Registration number: 03342451

London Irish Holdings Limited

Annual Report and Consolidated Financial Statements
for the Year Ended 30 June 2020

Brebners
Chartered Accountants & Statutory Auditor
130 Shaftesbury Avenue
London
W1D 5AR

London Irish Holdings Limited

Contents

London Irish Holdings Limited

Company Information

Directors	M R Crossan M L Bensted M O'Hagan J R Turner A Robson N Northridge
Company secretary	A Alli
Registered office	Hazelwood Hazelwood Drive Sunbury-on-Thames Middlesex TW16 6QU
Auditor	Brebners Chartered Accountants & Statutory Auditor 130 Shaftesbury Avenue London W1D 5AR

London Irish Holdings Limited

Strategic Report for the Year Ended 30 June 2020

Strategic review of the business

The year was a difficult one, not only for the club, but for the sport in general, against the backdrop of the emergence of COVID-19 within the year.

Results on the pitch were excellent, starting with an impressive 49-29 away victory against Gloucester in the Premiership Rugby Cup. The club also had an away win for the first round of the Gallagher Premiership against Wasps, with further wins in the competition including a 36-11 home win against Leicester, and away wins against Northampton and Harlequins. The Gallagher Premiership was suspended in March 2020 due to the COVID-19 pandemic at which point the club was in 8th position in the league. With the league recommencing in August 2020 and culminating in November 2020, the club's final placing was 10th position in what was a very disrupted season from both a playing and a training perspective.

The London Irish Academy and the Developing Player Programme (DPP) continued to flourish across Berkshire, Hampshire and Middlesex with over 600 players between the ages of 14-16 in the DPP programme. The coach development programme continues to engage with hundreds of coaches across our three Counties and is having a positive impact on the quality of delivery in our catchment area. Numerous players have been awarded scholarships at top rugby playing independent schools due the Academy links and the same applies for scholarships to top Universities for players not signing contracts in their final year of school. At the end of the 2019/20 season we signed 10 players in to the 1st year Senior Academy, our largest intake to date.

Off the field, with the club having brought to an end it's tenure at the Madejski Stadium, which has been a happy home for the club for the last 20 years, the club had to play the remainder of the delayed 2019/20 season which took place beyond June 2020 at another venue. An agreement was struck with Harlequins to play the balance of our home fixtures at The Stoop. The club wishes to extend its thanks and gratitude to the team at the Madejski for our time there and also to Harlequins for our conclusion to the 2019/20 season.

Looking ahead, it has been a long-held desire to return the club back to its spiritual home in West London and the club was delighted to have negotiated a licence agreement to play its home games at the Brentford Community Stadium, Kew Bridge, from the start of the 2020/21 season, which commenced at the end of November 2020. The new stadium at Kew Bridge has already proven to be a fantastic home for London Irish, with great views from all seats, exceptional lounges, first-class facilities, and great transport links. A return for fans to sporting stadia has now been introduced and we are confident that supporters will enjoy their matchday experience and hope that many more new fans join us in our new home. The new arrangement at Brentford has been agreed on the principle of 'our matchdays are our matchdays' giving the club greater control over the matchday experience and full benefit of the matchday revenues. We have got off to a great start with our new partners at Brentford.

The club remains committed to working with the wider community in Berkshire, Surrey, Hampshire and Middlesex. With the London Irish Foundation, which is a registered charity, this operates under the direction of an independent Board of Trustees and builds upon the previous success of the London Irish Community Department, in using the power of sport to make a lasting, positive impact on the lives of individuals, and build a meaningful and sustainable legacy for sport and education across the communities we serve.

London Irish Holdings Limited

Strategic Report for the Year Ended 30 June 2020

Trading review

Despite having our playing and revenue generating season cut short due to the pandemic, turnover for the year increased by £1.36 million to £9.10m (2019 £7.74 million). This will be due in part to the continued support of our fans and commercial partners, to whom we as a club remain thankful to. However, excluding fair value movements in 2019, the operating loss for the year increased by £0.24 million to £4.31m (2019 £4.07 million). The loss before tax, which includes £1.11 million Interest (2019 £0.98 million) increased to £5.42 million (2019 - £4.98 million like for like loss, excluding fair value movements).

Our average attendance at the Madejski Stadium in the 2019/20 Gallagher Premiership was 3,554, which represents a 5% decrease from the previous season. The club's two seasons in the RFU Championship within three years and the announcement of the move from Reading to Brentford will have been contributing factors on supporter turn-out. However, of greater impact, the 2019/20 season was postponed after only 11 out of 16 home games being played, with the re-scheduled five fixtures being played behind closed doors. Of these five games, three were the club's target 'big games', including the St Patrick's Day fixture, Harlequins derby and 'Farewell Madejski' last game of the season. Were these fixtures to be played in front of crowds, it is expected that the seasons average attendance would have been between 5,000 and 6,000.

Outlook

The Board and Owners remain fully committed to supporting the club with its aim to deliver success in the Gallagher Premiership and have invested heavily in the playing squad and in our new home at Brentford to achieve this. The move to a new stadium brings improved commercial terms and a more collaborative relationship has been established with the team at Brentford.
The COVID-19 pandemic has placed a high degree of uncertainty on the short-term revenue streams of the club however the club continues to explore investment opportunities to strengthen the clubs' long-term future.

