,488)
	<u>(2,089,783)</u>	<u>(820,608)</u>	<u>(2,910,391)</u>