

Registrar

Company Registration No 04187289 (England and Wales)

LONDON WASPS HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

WEDNESDAY



A2GPNIPC

A15

11/09/2013

#95

COMPANIES HOUSE

LONDON WASPS HOLDINGS LIMITED

COMPANY INFORMATION

Directors	M A Rigby R N Dawbarn I A Montlake	Chairman
Company number	04187289	
Registered office	London Wasps Sports Ground Twyford Avenue Acton London W3 9QA	
Auditors	Haines Watts Sterling House 5 Buckingham Place Bellfield Road West High Wycombe Buckinghamshire HP13 5HQ	
Business address	London Wasps Sports Ground Twyford Avenue Acton London W3 9QA	
Bankers	Barclays Commercial Bank Level 27 1 Churchill Place London E14 5HP	
Solicitors	Couchman Harrington Associates 20-22 Bedford Row London WC1R 4EB	

LONDON WASPS HOLDINGS LIMITED

CONTENTS

	Page
Directors' report	1 - 3
Independent auditors' report	4 - 5
Profit and loss account	6
Statement of total recognised gains and losses	7
Balance sheet	8
Cash flow statement	9
Notes to the cash flow statement	10
Notes to the financial statements	11 - 20

LONDON WASPS HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2012

The directors present their report and financial statements for the year ended 30 June 2012

Principal activities and review of the business

The principal activity of the company is the operation of a professional rugby team, along with the development of grass roots rugby union and the promotion of the game within the community

London Wasps are an established rugby team, currently positioned in the English premiership. Our key strategic objectives are to maintain our pre-eminent position in world rugby, whilst developing the club's brand and commercial activities which will enable a profitable business model to be established in the medium term.

The general economic environment continued to be extremely challenging, for both individuals and companies. In addition, the 2011/12 season saw a series of disappointing results for the team, which had a negative impact on attendances and match day revenues, alongside the disruption caused by the uncertainty surrounding the long term future of the club.

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

Relegation from the Premiership

Impact: Reduced revenues that would necessarily involve a reduction in expenditure to compensate for loss of revenue.

Mitigation: Continued investment in playing squad and coaching staff to ensure playing standards are maintained.

Reduced funding from RFU and PRL

Impact: Reduced revenue from central contracts.

Mitigation: Continued development of players who will feature in England squads maximises elements of revenue from the RFU and PRL.

Inability to attract and retain top class players

Impact: Ability to maintain London Wasps as a leading English club is compromised.

Mitigation: Investment in playing staff and player support maintains London Wasps reputation for developing international players.

The performance of the business is measured on both quantitative and qualitative terms, using both financial and non-financial measures, with the team's success on the pitch and the number of season and matchday tickets sold considered the key performance indicators as follows:

Indicator	Year ended 30 June 2012	Year ended 30 June 2011
Sales Revenue (£'000)	£6,719	£8,142

Sales revenue significantly decreased as a result of the fall in attendances, the lack of a St George's Day game being held at Twickenham and reduction in sponsorship revenues.

LONDON WASPS HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

League Position	11th	9th
-----------------	------	-----

A hugely disappointing season saw the London Wasps fail to qualify for the Heineken Cup in the 2011/12 season, which will have a negative effect on financial results in the subsequent season

Average Attendance	6,874	7,334
--------------------	-------	-------

Below par performances on the pitch combined with the harsh economic environment resulted in a fall in attendances at Adams Park

Season tickets sold	2,771	4,150
---------------------	-------	-------

Season ticket numbers fell due to the decline in performance in recent years and speculation over the long term future of the club, with a number of supporters continuing to purchase tickets on a game by game basis

Results and dividends

The results for the year are set out on page 6

The directors do not recommend payment of an ordinary dividend

Post balance sheet events

In September 2012 the Ordinary A, Ordinary C, Ordinary D and 34,489 of the Ordinary B shares of the company were acquired by Canmango Limited, a company incorporated in England and Wales

Future developments

The new management team will look to increase the marketability of the Wasps 'brand' and to improve the experience for Wasps supporters both on and off the field, with a view to achieving gradual but marked increases in attendances and significant growth in commercial and sponsorship revenue streams

