

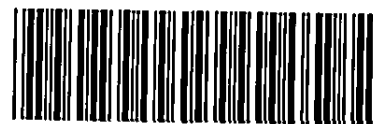
**LONDON WASPS HOLDINGS LIMITED**

**DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 MAY 2009**

**Company Registration Number 04187289**

**WEDNESDAY**



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**31/03/2010**  
**COMPANIES HOUSE**

# **LONDON WASPS HOLDINGS LIMITED**

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# **LONDON WASPS HOLDINGS LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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### **Board of Directors**

M A Rigby (Executive Chairman)  
S E Hayes  
I A Montlake  
J A O'Connell  
L B N Dallaglio  
M J Brooks  
P G Wear  
P R Harrison

### **Business address**

Twyford Avenue Sports Ground  
Twyford Avenue  
Acton  
London  
W3 9QA

### **Registered office**

Fulmer Hall  
Windmill Road  
Fulmer  
Slough  
SL3 6HD

### **Auditors**

RSM Tenon Audit Limited  
Clifton House  
Bunnian Place  
Basingstoke  
Hampshire  
RG21 7JE

### **Solicitors**

Couchman Harrington Associates  
20 – 22 Bedford Row  
London  
WC1R 4EB

### **Bankers**

Barclays Commercial Bank  
Level 27  
1 Churchill Place  
London  
E14 5HP

## **LONDON WASPS HOLDINGS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2009 (continued)**

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The directors present their report and the financial statements of the Company for the year to 31 May 2009

#### **Principal activities and business review**

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 results for the year are summarised in the profit and loss account on page 8

#### **Review of the Business**

London Wasps are one of the leading rugby clubs in the world. Our key strategic objectives are to maintain the Club's 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.

This was a disappointing season for London Wasps on the pitch, finishing 7<sup>th</sup> in the Guinness Premiership and failing to qualify for the later stages of the Heineken European Cup, despite a victory over eventual winners Leinster at Twickenham in front of over 30,000 fans.

The loss for the year was £2.6m which is in line with previous year's results.

The general economic backdrop was extremely challenging, with companies reducing their expenditure on corporate hospitality and sponsorship, and individuals having to make careful choices over their discretionary expenditure. Despite this unhelpful environment, and a below-par playing season, resulting in two fewer games being played, revenues of £7.7m were maintained at 2007/08 levels.

Average attendances at Adams Park in the Guinness Premiership increased to 9,310 from 8,766. A decision was taken to move a major European game to Twickenham, as the demand for tickets exceeded the capacity of Adams Park, this proved to be a huge success and will be something that will be considered again in the future.

In December 2009, a change in ownership of the Club occurred with Stephen Hayes, who was already a significant shareholder, acquiring the shares of Chris Wright and John O'Connell, to secure ownership of 96% of the paid-up share capital of the company. Following this change of ownership a new Board was constituted under the chairmanship of Mark Rigby.

The new Board is committed to delivering both playing and commercial success for London Wasps.

#### **Future developments**

Following the change in ownership of London Wasps, a full review of the commercial activities of the company will be undertaken. It is believed that there is significant potential in the London Wasps brand that can be unlocked to develop new sources of revenue and profit. Plans will be developed to exploit this potential.

Adams Park, the current home of London Wasps, has a capacity of 10,500. There are very few options available that will enable the capacity to be increased beyond this level, due to the location of the ground and the limited access routes available.

The capacity of the ground limits the capability of the Club to generate revenue from matchdays. The increasing popularity of rugby union has seen an increase in attendances in the professional era, we expect this demand to continue. In order to compete at the highest levels, revenues will need to increase to fully realise the potential of the business and enable London Wasps to continue to compete at the very highest levels.