Post balance sheet events

The uncertainty and impact of the COVID-19 pandemic continues for the club, as it has for all other businesses. However, the club has been able to take up a significant long-term loan that has been made available by central government through HM Treasury and the DCMS (Department for Culture Media & Sport). The club is grateful to HM Treasury, the DCMS and Sport England who have assisted in issuing the loan during what continue to be challenging times. During the year the club took advantage of a deferred tax payment scheme for the tax year 2020/21 and the club fulfilled its obligations to have paid up all deferred taxes by March 2021, before the end of the tax year, bringing its tax liabilities up to date.
There have been no other material events since the balance sheet date.

Principal risks and uncertainties

The Directors consider the following risks and uncertainties to be key to the future success of the company:

Ability to attract and retain players and coaching staff

We remain confident in our ability to recruit and develop players. The Hazelwood training facility is a world class working environment, as indeed is our new home playing ground at Brentford, and we believe we have a coaching team in place with the pedigree to be able to attract top quality players. Player wages requires a constant focus on the market however the opportunities we can offer players at London Irish extend beyond just salaries.
The club continues to develop its reputation as a family club with a welcoming atmosphere which along with its state-of-the-art training facility in West London and new playing ground at Brentford will maximise the opportunity to retain our players and attract new quality players to the club.

Playing performance

The club continues to invest in the playing squad, subject to the limits of the Premiership Rugby Salary Cap. On-field investment remains a priority and the Directors recognise that success on the pitch is a fundamental ingredient in the financial success of the club. With relegation from the Gallagher Premiership having been removed in the short term as a risk, the club is assured of retaining its place in the Gallagher Premiership for the 2021/22 season. However, despite the removal of this risk, an improved playing campaign secured a 9th place finish in the Gallagher Premiership league table.

Liquidity risk

The Directors are responsible for the management of liquidity risk and ensuring that the club maintains access to sufficient working capital to meet financial obligations as they fall due. Working capital requirements are managed by balancing operating cash flows with a combination of funding from its parent undertaking and long term external debt made available by the English Sports Council with the support of HM Treasury and the Department for Culture Media and Sport. Cash flow forecasts are regularly prepared and reviewed by the Board to ensure the group has access to sufficient working capital.

Fan engagement

In a year where we have been restricted in our ability to welcome fans to the stadium, owing to the COVID-19 pandemic, positive performances from Declan Kidney's side have still attracted rugby enthusiasts to watch the Exiles, albeit from the comfort of their own homes.

In one of the games of the season, London Irish fought back from a 17-point deficit with only 14 men, to draw with table topping Bristol Bears. This fixture had over 213,000 viewers tune into the match, live on BT Sport, making it the highest viewed match of the weekend and the 6th highest audience of the season so far. Similarly, in the European Rugby Challenge Cup, London Irish's Quarter Final fixture against Bath Rugby had the highest average TV audience and highest peak audience of any televised European Rugby Challenge Cup fixtures for the 2020/21 season.

From a digital perspective, the club's social media channels have seen substantial growth in numbers on Twitter, Facebook, Instagram and LinkedIn since the conclusion of the 2019/20 season.

Since July 2019, London Irish gained 2161 new likes on Facebook, 4,444 more followers on Twitter, 15,130 new followers on Instagram and 3,172 more likes on LinkedIn.

In the month of March 2021 alone, the social media accounts hit new heights for the club. The London Irish Twitter account amassed over 4.3 million impressions, and on Facebook, there were over 225,800 views on videos and over 155,000 engagements on posts. The Instagram account saw over 1,100 new followers added to the club's numbers.

Sponsorship

One sponsor contract came to end of term during 2019/20 and the club also took on a new sponsor for 2019/20. During 2021 we took on two new sponsors commencing from season 2020/21 under multi-year agreements. At the end of season 2020/21 two sponsors will come to the end of their contracts and two will extend their existing contracts with the club.

Additionally, we are adding a further six sponsors across the designations of Elite Sponsors, Executive Club Sponsors and Official Partner. Some of these have yet to be announced and although we are delighted to be working with them all, we are pleased to be including Gaucho as our Official Restaurant partner, which has been announced.

We would like to extend our thanks to our commercial partners and we remain committed to creating value for them as we continue to develop our partnerships.

We continue to look to work with sponsors and partners for the club where we believe there is synergy and mutual benefit.

COVID-19 risk

The ongoing COVID-19 pandemic continues to generate significant level of uncertainty in the economy. The directors regularly assess the likely effects on company operations going forward and take steps to mitigate any exposure as a result. The company has taken advantage of additional government assistance in the form of the Coronavirus job retention scheme. With the club also taking advantage of a long-term government loan, this has ensured that company cash flow has been well managed and the impact on the company's operations has been mitigated as far as possible without the need for reliance upon further shareholder investment during this period.

Key Performance Indicators

The company's key financial and other performance indicators during the year were as follows:

	Unit	2020	2019
Revenue	£	9,096,959	7,735,174
Revenue Growth	%	18	(19)
Gross profit margin	%	88	85
Operating profit/(loss)*	£	(4,310,590)	3,374,626
Cash collection (debtor days)	days	27	31
Ave attendance per league home match at Madejski Stadium		3,554	3,770

*2019 included a positive fair value movement of £7,382,066. The like for like comparative excluding this is (£4,007,440)
The company's KPIs in 2020 were impacted by the COVID-19 pandemic.

Approved by the Board on 25 June 2021 and signed on its behalf by:

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A Alli
Company secretary

London Irish Holdings Limited

Directors' Report for the Year Ended 30 June 2020

The directors present their report and the for the year ended 30 June 2020.

