

Register

Company Registration No. 04187289 (England and Wales)

LONDON WASPS HOLDINGS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

WEDNESDAY



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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	Kennedys 25 Fenchurch Avenue London EC3M 5AD	

LONDON WASPS HOLDINGS LIMITED

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LONDON WASPS HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2013

The directors present their report and financial statements for the year ended 30 June 2013

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

The key priority for the club in the year was to secure a long-term owner and stabilise the financial position of the club, this was achieved in April 2013

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 both on and off the pitch, using financial and non-financial measures, with the team's league position and the number of season and matchday tickets sold considered the key performance indicators, as follows

Indicator	Year ended 30 June 2013	Year ended 30 June 2012
Sales Revenue (£'000)	£6,057	£6,719

Sales revenue decreased primarily as a result of a reduction in sponsorship revenues, mainly due to a lack of front of shirt sponsor

League Position	8th	11th
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Following the 11th placed finish in last season's Aviva Premiership, the team performed creditably in 2012/13 finishing in 8th place. The team also qualified for a home Amlin Challenge Cup against Leinster, having won their pool in that competition

Average Attendance	6,654	6,745
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Attendances were broadly flat year on year

Season tickets sold	2,730	2,771
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Season tickets were broadly flat year on year, which ended a recent trend of annual decreases

LONDON WASPS HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

Results and dividends

The results for the year are set out on page 6

The directors do not recommend payment of an ordinary dividend

Future developments

The change of ownership of the club during the year has provided the club with the stability and outlook necessary for the development of a long term vision and plan. The key priorities in the short to medium term will be the continued development of the playing resources and the growth in commercial and match day revenues, with a view to building a sustainable business model for the club

Directors

The following directors have held office since 1 July 2012

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

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

LONDON WASPS HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

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.

On behalf of the board


M A Rigby
Director
Date 27.6.14

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 2013 set out on pages 6 to 21. 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 2, 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 2013 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

4/2/14

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 2013

	Notes	2013 £	2012 £
Turnover	2	6,056,746	6,718,891
Cost of sales		(7,280,772)	(7,722,271)
Gross loss		(1,224,026)	(1,003,380)
Administrative expenses		(1,880,776)	(1,722,200)
Operating loss	3	(3,104,802)	(2,725,580)
Interest payable and similar charges	4	(158,237)	(131,498)
Loss on ordinary activities before taxation		(3,263,039)	(2,857,078)
Tax on loss on ordinary activities	5	-	-
Loss for the year	13	(3,263,039)	(2,857,078)

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 2013

	2013	2012
	£	£
Loss for the financial year	(3,263,039)	(2,857,078)
Unrealised gain on revaluation of fixed asset investment	1,766,426	-
Total recognised gains and losses relating to the year	(1,496,613)	(2,857,078)

LONDON WASPS HOLDINGS LIMITED

BALANCE SHEET

AS AT 30 JUNE 2013

	Notes	£	2013 £	£	2012 £
Fixed assets					
Tangible assets	6		76,773		32,646
Investments	7		5,000,000		3,233,574
			<u>5,076,773</u>		<u>3,266,220</u>
Current assets					
Debtors	8	560,805		491,162	
Cash at bank and in hand		340,338		16,641	
		<u>901,143</u>		<u>507,803</u>	
Creditors: amounts falling due within one year	9	(3,591,215)		(4,783,630)	
Net current liabilities			<u>(2,690,072)</u>		<u>(4,275,827)</u>
Total assets less current liabilities			<u>2,386,701</u>		<u>(1,009,607)</u>
Creditors: amounts falling due after more than one year	10		(16,648,049)		(11,755,128)
			<u>(14,261,348)</u>		<u>(12,764,735)</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		5,000,000		3,233,574
Profit and loss account	13		(26,377,887)		(23,114,848)
Shareholders' deficit	14		<u>(14,261,348)</u>		<u>(12,764,735)</u>