## LONDON WASPS HOLDINGS LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2009 (continued)

#### Future developments (continued)

A number of strategic options are being considered that will provide the company with a stadium with an increased capacity that will ensure a financial model can be developed to enable the Club to move forward both on and off the pitch

#### Key risks and uncertainties

The directors consider the following risks and uncertainties to be key to the future success of the Company

Risk	Impact	Mitigation
Relegation from Premiership	Reduced revenues that would necessarily involve a reduction in expenditure to compensate for loss of revenue	Continued investment in playing squad and coaching staff to ensure playing standards are maintained
Reduced funding from RFU and PRL	Reduced revenues from central contracts	Continued development of players who will feature in England squads maximises elements of the revenue generated from the RFU and PRL
Unable to attract and retain top quality players	Ability to maintain London Wasps as a leading English club is compromised	Investment in playing staff and player support maintains London Wasps reputation for developing international players
Limited stadium capacity restricts revenue growth	Ability to generate additional match-day revenues is constrained by the capacity of Adams Park	Consideration will be given to a number of strategic opportunities that will enable London Wasps to play at a stadium with increased capacity

#### Key performance indicators

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

Indicator	Year ended 31 May 2009	Year ended 31 May 2008	Commentary
Sales Revenue (£'000)	£7,693	£7,678	Sales revenues maintained at prior year levels
League position	7 <sup>th</sup>	2 <sup>nd</sup>	A below par performance on the pitch, may reduce revenues in the 2009/10 season
Premiership – Average Attendance	9,310	8,766	Improved attendances enabled sales revenues to be maintained at prior year levels
Season tickets sold	5,136	4,523	Improvement in season ticket sales reflected the prior year's on-field success and a positive response to the season ticket marketing campaign

## **LONDON WASPS HOLDINGS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2009 (continued)**

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#### **Financial instruments**

The activities of the Company are funded out of working capital and do not include the use of derivatives or other financial instruments other than cash and term deposits and loans from shareholders. The Company also has financial instruments in the form of short term debtors and creditors which arise in the normal course of business and are not discounted, offered as security or pledged in any way.

The main risk arising from the Company's financial instruments are interest rate risk. Operations during the year were financed through cash resources derived from shareholder subscriptions and loans.

The financial assets of the Company are cash at bank and bank deposits. All of these are Sterling denominated and attract interest rates that vary with the UK bank base rate.

#### **Donations**

During the period the Company made charitable donations of £11,772 (2008 £12,064). The Company did not make any political donations in either the current or the comparative year.

#### **Auditors**

Our auditors have changed their name to RSM Tenon Audit Limited and have signed the audit report in their new name.

A resolution to reappoint RSM Tenon Audit Limited as auditor for the ensuing year will be proposed at the forthcoming annual general meeting.

#### **Qualifying 3<sup>rd</sup> 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.

#### **Directors**

The directors who served the Company during the year, and subsequent to the year end, were as follows:

S E Hayes	
I A Montlake	
J A O'Connell	
C N Wright	(resigned 9 January 2009)
A H Copsey	(resigned 20 September 2009)
M A Rigby	(appointed 9 January 2009)
L B N Dallaglio	(appointed 9 January 2009)
M J Brooks	(appointed 9 January 2009)
M A Ashton	(appointed 9 January 2009 resigned 14 May 2009)
P G Wear	(appointed 24 February 2009)
P R Harrison	(appointed 2 November 2009)

# **LONDON WASPS HOLDINGS LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2009 (continued)**

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### **Directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

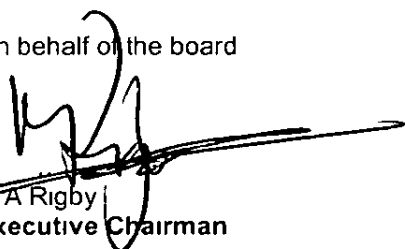
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are, individually, aware

- there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board



M.A. Rigby  
Executive Chairman

Approved by the directors on 29 March 2010

# **LONDON WASPS HOLDINGS LIMITED**

## **AUDITORS REPORT FOR THE YEAR ENDED 31 MAY 2009**

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We have audited the financial statements of London Wasps Holdings Limited for the year ended 31 May 2009 on pages 8 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 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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 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 directors, and the overall presentation of the financial statements.

### **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 31 May 2009 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 matters 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**

**AUDITORS REPORT  
FOR THE YEAR ENDED 31 MAY 2009**

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**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

