

**London Irish Consortium (2013) Ltd**  
Annual Report and Financial Statements  
for the Year Ended 30 June 2021

**Brebners**

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

# London Irish Consortium (2013) Ltd

## Contents

|                                           |                        |
|-------------------------------------------|------------------------|
| Company Information                       | <u>1</u>               |
| Strategic Report                          | <u>2</u> to <u>4</u>   |
| Directors' Report                         | <u>5</u>               |
| Statement of Directors' Responsibilities  | <u>6</u>               |
| Independent Auditor's Report              | <u>7</u> to <u>10</u>  |
| Statement of Income and Retained Earnings | <u>11</u>              |
| Statement of Financial Position           | <u>12</u>              |
| Notes to the Financial Statements         | <u>13</u> to <u>19</u> |

# **London Irish Consortium (2013) Ltd**

## **Company Information**

|                          |                                                                                                      |
|--------------------------|------------------------------------------------------------------------------------------------------|
| <b>Directors</b>         | M R Crossan<br>M L Bensted<br>W G Kearney                                                            |
| <b>Registered office</b> | Hazelwood<br>Hazelwood Drive<br>Sunbury on Thames<br>Middlesex<br>TW16 6QU                           |
| <b>Auditor</b>           | Brebners<br>Chartered Accountants & Statutory Auditor<br>130 Shaftesbury Avenue<br>London<br>W1D 5AR |

# **London Irish Consortium (2013) Ltd**

## **Strategic Report for the Year Ended 30 June 2021**

The directors present their strategic report for the year ended 30 June 2021.

### **Principal activity**

The principal activity of the company is that of an investment holding company for a professional rugby club.

### **Fair review of the business**

The directors are satisfied with the levels of activity and the result generated during the year. Whilst no further investments or additional working capital loans have been made in the company's subsidiary undertakings, the company continues to support those subsidiaries in what continues to be an extremely challenging economic environment for professional rugby clubs to operate within.

### **Covid-19:**

#### **Overview:**

The directors are aware of the performance of London Irish Rugby club and despite the ongoing impact of Covid-19 across the professional sport industry remain committed to re-establishing it as a financially sound, self-sustaining entity. The Rugby club was promoted to the premiership in May 2019 and is guaranteed to remain in the Premiership until at least the conclusion of the 2022/23 season. Assuming the government removal of all remaining legal COVID-19 restrictions remains, then this will provide a boost to both match day attendance and commercial income.

The club was also delighted to have now moved into the Brentford Community Stadium, and to have been playing regularly at its new home throughout the 2021/22 season. On the field the club is becoming increasingly competitive. Having sat as high as 4th in the Premiership, the team currently lies 8th in the league table.

On 29th March 2019 Premier Rugby Limited ("PRL") completed a new partnership with a leading private equity and investment advisory firm to invest in a minority shareholding in the league. This investment together with subsequent investment transactions concluded within the European Rugby market, is a major indication of the ongoing interest, strength and potential of Professional Rugby in the economic marketplace. The investment in premier rugby was revalued during the year to reflect the change in the distribution rights (as detailed within the License, Services, and Commercial Rights Agreement), attached to the units held by the club with the proportion of overall distributions due increased from 33.33% to 50%. The impact of COVID-19 is considered to be exceptional and short term and therefore does not impact upon the valuation of the investment, which is based on a medium to long term plan. The investment in Premier Rugby within London Irish's financial statements is carried at its fair value of £17,551,780.

Notwithstanding this, the Directors continue to seek additional external investment within the company with which to further secure their ultimate goal for London Irish Rugby club.

# London Irish Consortium (2013) Ltd

## Strategic Report for the Year Ended 30 June 2021

### Performance:

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

| Financial KPIs    | Unit | 2021      | 2020      |
|-------------------|------|-----------|-----------|
| Profit before tax | £    | 992,824   | 857,514   |
| Total Equity      | £    | 8,402,062 | 7,409,238 |

The company seeks to ensure that responsible business practice is fully integrated into the management of all of its operations and into the culture of all parts of its business. The directors believe that the consistent adoption of responsible business practice is essential for operational excellence, which in turn ensures the delivery of its key objectives of re-establishing London Irish Rugby club as a financially sound, self-sustaining entity.