Approved by the Board and authorised for issue on

M A Rugby
Director

Company Registration No. 04187289

LONDON WASPS HOLDINGS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2013

	£	2013 £	£	2012 £
Net cash outflow from operating activities		(3,223,083)		(2,051,119)
Returns on investments and servicing of finance				
Interest paid	(158,237)		(131,498)	
Net cash outflow for returns on investments and servicing of finance		(158,237)		(131,498)
Capital expenditure				
Payments to acquire tangible assets	(79,493)		(30,114)	
Net cash outflow for capital expenditure		(79,493)		(30,114)
Net cash outflow before management of liquid resources and financing		(3,460,813)		(2,212,731)
Financing				
Increase in borrowings	4,829,104		3,638,892	
Repayment of borrowings	(1,044,594)		(251,729)	
Net cash inflow from financing		3,784,510		3,387,163
Increase in cash in the year		323,697		1,174,432

LONDON WASPS HOLDINGS LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2013

1	Reconciliation of operating loss to net cash outflow from operating activities	2013	2012
		£	£
	Operating loss	(3,104,802)	(2,725,580)
	Depreciation of tangible assets	35,366	45,237
	Decrease in stocks	-	134,789
	(Increase)/decrease in debtors	(69,643)	75,735
	(Decrease)/Increase in creditors within one year	(84,004)	418,700
	Net cash outflow from operating activities	(3,223,083)	(2,051,119)

2	Analysis of net debt	1 July 2012	Cash flow	Other non-cash changes	30 June 2013
		£	£	£	£
	Net cash				
	Cash at bank and in hand	16,641	323,697	-	340,338
	Bank deposits	-	-	-	-
	Debt				
	Debts falling due within one year	(1,890,942)	693,023	415,388	(782,531)
	Debts falling due after one year	(11,755,128)	(4,477,533)	(415,388)	(16,648,049)
		(13,646,070)	(3,784,510)	-	(17,430,580)
	Net debt	(13,629,429)	(3,460,813)	-	(17,090,242)

3	Reconciliation of net cash flow to movement in net debt	2013	2012
		£	£
	Increase in cash in the year	323,697	1,174,432
	Cash inflow from increase in debt	(3,784,510)	(3,387,163)
	Movement in net debt in the year	(3,460,813)	(2,212,731)
	Opening net debt	(13,629,429)	(11,416,698)
	Closing net debt	(17,090,242)	(13,629,429)

LONDON WASPS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

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

1.2 Going concern

The company made a loss of £3,263,039 in the financial year and had net liabilities of £14,261,348 at the year end

The company's major creditor, its holding company Canmango Limited, has confirmed that the year end balance due by the company of £10,617,799 will not be called until at least beyond 30 June 2014

D Richardson, the ultimate controlling party, has confirmed that he will support the company for the foreseeable future to enable it to continue normal trading operations and meet its liabilities as they fall due

The Board has considered the above and believes that the going concern basis of accounting remains appropriate in preparing these annual financial statements

1.3 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)

1.4 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

1.5 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

1.6 Leasing

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

LONDON WASPS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

1 Accounting policies (continued)

1.7 Investments

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

1.8 Pensions

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

1.9 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.

2 Turnover

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

3 Operating loss	2013 £	2012 £
Operating loss is stated after charging		
Depreciation of tangible assets	35,366	45,237
Operating lease rentals (other)	533,110	697,194
Auditors' remuneration	25,143	32,225
	<u>593,619</u>	<u>774,656</u>

4 Interest payable	2013 £	2012 £
On bank loans and overdrafts	2,554	13,227
Other interest	155,683	118,271
	<u>158,237</u>	<u>131,498</u>

LONDON WASPS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

5	Taxation	2013	2012
	Total current tax	-	-
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(3,263,039)	(2,857,078)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.00% (2012 - 24.00%)	(750,499)	(685,699)
	Effects of		
	Non deductible expenses	23,055	8,771
	Depreciation add back	8,405	11,535
	Capital allowances	(25,386)	(12,932)
	Unrelieved tax losses	781,515	735,929
	Changes in effective tax rate	(37,090)	(57,604)
		750,499	685,699
	Current tax charge for the year	-	-

The company has estimated losses of £21,682,156 (2012 - £18,410,094) available for carry forward against future trading profits

No provision has been made in these accounts for the deferred tax asset of £4,336,431 (2012 £3,682,019) resulting from carrying forward trading losses. A deferred tax asset would only be recognised where there is reasonable certainty that sufficient taxable profits will be generated in future.