Christopher Mantel, Senior Statutory Auditor

For and on behalf of



RSM Tenon Audit Limited

Statutory Auditor

Registered Auditor

Clifton House

Bunnian Place

Basingstoke

Hampshire

Date - 30/3/10

**LONDON WASPS HOLDINGS LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MAY 2009**

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	<b>Notes</b>	<b>2009 £</b>	<b>2008 £</b>
<b>Turnover</b>	<b>2</b>	<b>7,692,754</b>	<b>7,677,589</b>
Cost of sales		(7,881,365)	(8,045,694)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>(188,611)</b>	<b>(368,105)</b>
Administrative expenses		(2,187,981)	(1,923,794)
		<hr/>	<hr/>
<b>Operating loss</b>	<b>3</b>	<b>(2,376,592)</b>	<b>(2,291,899)</b>
Interest payable and similar charges	<b>4</b>	(228,663)	(259,187)
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>		<b>(2,605,255)</b>	<b>(2,551,086)</b>
Tax on loss on ordinary activities	<b>8</b>	-	-
		<hr/>	<hr/>
<b>Loss for the year</b>	<b>17</b>	<b>(2,605,255)</b>	<b>(2,551,086)</b>
		<hr/>	<hr/>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the period as set out above

**LONDON WASPS HOLDINGS LIMITED**  
**REGISTERED NUMBER 04187289**  
**BALANCE SHEET**  
**AS AT 31 MAY 2009**

	Notes	2009 £	£	2008 £	£
<b>Fixed assets</b>					
Tangible assets	9		88,985		135,609
Investments	10		79		79
			<hr/>		<hr/>
			89,064		135,688
<b>Current assets</b>					
Stocks	11	117,704		108,806	
Debtors	12	1,091,140		1,095,584	
Cash at bank and in hand		20,035		5,161	
		<hr/>		<hr/>	
		1,228,879		1,209,551	
<b>Creditors</b> amounts falling due within one year	13	(3,949,067)		(3,330,140)	
		<hr/>		<hr/>	
<b>Net current liabilities</b>			(2,720,188)		(2,120,589)
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>			(2,631,124)		(1,984,901)
<b>Creditors</b> amounts falling due after more than one year	14		(5,283,629)		(3,331,466)
<b>Provisions for liabilities and charges</b>	15		(60,082)		(53,213)
			<hr/>		<hr/>
			(7,974,835)		(5,369,580)
			<hr/>		<hr/>
<b>Capital and reserves</b>					
Called up share capital	16		775,550		775,550
Share premium account	17		6,340,989		6,340,989
Profit and loss account	17		(15,091,374)		(12,486,119)
			<hr/>		<hr/>
<b>Shareholders' deficit</b>	18		(7,974,835)		(5,369,580)
			<hr/>		<hr/>

These financial statements were approved by the directors and authorised for issue on 29 March 2010

  
F G Wear  
Financial Director

**LONDON WASPS HOLDINGS LIMITED**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MAY 2009**

	Notes	2009 £	£	2008 £	£
<b>Net cash outflow from operating activities</b>	23	(2,263,268)		(3,129,912)	
<b>Returns on investments and servicing of finance</b>					
Interest paid		(70,410)		(118,092)	
<b>Net cash outflow from returns on investments and servicing of finance</b>		(70,410)		(118,092)	
<b>Capital expenditure</b>					
Purchase of tangible fixed assets		(38,084)		(84,601)	
<b>Net cash outflow for capital expenditure</b>		(38,084)		(84,601)	
<b>Net cash outflow before management of liquid resources and financing</b>		(2,371,762)		(3,332,605)	
<b>Financing</b>					
Issue of ordinary share capital		-		1,772,639	
Increase in borrowings		1,800,000		1,349,000	
Repayment of borrowings		(6,090)		(24,467)	
<b>Net cash inflow from financing</b>		1,793,910		3,097,172	
<b>Decrease in cash in the year</b>	25	(577,852)		(235,433)	

# **LONDON WASPS HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2009**

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### **1 Accounting policies**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards

The financial statements have been prepared on the going concern basis. The Company is dependent upon the financial support from the major shareholder in the Company, S E Hayes, to fund its working capital. S E Hayes has stated that it is his present intention to continue to support the Company for the foreseeable future of not less than 12 months from the date the financial statements are signed, and accordingly the directors believe that the going concern basis is appropriate for the preparation of these financial statements.

#### **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.

#### **Tangible fixed assets and depreciation**

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

Leasehold improvements	3 years straight line
ITC equipment	3 years straight line
Fixtures, fittings & equipment	3 years straight line

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### **Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### **Pensions**

The pension costs charged in the financial statements represent the contributions payable by the Company during the year.

#### **Liquid resources**

The entity considers its liquid resources to be the cash held on deposit.