Results and dividends

The consolidated profit and loss account is set out on page 9 and shows the loss for the year.
The directors do not recommend the payment of a dividend (2019 - £nil).

Principal activity

The principal activity of the company is that of a professional rugby club.

Directors of the group

The directors who held office during the year were as follows:

M R Crossan

M L Bensted

M O'Hagan

B W E Facer (resigned 6 February 2021)

J R Turner

A Robson

N Northridge

Financial instruments

The group currently utilises a mixture of shareholder loan funds and external long-term debt to satisfy the working capital requirements of the group.
Liquidity risk (as reported in the Strategic Report) is managed by the regular monitoring of operational cash flows and access to a combination of shareholder funds and external long term debt.
Due to the nature of the financing of the group's operations going forward, there is no major exposure to price or liquidity risk.
There is also no major exposure to credit and cash flow risks as the majority of sales are cash based and amounts outstanding from trade debtors are monitored regularly for both time and credit limits.

Disclosure of information in the strategic report

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

Directors' responsibilities

The directors acknowledge their responsibilities for preparing the annual strategic report, 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 applicable law United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:
• select suitable accounting policies and then apply them consistently;
• make judgements and accounting estimates that are reasonable and prudent;
• state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
• prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable then to ensure that the financial statements comply with the Companies Act 2006 and in accordance with FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Brebners have expressed their willingness to continue in office.

Going concern

The group and parent company are reliant upon continued support of London Irish Consortium (2013) Limited and its ultimate controlling party Powerday plc.
The Gallagher Premiership was suspended in March 2020 due to the COVID-19 pandemic, with the delayed season completed behind closed doors following a restart on 14 August 2020. The 2021 season commenced at the end of November 2020 - again under COVID-19 restrictions and the club currently sits 7th in the Gallagher Premiership after 19 rounds. The situation is under constant review and the directors are reviewing the ongoing developments in respect of COVID-19 to ensure cash flow is positively managed and the impact to the company's operations is mitigated as far as practicably possible.
The continued effects of COVID-19 has an impact on the operations of the company and the resultant timing of cash flows. The company places reliance upon the continued financial support of London Irish Consortium (2013) Limited and its ultimate controlling party Powerday Plc, although no such funding has been needed since March 2019. However, in addition to the continued support from Powerday, with a number of other funding opportunities and initiatives in progress, the directors are confident that funding will be secured to meet the day to day working capital requirements and to also continue to invest in the long-term future of the company. As such the financial statements have been prepared on a going concern basis.
The directors are confident that funding will be secured to meet the day to day working capital requirements of the group and to also continue to invest in the long-term future of the group. As such the financial statements have been prepared on a going concern basis.

Approved by the Board on 25 June 2021 and signed on its behalf by:

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A Alli
Company secretary

Independent Auditor's Report to the Members of London Irish Holdings Limited

Opinion

We have audited the financial statements of London Irish Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2020, which comprise the Consolidated Statement of Income and Retained Earnings, Consolidated Statement of Financial Position, Statement of Financial Position, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, 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 Financial Reporting Standard 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 June 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 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.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements which indicates that with the uncertainty connected with the impact of COVID-19 on the operations of the group and parent company and the resultant timing of cashflows there is a risk that the group may be unable to pay its liabilities as they fall due. In conjunction with this, the group and parent company remain dependant on the continued financial support of London Irish Consortium (2013) Limited and its ultimate controlling party Powerday Plc.

These events or conditions, along with other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the group's or parent company's ability to continue as a going concern. The financial statements do not include any adjustments that would result if the group was not able to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the [set out on page], 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.

Independent Auditor's Report to the Members of London Irish Holdings Limited

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

....

John Chamberlain (Senior Statutory Auditor)

For and on behalf of

Brebners, Statutory Auditor

130 Shaftesbury Avenue

London

W1D 5AR

28 June 2021

London Irish Holdings Limited

Consolidated Statement of Income and Retained Earnings for the Year Ended 30 June 2020

	Note	2020 £	2019 £
Turnover	2	9,096,959	7,735,174
Cost of sales		(1,086,968)	(1,195,530)
Gross profit		**8,009,991**	**6,539,644**
Fair value movements		-	7,382,066
Administrative expenses		(13,036,762)	(10,549,584)
Government grants		716,181	2,500
Operating (loss)/profit	5	**(4,310,590)**	**3,374,626**
Other interest receivable and similar income		348	-
Interest payable and similar charges	6	(1,113,098)	(976,535)
		(1,112,750)	(976,535)
(Loss)/profit before tax		**(5,423,340)**	**2,398,091**
Taxation	7	(241,351)	(1,141,985)
(Loss)/profit for the financial year		**(5,664,691)**	**1,256,106**

All amounts relate to continuing activities.
There are no other gains and losses in the year other than those shown above. Accordingly, no separate statement of comprehensive income is presented.