LONDON WASPS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

6 Tangible fixed assets

	Land and buildings leasehold	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost or valuation				
At 1 July 2012	212,800	218,168	191,367	622,335
Additions	6,886	25,849	46,758	79,493
At 30 June 2013	219,686	244,017	238,125	701,828
Depreciation				
At 1 July 2012	201,728	215,893	172,068	589,689
Charge for the year	11,190	2,081	22,095	35,366
At 30 June 2013	212,918	217,974	194,163	625,055
Net book value				
At 30 June 2013	6,768	26,043	43,962	76,773
At 30 June 2012	11,072	2,275	19,299	32,646

LONDON WASPS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

7 Fixed asset investments

	Shares in participating interests £
Cost or valuation	
At 1 July 2012	3,233,574
Revaluation	1,766,426
	<hr/>
At 30 June 2013	5,000,000
	<hr/>
Net book value	
At 30 June 2013	5,000,000
	<hr/>
At 30 June 2012	3,233,574
	<hr/>

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

In line with guidance provided to all members of Premier Rugby Limited, the company decided to revalue its shares in Premier Rugby Limited during the year to reflect the increase in values of central commercial contracts. 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 Debtors	2013 £	2012 £
Trade debtors	469,397	35,014
Other debtors	-	331,730
Prepayments and accrued income	91,408	124,418
	<hr/>	<hr/>
	560,805	491,162
	<hr/>	<hr/>

LONDON WASPS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

9	Creditors: amounts falling due within one year	2013	2012
		£	£
	Trade creditors	643,876	709,807
	Taxes and social security costs	518,675	901,247
	Director's loan	-	1,480,000
	Other loans	782,531	410,942
	Other creditors	17,007	38,301
	Accruals and deferred income	1,629,126	1,243,333
		<hr/>	<hr/>
		3,591,215	4,783,630
		<hr/>	<hr/>

The previously disclosed director's loan belonging to S E Hayes is now repayable under a formal agreement £415,388 of the loan outstanding as at 30 June 2013 has been reassigned to Other loans above. The remaining balance of £415,388 has been reassigned to Other loans falling due after more than one year. As at 30 June 2013 the balance of the loan was £830,776 (2012 £1,480,000). The loan is interest free and is secured by a fixed and floating charge over the assets of the company.

Also included within Other loans above is the short term element of the Close Leasing Limited loan as described in note 10, Creditors amounts falling due after more than one year, amounting to £367,143 (2012 £410,942).

LONDON WASPS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

10 Creditors amounts falling due after more than one year	2013 £	2012 £
Director's loan	-	10,617,799
Other loans	6,030,250	1,137,329
Amount owed to parent company (secured)	10,617,799	-
	<u>16,648,049</u>	<u>11,755,128</u>
Analysis of loans		
Not wholly repayable within five years by instalments	14,448,903	10,617,799
Wholly repayable within five years by installments	2,981,677	1,548,271
	<u>17,430,580</u>	<u>12,166,070</u>
Included in current liabilities	(782,531)	(410,942)
	<u>16,648,049</u>	<u>11,755,128</u>
Loan maturity analysis		
In more than one year but not more than two years	819,482	454,740
In more than two years but not more than five years	1,379,664	682,589
In more than five years	14,448,903	10,617,799
	<u>16,648,049</u>	<u>11,755,128</u>

During the year D Richardson, the ultimate controlling party, advanced the company £3,831,104 on an interest free basis. This is reflected in Other loans above. The loan is secured by a fixed and floating charge over the assets of the company and has no set repayment date. The balance owing as at 30 June 2013 was £3,831,104 (2012: £nil).

The long term director's loan totalling £10,617,799 was assigned to Canmango Limited, the immediate parent company, for £1 consideration on the sale of shares in the company by S E Hayes during the year. This loan is secured by way of a debenture over the company's assets.

During the year Close Leasing Limited advanced further monies to the company totalling £998,000 and this is included under Other loans. This loan is secured by a charge over the P Capital shares and P Income shares in Premier Rugby Limited held by London Wasps Holdings Limited. The balance owing as at 30 June 2013 was £2,150,901 (2012: £1,548,271) of which £367,143 is shown in Other loans less than one year.