Ensuring a strong playing squad is an integral part of this vision with success on the pitch helping to support the new commercial and marketing initiatives which will in turn allow additional investment in the squad

Additionally, new investors may be sought to provide additional working capital and security in attempting to meet the company's investment plans and turnaround current trends noted above

Directors

The following directors have held office since 1 July 2011

M A Rigby	
L B Dallaglio	(Resigned 2 November 2012)
R N Dawbarn	(Appointed 5 November 2012)
I A Montlake	
S E Hayes	(Resigned 12 September 2012)
C J Thomas	(Resigned 12 September 2012)
D C Thorne	(Appointed 5 November 2012 and resigned 5 April 2013)

LONDON WASPS HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

Charitable donations

	2012	2011
	£	£
During the year the company made the following payments		
Charitable donations	-	20,906

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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,
- 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 them to ensure that the financial statements comply with the Companies Act 2006. 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

Qualifying third party indemnity provisions

The company maintains insurance policies on behalf of all the directors against liability arising from negligence, breach of duty and breach of trust in relation to the company.

On behalf of the board

M A Rigby
Director

Date

2/9/13

LONDON WASPS HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LONDON WASPS HOLDINGS LIMITED

We have audited the financial statements of London Wasps Holdings Limited for the year ended 30 June 2012 set out on pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2012 and of its 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

LONDON WASPS HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF LONDON WASPS HOLDINGS LIMITED

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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

Gary Heywood (Senior Statutory Auditor)
for and on behalf of Haines Watts

10 / 9 / 13

Chartered Accountants
Statutory Auditor

Sterling House
5 Buckingham Place
Bellfield Road West
High Wycombe
Buckinghamshire
HP13 5HQ

LONDON WASPS HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 £	2011 £
Turnover	2	6,718,891	8,142,404
Cost of sales		(7,722,271)	(8,161,313)
Gross loss		(1,003,380)	(18,909)
Administrative expenses		(1,722,200)	(1,950,449)
Operating loss	3	(2,725,580)	(1,969,358)
Investment income		-	(79)
Interest payable and similar charges	4	(131,498)	(51,156)
Loss on ordinary activities before taxation		(2,857,078)	(2,020,593)
Tax on loss on ordinary activities	5	-	-
Loss for the year	13	(2,857,078)	(2,020,593)

The profit and loss account has been prepared on the basis that all operations are continuing operations

LONDON WASPS HOLDINGS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	£	£
Loss for the financial year	(2,857,078)	(2,020,593)
Unrealised surplus on revaluation of fixed asset investment	-	3,233,574
Total recognised gains and losses relating to the year	(2,857,078)	1,212,981

LONDON WASPS HOLDINGS LIMITED

BALANCE SHEET

AS AT 30 JUNE 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	6		32,646		47,769
Investments	7		3,233,574		3,233,574
			<u>3,266,220</u>		<u>3,281,343</u>
Current assets					
Stocks	8	-		134,789	
Debtors	9	491,162		566,897	
Cash at bank and in hand		16,641		12,313	
		<u>507,803</u>		<u>713,999</u>	
Creditors amounts falling due within one year	10	(4,783,630)		(3,644,092)	
Net current liabilities			(4,275,827)		(2,930,093)
Total assets less current liabilities			(1,009,607)		351,250
Creditors amounts falling due after more than one year	11		(11,755,128)		(10,258,907)
			<u>(12,764,735)</u>		<u>(9,907,657)</u>
Capital and reserves					
Called up share capital	12		775,550		775,550
Share premium account	13		6,340,989		6,340,989
Revaluation reserve	13		3,233,574		3,233,574
Profit and loss account	13		(23,114,848)		(20,257,770)
Shareholders' deficit	14		<u>(12,764,735)</u>		<u>(9,907,657)</u>

Approved by the Board and authorised for issue on

2/9/13

M A Righty
Director

Company Registration No. 04187289

LONDON WASPS HOLDINGS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	£	£
Net cash outflow from operating activities	(2,051,119)	(1,586,797)
Returns on investments and servicing of finance		
Interest paid	(131,498)	(51,156)
Net cash outflow for returns on investments and servicing of finance	(131,498)	(51,156)
Capital expenditure		
Payments to acquire tangible assets	(30,114)	(4,655)
Net cash outflow for capital expenditure	(30,114)	(4,655)
Net cash outflow before management of liquid resources and financing	(2,212,731)	(1,642,608)
Financing		
Other new long term loans	3,638,892	1,800,278
Repayment of other long term loans	(251,729)	-
Net cash inflow from financing	3,387,163	1,800,278
Increase in cash in the year	1,174,432	157,670