London Irish Holdings Limited

Consolidated Statement of Financial Position as at 30 June 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	9	11,939	11,905
Tangible assets	10	12,273,351	12,349,711
Investments	11	15,998,154	15,998,154
Deferred tax asset		1,291,255	1,058,648
		29,574,699	29,418,418
Current assets			
Stocks	12	45,436	13,136
Debtors	13	1,548,094	1,324,458
Cash at bank and in hand		4,383,916	9,228,161
		5,977,446	10,565,755
Creditors: Amounts falling due within one year	14	(25,231,253)	(21,343,002)
Net current liabilities		**(19,253,807)**	**(10,777,247)**
Total assets less current liabilities		**10,320,892**	**18,641,171**
Creditors: Amounts falling due after more than one year	14	(5,715,014)	(8,822,120)
Provisions for liabilities	16	(4,609,975)	(4,158,457)
Net (liabilities)/assets		**(4,097)**	**5,660,594**
Capital and reserves			
Called up share capital	18	4,702,565	4,702,565
Share premium reserve	19	2,430,342	2,430,342
Other reserves	19	43,888	43,888
Profit and loss account	19	(7,180,892)	(1,516,201)
Equity attributable to owners of the company		(4,097)	5,660,594
Shareholders' (deficit)/funds		**(4,097)**	**5,660,594**

The notes on pages 20 to 40 form an integral part of these financial statements.

Consolidated Statement of Financial Position as at 30 June 2020

Approved and authorised by the Board on 25 June 2021 and signed on its behalf by:

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M R Crossan
Director

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A Alli
Company secretary

Company registration number: 03342451

London Irish Holdings Limited

Statement of Financial Position as at 30 June 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	10	12,221,159	12,322,990
Investments	11	250,850	250,850
		12,472,009	12,573,840
Current assets			
Debtors	13	19,466	17,696
Cash at bank and in hand		2,727	6,065
		22,193	23,761
Creditors: Amounts falling due within one year	14	(23,422,270)	(23,436,173)
Net current liabilities		**(23,400,077)**	**(23,412,412)**
Total assets less current liabilities		**(10,928,068)**	**(10,838,572)**
Provisions for liabilities	16	(1,975,397)	(1,767,442)
Net liabilities		**(12,903,465)**	**(12,606,014)**
Capital and reserves			
Called up share capital	18	4,702,565	4,702,565
Share premium reserve		2,430,342	2,430,342
Profit and loss account		(20,036,372)	(19,738,921)
Shareholders' deficit		**(12,903,465)**	**(12,606,014)**

The company made a loss after tax for the financial year of £297,451 (2019 - loss of £90,021).

Approved and authorised by the Board on 25 June 2021 and signed on its behalf by:

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M R Crossan
Director

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A Alli
Company secretary

Company registration number: 03342451

The notes on pages 20 to 40 form an integral part of these financial statements.

London Irish Holdings Limited

Consolidated Statement of Changes in Equity for the Year Ended 30 June 2020
Equity attributable to the parent company

	Share capital £	Share premium £	Other reserves £	Profit and loss account £	Total equity £
At 1 July 2019	4,702,565	2,430,342	43,888	(1,516,201)	5,660,594
Loss for the year	-	-	-	(5,664,691)	(5,664,691)
Total comprehensive income	-	-	-	(5,664,691)	(5,664,691)
At 30 June 2020	**4,702,565**	**2,430,342**	**43,888**	**(7,180,892)**	**(4,097)**

	Share capital £	Share premium £	Other reserves £	Profit and loss account £	Total equity £
At 1 July 2018	4,702,565	2,430,342	43,888	(2,772,307)	4,404,488
Profit for the year	-	-	-	1,256,106	1,256,106
Total comprehensive income	-	-	-	1,256,106	1,256,106
At 30 June 2019	**4,702,565**	**2,430,342**	**43,888**	**(1,516,201)**	**5,660,594**

The notes on pages 20 to 40 form an integral part of these financial statements.

Statement of Changes in Equity for the Year Ended 30 June 2020

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 July 2019	4,702,565	2,430,342	(19,738,921)	(12,606,014)
Loss for the year	-	-	(297,451)	(297,451)
Total comprehensive income	-	-	(297,451)	(297,451)
At 30 June 2020	**4,702,565**	**2,430,342**	**(20,036,372)**	**(12,903,465)**

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 July 2018	4,702,565	2,430,342	(19,648,900)	(12,515,993)
Loss for the year	-	-	(90,021)	(90,021)
Total comprehensive income	-	-	(90,021)	(90,021)
At 30 June 2019	**4,702,565**	**2,430,342**	**(19,738,921)**	**(12,606,014)**

The notes on pages 20 to 40 form an integral part of these financial statements.

London Irish Holdings Limited

Consolidated Statement of Cash Flows for the Year Ended 30 June 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
(Loss)/profit for the year		(5,664,691)	1,256,106
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	131,335	128,435
Changes in fair value of investments		-	(7,382,066)
Finance income		(348)	-
Net interest payable	6	1,113,098	976,535
Income tax expense	7	241,351	1,141,985
		(4,179,255)	**(3,879,005)**
Working capital adjustments			
(Increase)/decrease in stocks	12	(32,300)	20,909
Increase in debtors	13	(212,136)	(594,077)
Increase in creditors	14	781,145	16,238,198
Decrease in provisions	16	(33,940)	(96,060)
Net cash flow from operating activities		**(3,676,486)**	**11,689,965**
Cash flows from investing activities			
Interest received		348	-
Acquisitions of tangible assets		(48,499)	(15,079)
Acquisition of intangible assets	9	(6,510)	(13,980)
Acquisition of investments in joint ventures and associates	11	-	(2,133,006)
Net cash flows from investing activities		(54,661)	(2,162,065)
Cash flows from financing activities			
Interest paid	6	(1,113,098)	(976,535)
Net (decrease)/increase in cash and cash equivalents		**(4,844,245)**	**8,551,365**
Cash and cash equivalents at 1 July		9,228,161	676,796
Cash and cash equivalents at 30 June		**4,383,916**	**9,228,161**

1 Accounting policies

Statement of compliance

The preparation of the financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Company's accounting policies.
In preparing the financial statements, advantage has been taken of the following disclosure exemptions available in FRS 102:
• No cash flow statement has been presented as the company is included in the consolidated financial statements of the immediate parent;
• No disclosure has been given for the aggregate remuneration of the key management personnel of the company as their remuneration is included in the totals for the group as a whole;
• No disclosures is respect of related party transactions entered into with its parent company due to the fact it is a wholly owned subsidiary.