# LONDON WASPS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2009 (continued)

### 1 Accounting policies (continued)

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

#### Group accounts

The financial statements present information about the Company as an individual undertaking and not about its group. The Company and its subsidiary undertaking comprise a medium-sized group. The Company has therefore taken advantage of the exemptions provided by section 402 and 405 (2) of the Companies Act 2006 not to prepare group accounts

#### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

### 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

Operating loss is stated after charging	2009 £	2008 £
Depreciation of tangible assets	84,708	101,337
Operating lease rentals		
- Plant & machinery	6,205	3,003
- Other	366,000	350,000
Fees payable to the auditors for the audit of the annual accounts		
- Fees payable to the auditors for the audit of the annual accounts	10,200	10,000
	<hr/>	<hr/>

### 4 Interest payable and similar charges

	2009 £	2008 £
On other loans wholly repayable within five years	158,253	141,095
Bank interest	70,410	118,092
	<hr/>	<hr/>
	228,663	259,187
	<hr/>	<hr/>

**LONDON WASPS HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2009 (continued)**

**5 Employees**

**Number of employees**

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

	<b>2009 No</b>	<b>2008 No</b>
Players	46	45
Management and administration	41	40
	<u>87</u>	<u>85</u>

**Employment costs**

The aggregate payroll costs of the above were

	<b>£</b>	<b>£</b>
Wages and salaries	5,704,705	4,915,615
Social security costs	649,547	534,326
Other pension costs	24,693	36,465
	<u>6,378,945</u>	<u>5,486,406</u>

**6 Directors' emoluments**

The directors' aggregate emoluments in respect of qualifying services were

	<b>2009 £</b>	<b>2008 £</b>
Aggregate emoluments	236,232	135,117
Amounts receivable under defined contribution pension scheme	19,256	14,076
	<u>255,488</u>	<u>149,193</u>

Retirement benefits are accruing to two (2008 one) director under a defined contribution pension scheme

Emoluments paid to the highest paid director in respect of qualifying services were

	<b>2009 £</b>	<b>2008 £</b>
Aggregate emoluments	135,000	96,365
Amounts receivable under defined contribution pension scheme	18,768	14,076
	<u>153,768</u>	<u>110,441</u>

# LONDON WASPS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2009 (continued)

### 7 Pension costs

#### 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.

	2009 £	2008 £
Contributions payable by the Company for the year	24,693	36,465

### 8 Taxation on ordinary activities

	2009 £	2008 £
Current tax charge	-	-
Loss on ordinary activities before taxation	(2,605,255)	(2,551,086)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20% (2008: 20%)	(521,051)	(510,217)
Effects of		
Non deductible expenses	6,161	11,530
Depreciation	16,942	20,267
Capital allowances	(1,524)	(6,768)
Other tax adjustments	31,651	28,920
Unrelieved tax losses	467,821	456,268
	521,051	510,217
Current tax charge	-	-

The company has estimated losses of £10,338,171 (2008: £7,999,067) available to carry forward against future trading profits.

No provision has been made in these accounts for the deferred tax asset of £2,067,634 (2008: £1,599,813) resulting from carry 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  
FOR THE YEAR ENDED 31 MAY 2009 (continued)**

**9 Tangible fixed assets**

	<b>Leasehold improvements £</b>	<b>ITC equipment £</b>	<b>Fixtures fittings &amp; equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 June 2008	136,386	206,870	119,463	462,719
Additions	-	5,564	32,520	38,084
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 May 2009	136,386	212,434	151,983	500,803
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1 June 2008	66,910	174,179	86,021	327,110
Charge for the year	35,061	23,469	26,178	84,708
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 May 2009	101,971	197,648	112,199	411,818
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 31 May 2009	34,415	14,786	39,784	88,985
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 May 2008	69,476	32,691	33,442	135,609
	<hr/>	<hr/>	<hr/>	<hr/>

# LONDON WASPS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2009 (continued)

### 10 Investments

	Unlisted investments £
<b>Cost</b>	
At 1 June 2008 and at 31 May 2009	79
<b>Net book value</b>	
At 31 May 2009	79
At 31 May 2008	79

Subsidiary undertakings	Country of residence or incorporation	Shares held Class	%
Wasps Rugby Football Club Limited	England & Wales	Ordinary	100
The London Wasps Limited	England & Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

	Capital and reserves	Loss for the year
Wasps Rugby Football Club Limited	-	-
The London Wasps Limited	2	-