LONDON WASPS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

11 Pension and other post-retirement benefit commitments

Defined contribution

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 represents contributions payable by the company to the fund.

	2013 £	2012 £
Contributions payable by the company for the year	6,414	-

12 Share capital

	2013 £	2012 £
Allotted, called up and fully paid		
775,550 Ordinary shares of £1 each	775,550	-
329,850 Ordinary 'A' shares of £1 each	-	329,850
50,000 Ordinary 'B' shares of £1 each	-	50,000
197,850 Ordinary 'C' shares of £1 each	-	197,850
197,850 Ordinary 'D' shares of £1 each	-	197,850
	<u>775,550</u>	<u>775,550</u>

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

13 Statement of movements on reserves

	Share premium account £	Revaluation reserve £	Profit and loss account £
Balance at 1 July 2012	6,340,989	3,233,574	(23,114,848)
Loss for the year	-	-	(3,263,039)
Revaluation during the year	-	1,766,426	-
Balance at 30 June 2013	<u>6,340,989</u>	<u>5,000,000</u>	<u>(26,377,887)</u>

LONDON WASPS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

14 Reconciliation of movements in shareholders' funds	2013	2012
	£	£
Loss for the financial year	(3,263,039)	(2,857,078)
Other recognised gains and losses	1,766,426	-
Net depletion in shareholders' funds	(1,496,613)	(2,857,078)
Opening shareholders' funds	(12,764,735)	(9,907,657)
Closing shareholders' funds	<u>(14,261,348)</u>	<u>(12,764,735)</u>

15 Financial commitments

At 30 June 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 June 2014

	Land and buildings		Other	
	2013	2012	2013	2012
	£	£	£	£
Operating leases which expire				
Between two and five years	<u>505,000</u>	<u>505,000</u>	<u>3,600</u>	<u>3,600</u>

16 Directors' remuneration	2013	2012
	£	£
Remuneration for qualifying services	<u>-</u>	<u>22,106</u>

LONDON WASPS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

17 Employees

Number of employees

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

	2013 Number	2012 Number
Players	67	61
Management and administration	29	28
	<u>96</u>	<u>89</u>

Employment costs

	2013 £	2012 £
Wages and salaries	4,833,983	4,985,090
Social security costs	601,764	552,819
Other pension costs	6,414	-
	<u>5,442,161</u>	<u>5,537,909</u>

18 Control

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

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

The ultimate parent company is Moonstone Limited, a company registered in Malta

Moonstone Limited prepares group financial statements and copies can be obtained from Sardonyx, Triq Ghajn Tuffieha, Mgarr, Malta

19 Post balance sheet events

On 17 July 2013 London Wasps Holdings Limited received a further tranche of loan monies against the P Capital shares and P Income shares in Premier Rugby Limited from Close Leasing Limited amounting to £698,600

LONDON WASPS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2013

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 Novated £	Interest Charged £	Amounts Repaid £	Closing Balance £
S E Hayes - Loan	12,097,799	(10,617,799)	-	(649,224)	830,776
	12,097,799	(10,617,799)	-	(649,224)	830,776

During the year as part of the sale agreement to Canmango Limited, the long term director's loan of £10,617,799 was assigned to Canmango Limited, the immediate parent company, for £1 consideration and reclassified within Creditors amounts falling due after more than one year (Note 10) The remaining balance of £830,776 has been reanalysed as described in Creditors amounts falling due within one year (Note 9)

Other transactions

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 £11,857 being owed by London Wasps Holdings Limited at the balance sheet date and is included in other creditors, (2012 £35,412 owed to London Wasps Holdings Limited and 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 2013 London Wasps Holdings Limited owed £1,312 to London Wasps Community Foundation Limited and is included in other creditors, (2012 London Wasps Community Foundation Limited owed London Wasps Holdings Limited £28,935 and was included in other debtors)

During the year Sportcorp Limited, a company controlled by D C Thorne, charged London Wasps Holdings Limited management fees totalling £113,306 (2012 £3,180)

During the year D Richardson, the ultimate controlling party, made loans to the company totalling £3,831,104 (2012 £nil) all of which were outstanding at 30 June 2013