Basis of preparation

London Irish Holdings Limited is a private company limited by share capital and incorporated in England and Wales under the Companies Act. The principal activity of the company is that of a holding company for a professional rugby club. The address of the registered office is Hazelwood, Hazelwood Drive, Sunbury on Thames, Middlesex, TW16 6QU. The address of its principal place of business is Hazelwood, Hazelwood Drive, Sunbury on Thames, Middlesex, TW16 6QU.
The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006. The financial statements are presented in sterling which is the functional currency of the entity.

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosures exemptions available to FRS 102:
• No cash flow statement has been presented for the parent company;
• Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole;
• No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.
The following principal accounting policies have been applied:

Basis of accounting

The financial statements are prepared under the historical cost basis of accounting, modified by the holding of fixed asset investments at valuation, and have been prepared in accordance with applicable accounting standards.

Basis of consolidation

The group financial statements incorporate the results of the company and all of its subsidiary undertakings as at 30 June 2020 using the acquisition method of allocating where required. The profits and losses of the subsidiary undertakings are included from the date of acquisition. All intercompany transactions and balances are eliminated on consolidation.

Associates

An entity is treated as am associated undertaking where the group has a participating interest and exercises significant influence over its operating and financial policy decisions.

In the group accounts, interests in associated undertakings are accounted for using the equity method of accounting. The consolidated profit and loss account includes the group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings based on audited financial statements. In the consolidated balance sheet, the interests in associated undertakings are shown as the group's share of the identifiable net assets, including any unamortised premium paid on acquisition. Losses in excess of the carrying amount of an investment in associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate. Any premium on acquisition is dealt with under the goodwill policy.

Going concern

The financial statements have been prepared on the going concern basis which assumes that the group will continue in operational existence for the foreseeable future. In assessing the reasonableness of this assumption the directors have taken in to account current trading performance and cash flow forecast of the group and company for not less than 12 months from the date of approval of these financial statements.

The group made a loss of £5,664,691 in the current year, and at the year-end had net current liabilities of £19,253,807 and net liabilities of £4,097. The Board have continued to invest heavily in the squad and the club will remain in the Gallagher Premiership for the 21-22 season. Costs will continue to be monitored and effective working capital management strategies implemented.

The Gallagher Premiership was suspended in March 2020 due to the COVID-19 pandemic, with the delayed season completed behind closed doors following a restart on 14 August 2020. The 2021 season commenced at the end of November 2020 - again under COVID-19 related restrictions and the club secured a 9th place finish following an improved playing campaign. The situation is under constant review and the directors are reviewing the ongoing developments in respect of COVID-19 to ensure cash flow is positively managed and the impact to the company's operations is mitigated as far as practicably possible.

Further losses have been incurred post year end and the forecasts prepared by the directors show continued losses for at least the next 12 months. The club has taken advantage of a long term loan facility of £8.2m provided through HM Treasury, the DCMS and Sport England, and also taken advantage of available governmental support throughout the pandemic with these initiatives providing working capital for the company inevitably there is a degree of uncertainty as to the exact level of such losses, and therefore the level of additional funding required.

The group remains dependent on the continued financial support of London Irish Consortium (2013) Limited and its' ultimate controlling party Powerday plc. The directors of these entities remain committed to restoring London Irish rugby club to a profitable professional rugby club, well established within the elite levels of the Gallagher Premiership. To date the shareholder investors of London Irish Consortium (2013) Limited have provided additional working capital as and when required. No formal arrangements are in place with regard to levels of committed future funding.

As part of their commitment to restore the trading and playing fortunes of London Irish rugby club, the investors continue to seek additional external investment.

This situation indicates that a material uncertainty exists that may cast a significant doubt on the group's ability to continue as a going concern due to the uncertainty on the timing of cashflows which creates a risk the group may be unable to pay its liabilities as they fall due.

Having made appropriate enquiries of its ultimate controlling party the Board is confident that taking into account our current trading performance, cash requirements, potential additional investors joining the Consortium, additional external loan funding and confirmation regarding the ongoing intention to provide support from the majority shareholders, adequate funding will be made available and that the group and company will be a going concern for not less than 12 months from the approval of these financial statements. The directors therefore continue to adopt the going concern basis of preparation for these financial statements.

Holding company profit and loss account

The company has taken advantage of the exemption in Section 408 of the Companies Act 2006 not to present its own profit and loss account.

Revenue recognition

Turnover comprises income receivable, excluding value added tax and discounts where appropriate, from rugby and related commercial activities.

Revenue is recognised as follows:

Season ticket income

Season ticket revenues are recognised on an accruals basis in line with the timing of home matches played. Income received in advance is carried forward as deferred income and released to revenue on a systematic basis.

Match day income

Gate receipts and other match day revenues are recognised with the period in which the respective match takes place.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be reliably measured.