Both companies are dormant and have not traded in the current or prior financial year

### 11 Stocks

	2009 £	2008 £
Finished goods and goods for resale	117,704	108,806

### 12 Debtors

	2009 £	2008 £
Trade debtors	616,863	425,689
Other debtors	193,934	149,057
Prepayments and accrued income	280,343	520,838
	1,091,140	1,095,584

# LONDON WASPS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2009 (continued)

### 13 Creditors Amounts falling due within one year

	2009 £	2008 £
Bank overdrafts	1,457,623	864,897
Trade creditors	539,680	856,406
Taxes and social security costs	1,000,422	1,134,950
Other creditors	24,393	11,229
Accruals and deferred income	926,949	462,658
	<u>3,949,067</u>	<u>3,330,140</u>

The bank overdraft facility is secured by personal guarantees provided on a joint and several basis by S E Hayes and J A O'Connell, who are both directors of the Company, and C N Wright who is a former director of the Company

### 14 Creditors Amounts falling due after more than one year

	2009 £	2008 £
Directors loan account	5,283,629	3,331,466

The Directors will not demand repayment within two years of the balance sheet date. There are no fixed terms for repayment. These loans are convertible and are secured as disclosed in note 21.

### 15 Provisions for liabilities and charges

	2009 £	2008 £
At 1 June	53,213	49,850
Provision for legal fees	6,869	3,363
	<u>60,082</u>	<u>53,213</u>
At 31 May	60,082	53,213

In November 2007 the Company was found to be liable under French law for damages awarded to an opposing player in relation to injuries sustained as a result of actions of one of the Company's players, despite those actions being fully within the laws of the game.

Whilst the Company disputes the French courts findings, who were not experienced in the laws of the game and ignored the recommendations provided by expert witnesses, a provision for the damages awarded has been recognised and is expected to be utilised in full before 31 May 2010.

# LONDON WASPS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2009 (continued)

### 16 Share capital

	2009 £	2008 £
<b>Authorised</b>		
2,000,000 (2008 2,000,000) Ordinary A shares of £1 each	2,000,000	2,000,000
50,000 (2008 50,000) Ordinary B shares of £1 each	50,000	50,000
2,000,000 (2008 2,000,000) Ordinary C shares of £1 each	2,000,000	2,000,000
2,000,000 (2008 2,000,000) Ordinary D shares of £1 each	2,000,000	2,000,000
	<hr/>	<hr/>
	6,050,000	6,050,000
	<hr/>	<hr/>
<b>Allotted, called up and fully paid</b>		
329,850 (2008 329,850) Ordinary A shares of £1 each	329,850	329,850
50,000 (2008 50,000) Ordinary B shares of £1 each	50,000	50,000
197,850 (2008 197,850) Ordinary C shares of £1 each	197,850	197,850
197,850 (2008 197,850) Ordinary D shares of £1 each	197,850	197,850
	<hr/>	<hr/>
	775,550	775,550
	<hr/>	<hr/>

A, B, C and D Ordinary shares rank pari passu in all respects, except that the holder of the A shares may accept an offer for the entire issued share capital of the Company on behalf of the other shareholders without their consent

### 17 Reserves

	Share premium account £	Profit and loss account £
Balance at 1 June 2008	6,340,989	(12,486,119)
Loss for the year	-	(2,605,255)
	<hr/>	<hr/>
Balance at 31 May 2009	6,340,989	(15,091,374)
	<hr/>	<hr/>

# LONDON WASPS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2009 (continued)

### 18 Reconciliation of movements in shareholders' deficit

	2009 £	2008 £
Loss for the financial year	(2,605,255)	(2,551,086)
Shares issued	-	1,772,639
Increase in shareholders' deficit	(2,605,255)	(778,447)
Opening shareholders' deficit	(5,369,580)	(4,591,133)
Closing shareholders' deficit	(7,974,835)	(5,369,580)

### 19 Financial commitments

At 31 May 2009 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 May 2010

	Land and buildings		Other	
	2009 £	2008 £	2009 £	2008 £
Operating leases which expire				
Within one year	-	-	-	1,139
Within two to five years	375,000	350,000	6,215	6,215
Net debt	375,000	350,000	6,215	7,354