LONDON WASPS HOLDINGS LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2012

1 Reconciliation of operating loss to net cash outflow from operating activities		2012	2011
		£	£
Operating loss		(2,725,580)	(1,969,358)
Depreciation of tangible assets		45,237	52,115
Decrease in stocks		134,789	153,011
Decrease in debtors		75,735	300,586
Increase/(decrease) in creditors within one year		418,700	(123,151)
Net cash outflow from operating activities		(2,051,119)	(1,586,797)

2 Analysis of net debt	1 July 2011	Cash flow	Other non-cash changes	30 June 2012
	£	£	£	£
Net cash				
Cash at bank and in hand	12,313	4,328	-	16,641
Bank overdrafts	(1,170,104)	1,170,104	-	-
	<u>(1,157,791)</u>	<u>1,174,432</u>	<u>-</u>	<u>16,641</u>
Debt				
Debts falling due within one year	-	-	(1,890,942)	(1,890,942)
Debts falling due after one year	(10,258,907)	(3,387,163)	1,890,942	(11,755,128)
	<u>(10,258,907)</u>	<u>(3,387,163)</u>	<u>-</u>	<u>(13,646,070)</u>
Net debt	(11,416,698)	(2,212,731)	-	(13,629,429)

3 Reconciliation of net cash flow to movement in net debt		2012	2011
		£	£
Increase in cash in the year		1,174,432	157,670
Cash inflow from increase in debt		(3,387,163)	(1,800,278)
Movement in net debt in the year		(2,212,731)	(1,642,608)
Opening net debt		(11,416,698)	(9,774,090)
Closing net debt		(13,629,429)	(11,416,698)

LONDON WASPS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of fixed asset investments

The change in ownership on 5 April 2013 secured the long term financial future of the club since D Richardson has committed to support the club for the foreseeable future

The Board have considered the above and believe that the going concern basis of accounting is therefore still appropriate in preparing the annual financial statements

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

Revenue is recognised in respect of match-day income, including season tickets, match-day tickets, executive boxes, hospitality packages and other match-day income when the relevant matches take place

For annual income streams such as central funding and sponsorship arrangements, revenue is recognised in equal instalments across the relevant period

Income received relating to future periods is included as deferred income within creditors until the relevant revenue recognition event has occurred

1.4 Tangible fixed assets and depreciation

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

Land and buildings Leasehold	33 3% per annum on a straight line basis
Computer equipment	33 3% per annum on a straight line basis
Fixtures, fittings & equipment	33 3% per annum on a straight line basis

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.6 Investments

Fixed asset investments are stated at valuation, less any provision for permanent diminution in value

1.7 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. A deferred tax asset is provided for only where there is reasonable certainty that taxable profits will be generated in the future. The deferred tax balance has not been discounted

LONDON WASPS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

2 Turnover

The turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3 Operating loss	2012 £	2011 £
Operating loss is stated after charging		
Depreciation of tangible assets	45,237	52,115
Operating lease rentals	697,194	673,325
Auditors' remuneration (including expenses and benefits in kind)	32,225	18,393

4 Interest payable	2012 £	2011 £
On bank loans and overdrafts	13,227	51,156
Other interest	118,271	-
	131,498	51,156

LONDON WASPS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

5	Taxation	2012	2011
	Total current tax	-	-
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(2,857,078)	(2,020,593)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.00% (2011 - 26.00%)	(685,699)	(525,354)
	Effects of		
	Non deductible expenses	8,771	22
	Depreciation add back	11,535	14,331
	Capital allowances	(12,932)	(17,516)
	Unrelieved tax losses	735,929	558,826
	Changes in effective tax rate	(57,604)	(30,309)
		685,699	525,354
	Current tax charge for the year	-	-

The company has estimated losses of £ 18,410,094 (2011 - £ 15,524,098) available for carry forward against future trading profits

No provision has been made in these accounts for the deferred tax asset of £3,682,019 (2011 £3,725,784) resulting from carrying forward trading losses. A deferred tax asset would only be recognised where there is reasonable certainty that suitable taxable profits will be generated in future.