Sponsorship income

Sponsorship and similar commercial income is recognised on an accruals basis in accordance with the substance of the relevant agreement. Income received in advance is carried forwards as deferred income.

Premier Rugby Limited income

Premier Rugby Limited income is recognised on an accruals basis. Income received in advance is carried forward as deferred income and released to revenue on a systematic basis over the season.

The turnover and loss before taxation are attributable to the principal activity of the group.

Key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Other than those involving estimations, there are no judgements that management has made in the process of applying the entity's accounting policies that had a significant effect on the amounts recognised in the financial statements.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are as follows:
Recognition of CVC transaction proceeds (note 2);
Unlisted investment carrying value (note 11);
and Recognition of deferred tax (note 16)

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.
Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tangible assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the full cost or valuation less estimated residual value of each asset over its estimated useful life using the straight-line method. The principal rates in use are:

Asset class	Depreciation method and rate
Freehold Land	Not depreciated
Freehold buildings	2% per annum
Plant and machinery	25% per annum
Fixtures and fittings	25% per annum
Equipment	33% per annum

Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease terms.

Intangible assets

Development expenditure incurred is capitalised as an intangible asset only when all of the following criteria are met:
• It is technically feasible to complete the intangible asset so that it will be available for use or sale;
• there is the intention to complete the Intangible asset;
• there is the ability to use or sell the intangible asset;
• the use or sale of the intangible asset will generate probable future economic benefits;
• there are adequate technical, financial and other resources available to complete the development and to use or sell the intangible asset; and
• the expenditure attributable to the intangible asset during the development can be measured reliably.
Expenditure that does not meet the above criteria is expensed and incurred.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Software development	33% per annum

Investments

Investments in subsidiary undertakings are shown at cost less provision for permanent diminutions in value.
Investments held as fixed assets are measured at fair value. Changes in fair value are recognised in profit or loss.

Stock

Stock is valued at the lower of cost and estimated net realisable value.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.
Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.
Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Government grants

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on a submission of a valid claim for payment.
Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Defined contribution pension obligation

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group and in an independently administered fund. Contributions payable to this scheme are charged to the profit and loss in the period to which they relate.

2 Turnover

Turnover comprises:

	2020 £	2019 £
Rugby income	696,914	448,210
Premier Rugby and RFU income	6,579,373	5,315,080
Commercial income	1,820,672	1,971,884
	9,096,959	**7,735,174**

In the opinion of the directors there is only one segment which is the playing and development of rugby football.
All turnover originates in the UK.
The sale of a significant minority interest in Premier Rugby Limited ("PRL") to certain funds advised or managed by CVC Capital Partners ("CVC") was signed on 29th March 2019 with the Club receiving a cash inflow of £12.8m as result of the transaction. The income is being recognised in the Profit and Loss Account over 48 months, with amounts relating to future periods being recognised as deferred income.
The income recognised is included within Premier Rugby and RFU income above.

3 Employees

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020 £	2019 £
Wages and salaries	8,733,172	6,857,344
Social security costs	1,099,828	878,491
Pension costs, defined contribution scheme	101,556	68,588
Other employee expense	470	-
	9,935,026	**7,804,423**

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2020 No.	2019 No.
Administration	6	5
Commercial	16	15
Rugby	88	84
	110	**104**

4 Directors

The aggregate directors' emoluments amounted to:

	2020 £	2019 £
Emoluments	127,875	120,000
Company contributions to money purchase schemes	5,927	6,130
	133,802	**126,130**

Retirement benefits are accruing to the following number of directors under:

	2020 No.	2019 No.
Money purchase scheme	1	1

In addition to the above, Directors Fees amounting to £23,438 (2019: £25,000) have been charged to the Profit and Loss account for the services of the non-executive directors.

5 Operating loss

Arrived at after charging/(crediting)

	2020 £	2019 £
Depreciation expense	124,857	126,360
Amortisation expense	6,476	2,075
Foreign exchange losses	425	-
Operating lease expense - property	147,999	134,683
Auditors' remuneration:		
- audit of the company accounts	4,500	4,500
- audit of the subsidiaries accounts	15,500	15,500
- non-audit	5,000	5,000

Other income of £713,681 (2019: £nil) relates to Government furlough grants

6 Interest payable and similar charges

	2020 £	2019 £
Other loan and bank interest	14,508	13,301
Interest on shareholder loans	1,098,590	963,234
	1,113,098	**976,535**

7 Taxation

Tax charged/(credited) in the income statement

	2020 £	2019 £
Current taxation		
UK corporation tax	-	-
Adjustments in respect of prior periods	-	-
Total current tax charge	-	-
Deferred taxation		
Origination and reversal of timing differences	241,351	1,141,985
Total deferred tax charge / (credit)	**241,351**	**1,141,985**

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2019 - higher than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).
The differences are reconciled below:

	2020 £	2019 £
(Loss)/profit before tax	**(5,423,340)**	**2,398,091**
Corporation tax at standard rate	(1,030,435)	455,637
Income not taxable for tax purposes	-	(1,403,214)
Items not deductible for tax purposes	(9,368)	23,345
Trading losses arising carried forward	120,682	91,367
Deferred tax movements	241,351	1,141,985
Group relief surrendered / (claimed)	919,121	832,865
Total tax charge	**241,351**	**1,141,985**

At the year-end there were tax losses of £20,929,412 (2019 - £20,900,722) available to carry forward and offset against future profits of the same trade.

