

Regshaw

Company Registration No 04187289 (England and Wales)

LONDON WASPS HOLDINGS LIMITED  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2010



# LONDON WASPS HOLDINGS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	M A Rigby L B Dallaglio S E Hayes I A Montlake C J Thomas	Executive Chairman
<b>Company number</b>	04187289	
<b>Registered office</b>	Fulmer Hall Windmill Road Fulmer Slough Berkshire SL3 6HD	
<b>Auditors</b>	HW Sterling House 5 Buckingham Place Bellfield Road West High Wycombe Buckinghamshire HP13 5HQ	
<b>Business address</b>	Adams Park, Hillbottom Road, Sands High Wycombe Buckinghamshire HP12 4HJ	
<b>Bankers</b>	Barclays Commercial Bank Level 27 1 Churchill Place London E14 5HP	
<b>Solicitors</b>	Couchman Harrington Associates 20-22 Bedford Row London WC1R 4EB	

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# LONDON WASPS HOLDINGS LIMITED

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# LONDON WASPS HOLDINGS LIMITED

## DIRECTORS' REPORT

### FOR THE PERIOD ENDED 30 JUNE 2010

The directors present their report and financial statements for the 13 months period ended 30 June 2010. Comparatives are for the 12 months ended 31 May 2009.

#### 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.

During the year the company changed its accounting date to 30 June 2010.

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 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, revenues increased very slightly from the prior year after taking into account the change in accounting period.

Average attendances at Adams Park decreased from 9,310 to 7,996.

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 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.

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 revenue from central contracts.	Continued development of players who will feature in England squads maximises elements of 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 is being given to a number of strategic opportunities that will enable London Wasps to play at a stadium with increased capacity.

# LONDON WASPS HOLDINGS LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE PERIOD ENDED 30 JUNE 2010

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	Period ended 30 June 2010	Year ended 31 May 2009	
Sales Revenue (£'000)	8,407	7,693	Sales revenues slightly increase from prior year levels after adjusting for change in accounting period
League Position	5th	7th	A below par performance on the pitch may reduce revenues in the 2010/11 season
Average Attendance	7,996	9,310	Despite a decline in attendances, overall revenue improved slightly
Season tickets sold	4,512	5,136	A decline in season ticket revenues was offset by a greater ticket price yield to see a small improvement in overall revenue

#### Results and dividends

The results for the period are set out on page 6

The directors do not recommend payment of an ordinary dividend

#### Future developments

The club is exploring the possibilities of developing a new stadium in conjunction with Wycombe District Council Wycombe Sports Development Ltd, a company 100% owned by Stephen Hayes, has been established to develop plans for a new community stadium

A new stadium would provide greater opportunities than those available at Adams Park, to develop non-matchday revenue streams

#### Directors

The following directors have held office since 1 June 2009

M A Rigby	
M J Brooks	(Resigned 1 November 2010)
A H Copsey	(Resigned 20 September 2009)
L B Dallaglio	
P R Harrison	(Appointed 2 November 2009 and resigned 14 April 2010)
S E Hayes	
I A Montlake	
J A O'Connell	(Resigned 30 November 2009)
C J Thomas	(Appointed 9 September 2010)
P G Wear	(Resigned 30 June 2010)

# LONDON WASPS HOLDINGS LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2010

Charitable donations	2010 £	2009 £
During the period the company made the following payments		
Charitable donations	51,500	11,772

Charitable donations - The recipients, amounts and purpose of the charitable donations are as follows

Help for Heroes £51,500 to help wounded military servicemen and women

### 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,
- 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 3rd 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

  
S E Hayes  
Director

Date

21/6/11

# LONDON WASPS HOLDINGS LIMITED

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF LONDON WASPS HOLDINGS LIMITED

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We have audited the financial statements of London Wasps Holdings Limited for the period ended 30 June 2010 set out on pages 6 to 18. 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 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.