LONDON WASPS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

6 Tangible fixed assets

	Land and buildings Leasehold	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost or valuation				
At 1 July 2011	202,516	216,258	173,447	592,221
Additions	10,284	1,910	17,920	30,114
	<u>212,800</u>	<u>218,168</u>	<u>191,367</u>	<u>622,335</u>
At 30 June 2012				
Depreciation				
At 1 July 2011	176,257	213,952	154,243	544,452
Charge for the year	25,471	1,941	17,825	45,237
	<u>201,728</u>	<u>215,893</u>	<u>172,068</u>	<u>589,689</u>
At 30 June 2012				
Net book value				
At 30 June 2012	<u>11,072</u>	<u>2,275</u>	<u>19,299</u>	<u>32,646</u>
At 30 June 2011	<u>26,259</u>	<u>2,306</u>	<u>19,204</u>	<u>47,769</u>

LONDON WASPS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

7 Fixed asset investments

	Shares in participating interests £
Cost or valuation	
At 1 July 2011 & at 30 June 2012	3,233,574
Net book value	
At 30 June 2012	3,233,574
At 30 June 2011	3,233,574

On 20 February 2012 a previously held 100% dormant subsidiary Wasps Rugby Football Club Limited was restored, having been originally dissolved on 25 January 2011. On 20 November 2012 after the year end, Wasps Rugby Football Club Limited was again dissolved.

The company's investment at the balance sheet date represents the directors' valuation of its shares in Premier Rugby Limited.

Basis of valuation

In line with guidance provided to all members of Premier Rugby Limited in 2011, the company decided to revalue its shares in Premier Rugby Limited during that year. The valuation was calculated on the net present value of contracted cashflows the company was entitled to as a member of Premier Rugby Limited on a rolling contract basis. The discount rate used in the valuation was 7%.

8 Stocks	2012 £	2011 £
Finished goods and goods for resale	-	134,789

9 Debtors	2012 £	2011 £
Trade debtors	35,014	446,873
Other debtors	331,730	112,961
Prepayments and accrued income	124,418	7,063
	491,162	566,897

LONDON WASPS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

10 Creditors: amounts falling due within one year	2012 £	2011 £
Bank overdrafts	-	1,170,104
Trade creditors	709,807	900,128
Taxes and social security costs	901,247	445,513
Director's loan	1,480,000	-
Other loan	410,942	-
Other creditors	38,301	42,303
Accruals and deferred income	1,243,333	1,086,044
	<u>4,783,630</u>	<u>3,644,092</u>

The director's loan represents additional monies lent to the company during the year by S E Hayes, director. The loan does not attract interest and ranks as an unsecured creditor of the company. The loan is repayable under the conditions of the sale of the company to Canmango Limited in August 2012 (see note 18)

11 Creditors: amounts falling due after more than one year	2012 £	2011 £
Director's loan (see note 20)	10,617,799	10,258,907
Other loan	1,137,329	-
	<u>11,755,128</u>	<u>10,258,907</u>

Analysis of loans

Not wholly repayable within five years by instalments	10,617,799	10,258,907
Wholly repayable within five years by installments	1,548,271	-
	<u>12,166,070</u>	<u>10,258,907</u>
Included in current liabilities	(410,942)	-
	<u>11,755,128</u>	<u>10,258,907</u>

Loan maturity analysis

In more than one year but not more than two years	454,740	-
In more than two years but not more than five years	682,589	-
In more than five years	<u>10,617,799</u>	<u>10,258,907</u>

In October 2011 the company gave a charge to Close Leasing Limited over its P Capital shares and P Income shares in Premier Rugby Limited. In return it received a loan of £1,800,000. The balance on this loan as at 30 June 2012 was £1,548,271.