8 Profit attributable to members of the parent company

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the parent company is not prepared as part of these financial statements. The parent company's loss before taxation for the financial year was £89,496 (2019: loss of £121,062) and loss after taxation for the financial year was £297,451 (2019: loss of £90,021).

9 Intangible assets

Group

	Development costs £	Total £
Cost or valuation		
At 1 July 2019	13,980	13,980
Additions	6,510	6,510
At 30 June 2020	20,490	20,490
Amortisation		
At 1 July 2019	2,075	2,075
Amortisation charge	6,476	6,476
At 30 June 2020	8,551	8,551
Carrying amount		
At 30 June 2020	**11,939**	**11,939**
At 30 June 2019	**11,905**	**11,905**

10 Tangible assets

Group

	Freehold land and buildings £	Equipment fixtures and fittings £	Plant and machinery £	Total £
Cost or valuation				
At 1 July 2019	12,736,370	107,863	88,784	12,933,017
Additions	-	41,391	7,108	48,499
At 30 June 2020	12,736,370	149,254	95,892	12,981,516
Depreciation				
At 1 July 2019	413,380	90,821	79,105	583,306
Charge for the year	101,831	17,555	5,473	124,859
At 30 June 2020	515,211	108,376	84,578	708,165
Carrying amount				
At 30 June 2020	**12,221,159**	**40,878**	**11,314**	**12,273,351**
At 30 June 2019	**12,322,990**	**17,042**	**9,679**	**12,349,711**

Company

	Freehold land and buildings £	Equipment, fixtures and fittings £	Plant and machinery £	Total £
Cost or valuation				
At 1 July 2019	12,736,370	31,729	10,299	12,778,398
At 30 June 2020	12,736,370	31,729	10,299	12,778,398
Depreciation				
At 1 July 2019	413,380	31,729	10,299	455,408
Charge for the year	101,831	-	-	101,831
At 30 June 2020	515,211	31,729	10,299	557,239
Carrying amount				
At 30 June 2020	**12,221,159**	**-**	**-**	**12,221,159**
At 30 June 2019	**12,322,990**	**-**	**-**	**12,322,990**

11 Investments

Group

Details of undertakings

Group	Unlisted investments £
At 1 July 2019	15,998,154
Additions	-
Revaluation	-
At 30 June 2020	**15,998,154**

Other investments

The unlisted investments represent investment in 'Income shares' (Invested Units) entitling the holder to future income streams from Premier Rugby Limited ("PRL").
Subsequent to the CVC transaction on the 29 March 2019, the 'P' shares formerly held were replaced by Invested Units. The Invested Units entitle the holder to future income streams from PRL. The principal activity of PRL is to promote and foster the interests of member clubs. It is incorporated in the UK.
The company has valued its investment in PRL based upon the income stream provided by the investment, and in line with other shareholding clubs. The valuation is based upon the projected future income stream into perpetuity discounted at a rate of 8% per annum, and this methodology has been approved by the PRL Board and is reviewed on an annual basis. This gives a valuation which is unchanged from that included in the prior year. The directors consider this to represent a fair value. The impact of Covid-19 is considered to be exceptional and short-term and therefore does not impact the valuation of the investment, which is based on a medium to long-term plan.
The company has also co-invested along with CVC Funds, in an additional minority shareholding in PRL. This investment is held at cost which was based upon the same methodology.

Company

	Shares in group undertakings (unlisted) £	Loan notes £
Provision for diminution in value	-	(500,000)
At 1 July 2019	250,850	500,000
At 30 June 2020	**250,850**	-

Details of undertakings

Subsidiary undertakings (100% owned)

London Irish Rugby Football Ground Limited

The principal activity of London Irish Rugby Football Ground Limited is owning land for group.

London Irish Scottish Richmond Limited

The principal activity of London Irish Scottish Richmond Limited is Professional Rugby.

Associates (50% owned)

Hazelwood Centre LLP

The principal activity of Hazelwood Centre LLP is Facilities Management.

All entities are incorporated in England and Wales. The address of all undertakings is Hazelwood, Hazelwood Drive, Sunbury on Thames, Middlesex, TW16 6QU.

12 Stocks

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
Finished goods for resale	**45,436**	**13,136**	**-**	**-**

13 Debtors

		Group		Company	
	Note	2020 £	2019 £	2020 £	2019 £
Trade debtors		517,254	654,335	4,200	4,200
Amounts owed by group undertakings	21	-	-	2,076	11,392
Other debtors		142,816	129,945	13,190	2,104
Prepayments		888,024	540,178	-	-
		1,548,094	**1,324,458**	**19,466**	**17,696**

All amounts shown under debtors fall due within one year.

14 Creditors

	Note	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Due within one year					
Trade creditors		188,108	191,532	9,477	9,569
Amounts due to group undertakings	21	17,136,437	16,042,931	23,290,612	23,290,952
Social security and other taxes		2,015,640	604,348	109	-
Other payables		789	30,152	-	-
Accruals		5,890,279	4,474,039	122,072	135,652
		25,231,253	**21,343,002**	**23,422,270**	**23,436,173**
Due after one year					
Other non-current financial liabilities		**5,715,014**	**8,822,120**	**-**	**-**

15 Financial instruments

Group

Categorisation of financial instruments

	2020 £	2019 £
Financial assets measured at fair value through profit or loss	15,998,154	15,998,154

Company

The company had no financial assets measured at fair value through profit and loss.