#### **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 2010 and of its loss for the period 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 period 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

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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

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

22/6/11

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 PERIOD ENDED 30 JUNE 2010

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		Period ended 30 June 2010 £	Year ended 31 May 2009 £
Turnover	2	8,406,563	7,692,754
Cost of sales		(8,759,378)	(7,881,365)
Gross loss		(352,815)	(188,611)
Administrative expenses		(2,728,413)	(2,187,981)
Operating loss	3	(3,081,228)	(2,376,592)
Interest payable and similar charges	4	(64,575)	(228,663)
Loss on ordinary activities before taxation		(3,145,803)	(2,605,255)
Tax on loss on ordinary activities	5	-	-
Loss for the period	15	(3,145,803)	(2,605,255)

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

There are no recognised gains and losses other than those passing through the profit and loss account

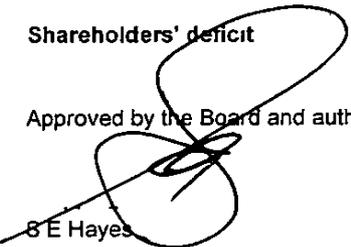
# LONDON WASPS HOLDINGS LIMITED

## BALANCE SHEET

AS AT 30 JUNE 2010

	Notes	2010		2009	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	6		95,229		88,985
Investments	7		79		79
			<u>95,308</u>		<u>89,064</u>
<b>Current assets</b>					
Stocks	8	287,800		117,704	
Debtors	9	867,483		1,091,140	
Cash at bank and in hand		5,611		20,035	
		<u>1,160,894</u>		<u>1,228,879</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(3,918,211)</u>		<u>(3,949,067)</u>	
<b>Net current liabilities</b>			<u>(2,757,317)</u>		<u>(2,720,188)</u>
<b>Total assets less current liabilities</b>			<u>(2,662,009)</u>		<u>(2,631,124)</u>
<b>Creditors: amounts falling due after more than one year</b>	11		<u>(8,458,629)</u>		<u>(5,283,629)</u>
<b>Provisions for liabilities</b>	12		-		<u>(60,082)</u>
			<u>(11,120,638)</u>		<u>(7,974,835)</u>
<b>Capital and reserves</b>					
Called up share capital	14		775,550		775,550
Share premium account	15		6,340,989		6,340,989
Profit and loss account	15		<u>(18,237,177)</u>		<u>(15,091,374)</u>
<b>Shareholders' deficit</b>	16		<u>(11,120,638)</u>		<u>(7,974,835)</u>

Approved by the Board and authorised for issue on 21/6/11

  
S E Hayes  
Director

Company Registration No 04187289

# LONDON WASPS HOLDINGS LIMITED

## CASH FLOW STATEMENT

FOR THE PERIOD ENDED 30 JUNE 2010

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	£	Period ended 30 June 2010 £	£	Year ended 31 May 2009 £
<b>Net cash outflow from operating activities</b>		(2,901,535)		(2,263,268)
<b>Returns on investments and servicing of finance</b>				
Interest paid	(64,575)		(70,410)	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(64,575)		(70,410)
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(86,763)		(38,084)	
<b>Net cash outflow for capital expenditure</b>		(86,763)		(38,084)
<b>Net cash outflow before management of liquid resources and financing</b>		(3,052,873)		(2,371,762)
<b>Financing</b>				
Increase in borrowings	3,175,000		1,800,000	
Repayment of borrowings	-		(6,090)	
<b>Net cash inflow from financing</b>		3,175,000		1,793,910
<b>Increase/(decrease) in cash in the period</b>		<u>122,127</u>		<u>(577,852)</u>

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# LONDON WASPS HOLDINGS LIMITED

## NOTES TO THE CASH FLOW STATEMENT

FOR THE PERIOD ENDED 30 JUNE 2010

1	Reconciliation of operating loss to net cash outflow from operating activities	2010	2009
		£	£
	Operating loss	(3,081,228)	(2,376,592)
	Depreciation of tangible assets	80,519	84,708
	Increase in stocks	(170,096)	(8,898)
	Decrease in debtors	223,657	4,444
	(Decrease)/Increase in creditors within one year	105,695	26,201
	Other reserve movement	(60,082)	6,869
	<b>Net cash outflow from operating activities</b>	<b>(2,901,535)</b>	<b>(2,263,268)</b>

2	Analysis of net debt	1 June 2009	Cash flow	Other non-cash changes	30 June 2010
		£	£	£	£
	Net cash				
	Cash at bank and in hand	20,035	(14,424)	-	5,611
	Bank overdrafts	(1,457,623)	136,551	-	(1,321,072)
		<u>(1,437,588)</u>	<u>122,127</u>	<u>-</u>	<u>(1,315,461)</u>
	Bank deposits	-	-	-	-
	Debt				
	Debts falling due after one year	(5,283,629)	(3,175,000)	-	(8,458,629)
	<b>Net debt</b>	<b>(6,721,217)</b>	<b>(3,052,873)</b>	<b>-</b>	<b>(9,774,090)</b>