In a company this size the directors consider there are collectively numerous non-financial performance indicators but none individually are key.

### Principal risks and uncertainties

The directors consider the following risks and uncertainties to be key in managing and maintaining the future success of the group.

### Economic Outlook:

The economic environment continues to be challenging with continuing pressure on the performance of London Irish Rugby Club and maintaining match day revenues at London Irish Rugby Club. Furthermore, whilst the Rugby Clubs position within the Premiership is secure for the 2022/23 season, adverse performance on the pitch could lead to future relegation to the Championship, placing further pressure on match day incomes and impacting upon the financial performance at the Brentford Community Stadium in future seasons.

### Covid-19:

With the now well documented introduction of a series of lockdowns from March 2020 onwards supporters have been prevented from attending matches, and this has impacted significantly upon revenues and the underlying cash generating model of London Irish Rugby Club. With the government recent announcement and the lifting of all remaining legal COVID-19 relating restrictions the club is hopeful of growing attendances to pre pandemic level - as evidenced by the recent home match against Exeter Chiefs (with a crowd in excess of 11,000). Despite this, there can be no certainty as to when professional sport and the attendance of spectators in particular will return to a pre-pandemic norm. This unpredictable nature of the pandemic and the UK Government's response is a significant risk to the ongoing economic viability of professional rugby as a whole.

### Brexit:

The directors remain vigilant to the ongoing uncertainties and risk associated with Brexit - particularly the potential negative impact upon levels of disposable income available to potential supporters.

# **London Irish Consortium (2013) Ltd**

## **Strategic Report for the Year Ended 30 June 2021**

### **London Irish Rugby Club:**

The group has stated its intention to support London Irish Rugby Club however, playing performance on the field is a fundamental ingredient to the financial success of the club. In particular the financial importance of maintaining its place in The Premiership has been prioritised by the directors.

Maintaining sponsorship partners and match day revenues at London Irish Rugby Club remains challenging in the current economic environment and continued success in this area will be closely linked to both the club's on-field performance and the economy's emergence from the Covid-19 pandemic. The Directors believe that maximising the benefits brought by the recent move to the Brentford Community Stadium is key to maximising future revenues in this area.

Further investment made in the playing and coaching squad ahead of the 2021/22 season reaffirmed the club's intent to prioritise success on the pitch and gives the club every chance of maximising revenue opportunities across all income streams.

Player and coaching staff retention is key to the future success of the club, though the group is confident in the club's ability to recruit and develop players as it continues to develop its reputation as a family club with a welcoming atmosphere, a new home stadium at Brentford and a state of the art training facility. The benefits of this have been seen in the quality of players and coaching staff joining the club and solid player retention.

In the short term with the announced ring-fencing from relegation the club's position within The Premiership for the 2022/23 season is confirmed - with the longer term goal being to maintain this status. Strong performances as a whole will impact upon Board's ability to attract not only key players but also external investment with which to fund the Rugby Club and achieve the aim of establishing it as a financially sound self-sustaining entity. Improved competitiveness on the pitch sees the club sitting in 8th position in the Gallagher Premiership league table.

With the now well documented introduction of a series of lockdowns from March 2020 onwards supporters have been prevented from attending matches, and this has impacted significantly upon revenues and the underlying cash generating model of London Irish Rugby Club.

### **Future developments**

With the club's place in the 2022/23 Premiership already guaranteed, the directors remain hopeful that the London Irish Rugby Club can maintain its place in the Premiership for the start of the 2023/24 season.

The club is delighted to have moved into the Brentford Community Stadium and commenced playing home games in front of its own supporters occupying the stadium under the terms of the recently negotiated licence agreement.