LONDON WASPS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

12 Share capital	2012 £	2011 £
Allotted, called up and fully paid		
329,850 Ordinary 'A' shares of £1 each	329,850	329,850
50,000 Ordinary 'B' shares of £1 each	50,000	50,000
197,850 Ordinary 'C' shares of £1 each	197,850	197,850
197,850 Ordinary 'D' shares of £1 each	197,850	197,850
	<u>775,550</u>	<u>775,550</u>

All shares rank pari passu with regard to voting, dividends and rights to capital on a winding up, except that the holder of the 'A' Ordinary shares may accept an offer for the entire issued share capital of the company on behalf of the other shareholders without their consent

13 Statement of movements on reserves

	Share premium account £	Revaluation reserve £	Profit and loss account £
Balance at 1 July 2011	6,340,989	3,233,574	(20,257,770)
Loss for the year	-	-	(2,857,078)
Balance at 30 June 2012	<u>6,340,989</u>	<u>3,233,574</u>	<u>(23,114,848)</u>

14 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Loss for the financial year	(2,857,078)	(2,020,593)
Other recognised gains and losses	-	3,233,574
Net (depletion in)/addition to shareholders' funds	(2,857,078)	1,212,981
Opening shareholders' funds	(9,907,657)	(11,120,638)
Closing shareholders' funds	<u>(12,764,735)</u>	<u>(9,907,657)</u>

LONDON WASPS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

15 Financial commitments

At 30 June 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 June 2013

	Land and buildings		Other	
	2012	2011	2012	2011
	£	£	£	£
Operating leases which expire				
Between two and five years	505,000	400,000	3,600	2,773

16 Directors' remuneration

	2012	2011
	£	£
Remuneration for qualifying services	22,106	206,559

17 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2012	2011
	Number	Number
Players	61	57
Management and administration	28	33
	89	90

Employment costs

	2012	2011
	£	£
Wages and salaries	4,985,090	5,446,564
Social security costs	552,819	586,946
	5,537,909	6,033,510

LONDON WASPS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

18 Control

The ultimate controlling party during the year was S E Hayes, Director, by virtue of his majority shareholding

On 31 August 2012 Canmango Limited, a company incorporated in England and Wales, acquired all the 'A', 'C' and 'D' Ordinary shares and 34,489 'B' Ordinary shares in the company Canmango Limited was controlled by D C Thorne by virtue of his majority shareholding in that company

On 5 April 2013, 100% of Canmango Limited was purchased by an entity controlled by D Richardson, who became the ultimate controlling party of the company as at that date

19 Post balance sheet events

On 12 September 2012 the company redesignated 34,489 'B' Ordinary shares and all of the 'A', 'C' and 'D' Ordinary shares into Ordinary shares

LONDON WASPS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2012

20 Related party relationships and transactions

Loans from directors

Transactions in relation to loans from directors during the year are outlined in the table below

Description	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
S E Hayes - Loan	10,258,907	1,838,892	-	-	12,097,799
	<u>10,258,907</u>	<u>1,838,892</u>	<u>-</u>	<u>-</u>	<u>12,097,799</u>

The director's loans have no fixed terms for repayment (except that element noted in Note 10 Creditors amounts due within one year) and are on an interest free basis and rank as unsecured creditors of the company

Subsequent to the year end and as part of the sale agreement to Canmango Limited, the long term director's loan was assigned to Canmango Limited, the parent company, for £1 consideration. Since this loan remained as a long term loan as at 30 June 2013, the loan has continued to be disclosed as a long term loan in these accounts

Other transactions

During the year Wycombe Wanderers Football Club Limited provided goods and services to London Wasps Holdings Limited, a company connected through common ownership until 29 June 2012, totalling £1,401,176 (2011 £643,403) and purchased from it goods and services amounting to £4,000 (2011 £32,130). At 30 June 2012 London Wasps Holdings Limited owed Wycombe Wanderers Football Club Limited £404,254 and this balance is included in trade creditors (2011 £32,539 other creditors)

During the year London Wasps Holdings Limited received matchday ticket sales and paid out prizes on behalf of London Wasps Academy Fund Limited, a company connected through common directorship, resulting in £35,412 (2011 £35,934) being owed to London Wasps Holdings Limited at the balance sheet date. This balance is included in other debtors

During the year London Wasps Holdings Limited received Coachclass income and other related income and met a number of expenses on behalf of London Wasps Community Foundation Limited. At 30 June 2012 London Wasps Holdings Limited was owed £28,935 by London Wasps Community Foundation Limited (2011 £35,946) and this balance is included in other debtors