3	Reconciliation of net cash flow to movement in net debt	2010	2009
		£	£
	Increase/(decrease) in cash in the period	122,127	(577,852)
	Cash inflow from increase in debt	(3,175,000)	(1,952,163)
	<b>Movement in net debt in the period</b>	<b>(3,052,873)</b>	<b>(2,530,015)</b>
	Opening net debt	(6,721,217)	(4,191,202)
	<b>Closing net debt</b>	<b>(9,774,090)</b>	<b>(6,721,217)</b>

# LONDON WASPS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2010

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The financial statements have been prepared on the going concern basis. The company is dependent upon the 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.

#### 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 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:

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 cost less provision for diminution in value.

#### 1.7 Stock

Stock is valued at the lower of cost and net realisable 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 period 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. The deferred tax balance has not been discounted.

# LONDON WASPS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2010

### 1 Accounting policies (continued)

#### 1 10 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertakings comprise a medium-sized group. However, because both subsidiaries are dormant companies, consolidated accounts have not been prepared on the grounds the subsidiaries are immaterial.

#### 2 Turnover

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

3 Operating loss	2010	2009
	£	£
Operating loss is stated after charging		
Depreciation of tangible assets	80,519	84,708
Operating lease rentals		
- Plant and machinery	-	6,205
- Other	482,167	366,000
Auditors' remuneration (including expenses and benefits in kind)	13,875	10,200
	<u>64,575</u>	<u>228,663</u>

4 Interest payable	2010	2009
	£	£
On bank loans and overdrafts	64,575	70,410
Other interest	-	158,253
	<u>64,575</u>	<u>228,663</u>

# LONDON WASPS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2010

5 Taxation	2010	2009
Total current tax	-	-
<b>Factors affecting the tax charge for the period</b>		
Loss on ordinary activities before taxation	(3,145,803)	(2,605,255)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 20.00%)	(880,825)	(521,051)
Effects of		
Non deductible expenses	14,420	6,161
Depreciation add back	22,546	16,942
Capital allowances	(22,391)	(1,524)
Unrelieved tax losses	883,073	467,821
Other tax adjustments	(16,823)	31,651
	880,825	521,051
<b>Current tax charge for the period</b>	-	-

The company has estimated losses of £ 13,491,001 (2009 - £ 10,338,171) available for carry forward against future trading profits

No provision has been made in these accounts for the deferred tax asset of £3,777,760 (2009 £2,067,634) 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.

6 Tangible fixed assets	Land and buildings Leasehold	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 June 2009	136,386	212,434	151,983	500,803
Additions	66,130	3,824	16,809	86,763
At 30 June 2010	202,516	216,258	168,792	587,566
<b>Depreciation</b>				
At 1 June 2009	101,971	197,648	112,199	411,818
Charge for the period	45,885	11,801	22,833	80,519
At 30 June 2010	147,856	209,449	135,032	492,337
<b>Net book value</b>				
At 30 June 2010	54,660	6,809	33,760	95,229
At 31 May 2009	34,415	14,786	39,784	88,985

# LONDON WASPS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2010

### 7 Fixed asset investments

	Shares in subsidiary undertakings £
<b>Cost</b>	
At 1 June 2009 & at 30 June 2010	79
<b>Net book value</b>	
At 30 June 2010	79
At 31 May 2009	79

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held	
		Class	%
<b>Subsidiary undertakings</b>			
Wasps Rugby Football Club Limited	England and Wales	Ordinary	100 00
The London Wasps Limited	England and Wales	Ordinary	100 00

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

	Principal activity	Capital and reserves	Profit/(loss) for the year
		2010	2010
		£	£
Wasps Rugby Football Club Limited	Dormant	-	-
The London Wasps Limited	Dormant	2	-

On 25 January 2011 both the above companies were dissolved

8 Stocks	2010	2009
	£	£
Finished goods and goods for resale	287,800	117,704

# LONDON WASPS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2010

9 Debtors	2010 £	2009 £
Trade debtors	718,876	616,863
Other debtors	108,037	193,934
Prepayments and accrued income	40,570	280,343
	<u>867,483</u>	<u>1,091,140</u>

10 Creditors amounts falling due within one year	2010 £	2009 £
Bank overdrafts	1,321,072	1,457,623
Trade creditors	598,264	539,680
Taxes and social security costs	536,478	1,000,422
Other creditors	46,230	24,393
Accruals and deferred income	1,416,167	926,949
	<u>3,918,211</u>	<u>3,949,067</u>

11 Creditors amounts falling due after more than one year	2010 £	2009 £
Director's loan account	<u>8,458,629</u>	<u>5,283,629</u>

There are no fixed terms for the repayment of director's loans. The director's loan account does not attract interest and rank as unsecured creditors of the company.