### 20 Related party transactions

During the year the company traded with Wycombe Wanderers Football Club plc, a company of which S E Hayes is a Director and Shareholder

During the year London Wasps Holdings Limited paid £366,000 (2008 £350,000) to Wycombe Wanderers Football Club plc in relation to stadium hire, and £88,964 (2008 £73,125) in relation to catering provision on match-days

During the year London Wasps Holdings Limited received £74,372 (2008 £66,839) from Wycombe Wanderers Football Club in relation to commissions on match-day food and beverage sales

Wycombe Wanderers Football Club plc also operate a joint ticket office function under an agency basis, and as a result at the balance sheet date London Wasps Holdings Limited were owed £8,750 (2008 £51,698) by Wycombe Wanderers Football Club plc

## LONDON WASPS HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2009 (continued)

#### 21 Transactions with directors

During the year, the following Directors loaned money to the Company as follows

	C N Wright £	J A O'Connell £	S E Hayes £
<b>Directors loan accounts</b>			
At 1 June 2008	2,012,616	753,295	565,555
Additional loans provided	180,000	345,000	1,275,000
Capital repaid	(884)	(3,838)	(1,368)
Interest accrued but unpaid	16,047	42,392	99,814
Assigned to S E Hayes	(2,207,779)	(1,136,849)	3,344,628
At 31 May 2009	-	-	5,283,629

The loan balances at 31 May 2009 also represent the maximum amount outstanding at any point during the year for S E Hayes individually and in total. For C N Wright and J A O'Connell, the maximum amounts outstanding in the year were £2,297,779 and £1,136,849 respectively.

On 1 December 2008, the loan balances outstanding to C N Wright and J A O'Connell were assigned to S E Hayes at par.

The loans are secured by a floating charge over the assets of the company.

With the exception of £1,775,016 originally loaned by C N Wright and since assigned to S E Hayes, which is interest free, all other loans are accruing interest at 3% above base rate.

£1,775,016 of S E Hayes' loan is not convertible.

£441,578 of S E Hayes' loan is convertible at any time prior to the date of repayment at a rate of £5 per Ordinary A share.

£192,600 of S E Hayes' loan is convertible at any time prior to the date of repayment at a rate of £11.61 per Ordinary C share.

£967,404 of S E Hayes' loan is convertible at any time prior to the date of repayment at a rate of £5 per Ordinary C share.

£1,907,031 of S E Hayes' loan is convertible at any time prior to the date of repayment at a rate of £5 per Ordinary D share.

#### 22 Control

At the Balance Sheet date, the ultimate controlling party was considered to be S E Hayes by virtue of his majority shareholding in the issued share capital of the company.

**LONDON WASPS HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2009 (continued)**

**23 Reconciliation of operating loss to net cash outflow from operating activities**

	2009 £	2008 £
Operating loss	(2,376,592)	(2,291,899)
Depreciation of tangible assets	84,708	101,337
Movements in provisions	6,869	3,363
Increase in stocks	(8,898)	(53,330)
Decrease/(increase) in debtors	4,444	(221,427)
Increase/(decrease) in creditors within one year	26,201	(667,956)
<b>Net cash outflow from operating activities</b>	<b>(2,263,268)</b>	<b>(3,129,912)</b>

**24 Analysis of net debt**

	1 June 2008 £	Cash flow £	Other non- cash changes £	31 May 2009 £
Net cash				
Cash at bank and at hand	5,161	14,874	-	20,035
Bank overdrafts	(864,897)	(592,726)	-	(1,457,623)
	(859,736)	(577,852)	-	(1,437,588)
Debt				
Debts falling due after one year	(3,331,466)	(1,793,910)	(158,253)	(5,283,629)
<b>Net debt</b>	<b>(4,191,202)</b>	<b>(2,371,762)</b>	<b>(158,253)</b>	<b>(6,721,217)</b>

**25 Reconciliation of net cash flow to movement in net debt**

	2009 £	2008 £
Decrease in cash in the year	(577,852)	(235,433)
Change in net debt	(158,253)	(141,095)
Cash inflow from increase in debt	(1,793,910)	(1,324,533)
<b>Movement in net debt in the year</b>	<b>(2,530,015)</b>	<b>(1,701,061)</b>
Opening net debt	(4,191,202)	(2,490,141)
<b>Closing net debt</b>	<b>(6,721,217)</b>	<b>(4,191,202)</b>