Financial assets measured at fair value

Financial assets measured at fair value through profit and loss comprise the group's investment in 'Income Shares' (Invested Units) in Premier Rugby Limited.

16 Other provisions

Group

	Deferred tax £	Other provisions £	Total £
At 1 July 2019	4,124,517	33,940	4,158,457
Increase (decrease) in existing provisions	-	(33,940)	(33,940)
Increase (decrease) due to change in discount rate	485,458	-	485,458
At 30 June 2020	**4,609,975**	**-**	**4,609,975**

Company

	Deferred tax £	Total £
At 1 July 2019	1,767,442	1,767,442
Increase (decrease) due to change in discount rate	207,955	207,955
At 30 June 2020	**1,975,397**	**1,975,397**

17 Deferred taxation

	Group		Company	
Deferred tax asset	**2020 £**	**2019 £**	**2020 £**	**2019 £**
Non-trade losses	500,401	447,552	-	-
Trade losses	790,854	611,096	-	-
	1,291,255	**1,058,648**	**-**	**-**

At the period end the group has a potential unrecognised deferred tax asset of £2,762,879 (2019: £2,675,552) in respect of losses, accelerated capital allowances and other short term timing differences. It is considered unlikely that these will be utilised in the foreseeable future. Therefore, the deferred tax asset has not been recognised in the current or previous year.

18 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	**£**	**No.**	**£**
Ordinary shares shares of £0.01 each	85,501,194	855,011.94	85,501,194	855,011.94
Deferred shares shares of £0.09 each	42,750,597	3,847,553.73	42,750,597	3,847,553.73
	128,251,791	4,702,566	128,251,791	4,702,566

19 Reserves

Share Capital

This reserve represents the nominal value of equity capital issued.

Share premium account

This reserve includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Other reserves

Other reserves represents several historical reserve movements.

Profit and loss account

This reserve represents cumulative profits and losses of the group, net of dividends paid and other adjustments.

20 Leasing commitments

Company

Operating leases

The company's future minimum operating lease payments are as follows:

	2020 £	2019 £
Not later than one year	126,124	129,046
Later than one year and not later than five years	46,067	112,485
	172,191	**241,531**

21 Related party transactions

Company

The company has taken advantage of the exemption conferred by FRS 102 not to disclose transactions with wholly owned group companies within the group.
During the year the company entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and trading balances outstanding at 30 June; are as follows:

Expenditure with and payables to related parties

2020	**Parent** **£**	**Entities with joint control or significant influence** **£**
Purchase of goods	-	**147,999**

2019	**Parent** **£**	**Entities with joint control or significant influence** **£**
Purchase of goods	235	174,207
Amounts payable to related party	-	**971**

Loans from entities with significant influence over the company

During the year no additional loans were made to the company from London Irish Consortium (2013) Limited. All such loans are secured against the assets of the company and at fixed interest rate of 6%. Total interest charged in the year was £1,098,950 (2019: £963,234). The total balance outstanding as at 30 June 2020 is £17,241,605 (2019: £16,142,614).

Terms and conditions of transactions with related parties

Outstanding balances with entities are unsecured, interest free and settlement is expected within the terms of the invoice. The company has not provided or benefited from any guarantees for any related party receivables or payables. During the year ended 30 June 2020 the company has not made any provision for doubtful debts relating to amounts owed by related parties (2019: £nil).

Income and receivables from related parties

2020	Entities with significant influence over the company £	Entities over which the company has joint control or significant influence £
Sale of goods	231,139	-
Amounts receivable from related party	**36,175**	**24,272**

2019	Entities with significant influence over the company £	Entities over which the company has joint control or significant influence £
Sale of goods	193,524	18,297
Amounts receivable from related party	**34,595**	**-**

22 Analysis of changes in net debt

Group

	At 1 July 2019 £	Financing cash flows £	At 30 June 2020 £
Cash and cash equivalents			
Cash	9,228,161	(4,844,245)	4,383,916
Borrowings			
Long term borrowings	412,402	(412,402)	-
Short term borrowings	16,142,614	1,098,590	17,241,204
	16,555,016	686,188	17,241,204
	25,783,177	**(4,158,057)**	**21,625,120**

23 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £101,556 (2019 - £68,588). At 30 June 2019 contributions amounting to £35,931 (2019 - £27,073) were payable to the fund and were included in creditors.

24 Parent and ultimate parent undertaking

The company's ultimate controlling company is Powerday plc which is the parent of the largest group of which the company is a member and for which group financial statements are prepared. The consolidated financial statements of this company are available from Companies House. In the opinion of the Directors, the ultimate controlling party is Michael Crossan.

Subsequent to the year end the London Irish Holdings Group secured external loan finance amounting to £8,200,000 from The English Sports Council. The loan finance is secured by a floating charge over the assets of the London Irish Holdings group and its immediate parent London Irish Consortium (2013).

25 Commitments

Company

Capital commitments

At the year end, the company had a capital commitment of £250,000 (2019: £250,000) and other financial commitments of £Nil (2019: £491,000).
The group has also negotiated a licence agreement for London Irish Rugby Club to play its home games from the start of the 2020-21 season at the Brentford Community Stadium, which is dependent on completion of the facility.

26 Non adjusting events after the financial period

Subsequent to the year end the London Irish Holdings Group secured external loan finance amounting to £8,187,000 from the English Sports Council. The loan finance is secured by a floating charge over the assets of the London Irish Holdings group and its immediate parent London Irish Consortium (2013) Limited.