12 Provisions for liabilities	Other £
Balance at 1 June 2009	60,082
Profit and loss account	<u>(60,082)</u>
Balance at 30 June 2010	<u>-</u>

In November 2007 the company was found 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. A provision for the damages awarded had been recognised in previous years. The claim was settled during the current financial period.

# LONDON WASPS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2010

### 13 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.

	2010 £	2009 £
Contributions payable by the company for the period	3,900	24,693

### 14 Share capital

#### Allotted, called up and fully paid

	2010 £	2009 £
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*.

### 15 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 June 2009	6,340,989	(15,091,374)
Loss for the period	-	(3,145,803)
Balance at 30 June 2010	<u>6,340,989</u>	<u>(18,237,177)</u>

### 16 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Loss for the financial period	(3,145,803)	(2,605,255)
Opening shareholders' funds	(7,974,835)	(5,369,580)
Closing shareholders' funds	<u>(11,120,638)</u>	<u>(7,974,835)</u>

# LONDON WASPS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2010

### 17 Financial commitments

At 30 June 2010 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 June 2011

	Land and buildings		Other	
	2010	2009	2010	2009
	£	£	£	£
Operating leases which expire Between two and five years	<u>386,000</u>	<u>375,000</u>	<u>3,525</u>	<u>6,215</u>

### 18 Directors' remuneration

	2010	2009
	£	£
Remuneration for qualifying services	406,398	236,232
Company pension contributions to defined contribution schemes	3,900	19,256
Compensation for loss of office	56,000	-
Sums paid to third parties for directors' services	49,000	-
	<u>515,298</u>	<u>255,488</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2009 - 2)

Remuneration disclosed above include the following amounts paid to the highest paid director

Remuneration for qualifying services	229,667	135,000
Company pension contributions to defined contribution schemes	-	18,768

# LONDON WASPS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2010

### 19 Employees

#### Number of employees

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

	2010 Number	2009 Number
Players	46	46
Management and administration	47	41
	<u>93</u>	<u>87</u>

#### Employment costs

	2010 £	2009 £
Wages and salaries	5,651,495	5,704,705
Social security costs	810,548	649,547
Other pension costs	3,900	24,693
	<u>6,465,943</u>	<u>6,378,945</u>

### 20 Control

The ultimate controlling party is S E Hayes, Director, by virtue of his majority shareholding

# LONDON WASPS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2010

### 21 Related party relationships and transactions

#### Loans from directors

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

Description	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
S E Hayes - Loan	5,283,629	3,175,000	-	-	8,458,629
	<u>5,283,629</u>	<u>3,175,000</u>	<u>-</u>	<u>-</u>	<u>8,458,629</u>

During this period, following S E Hayes taking sole control of the company and having been assigned the existing directors' loan account balances, London Wasps Holdings Limited is no longer under any obligation to pay interest on Directors' loan balances. In addition, the convertible option prices at which the Directors' loan accounts could be converted into shares has also been repealed. Therefore, there are no fixed terms for the repayment of directors' loans and the directors' loan accounts do not attract interest and rank as unsecured creditors of the company.

#### Guarantees given by directors

The bank overdraft is secured by a fixed and floating charge over commercial property owned by S E Hayes.

#### Other transactions

During the period M J Brooks Consultancy Limited, a company controlled by M J Brooks, Director, provided directorship services to London Wasps Holdings Limited totalling £73,514 and non-directorship services totalling £18,800 (2009 £nil and £nil). At the year end London Wasps Holdings Limited owed M J Brooks Limited £78,629 (2009 £nil). This amount is included within accruals and deferred income (2009 £nil).

During the period Wycombe Wanderers Football Club Limited provided goods and services to London Wasps Holdings Limited, a company connected through common ownership, totalling £797,117 (2009 £677,200) and purchased from it goods and services amounting to £nil (2009 £750). At 30 June 2010 £8,008 (31 May 2009 £40,525) was owed to London Wasps Holdings Limited in respect of advanced season ticket receipts.