Approved by the Board on 29 March 2022 and signed on its behalf by:

-----  
M R Crossan  
Director

# **London Irish Consortium (2013) Ltd**

## **Directors' Report for the Year Ended 30 June 2021**

The directors present their report and the financial statements for the year ended 30 June 2021.

### **Director of the company**

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

M R Crossan

M L Bensted

B W E Facer (ceased 6 February 2021)

W G Kearney (appointed 4 January 2021)

### **Disclosure of information to the auditor**

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

### **Disclosure of information in the Strategic Report**

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

Approved by the director on 29 March 2022 and signed by:

.....  
M L Bensted  
Director

# **London Irish Consortium (2013) Ltd**

## **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities 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). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable 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 Irish Consortium (2013) Ltd**

## **Independent Auditor's Report to the Members of London Irish Consortium (2013) Ltd for the Year Ended 30 June 2021**

### **Opinion**

We have audited the financial statements of London Irish Consortium (2013) Ltd (the 'company') for the year ended 30 June 2021, which comprise the Statement of Income and Retained Earnings, Statement of Financial Position, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **London Irish Consortium (2013) Ltd**

## **Independent Auditor's Report to the Members of London Irish Consortium (2013) Ltd for the Year Ended 30 June 2021**

### **Opinion on other matter prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept, 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.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities (set out on page 6), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

# **London Irish Consortium (2013) Ltd**

## **Independent Auditor's Report to the Members of London Irish Consortium (2013) Ltd for the Year Ended 30 June 2021**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and the industry in which it operates, we determined that the principal risks of non-compliance with laws and regulations related to the reporting framework (FRS 102 and the Companies Act 2006) and UK corporate taxation laws. These risks were communicated to our audit team and we remained alert to any indications of non-compliance throughout our audit. The audit partner ensured that the audit team had appropriate skills and experience to identify non-compliance with laws and regulations.

We reviewed and understood the regulatory framework and how the company is complying with it by making enquiries of the Board and management and conducting a review of the board minutes. We also considered the results of our audit procedures and to what extent these corroborate this understanding and assessed the susceptibility of the company's financial statements to material misstatement. This included consideration of how fraud might occur and evaluation of management's incentives and opportunities for fraudulent manipulation of the financial statements.

We designed our audit procedures to identify any non-compliance with laws and regulations. Such procedures included, but were not limited to, inspection of any regulatory or legal correspondence; challenging assumptions and judgements made by management; identifying and testing journal entries with a focus on large or unusual transactions as determined based on our understanding of the business; identifying and assessing the effectiveness of controls in place to prevent and detect fraud, reviewing estimates and judgements from management bias and agreeing the financial statements to documentations.

Owing to the inherent limitations of an audit, there remains a risk that a material misstatement may not have been detected, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance with laws and regulations and cannot be expected to detect all instances of non-compliance.

The primary responsibility for the detection and prevention of fraud rests with those responsible for governance and management, and the further removed non-compliance with laws and regulations is from the events reflected within the financial statements, the less likely the auditors will become aware of it.

The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from errors, as fraud may involve deliberate concealment, collusion, omission, misrepresentation and forgery.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

# **London Irish Consortium (2013) Ltd**

## **Independent Auditor's Report to the Members of London Irish Consortium (2013) Ltd for the Year Ended 30 June 2021**

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....  
John Chamberlain (Senior Statutory Auditor)  
For and on behalf of  
Brebners, Statutory Auditor  
130 Shaftesbury Avenue  
London  
W1D 5AR

1 April 2022

# London Irish Consortium (2013) Ltd

## Statement of Income and Retained Earnings for the Year Ended 30 June 2021

|                                              | Note | 2021<br>£        | 2020<br>£        |
|----------------------------------------------|------|------------------|------------------|
| Turnover                                     |      | -                | -                |
| Administrative expenses                      |      | (17,540)         | (18,088)         |
| <b>Operating loss</b>                        |      | <b>(17,540)</b>  | <b>(18,088)</b>  |
| Other interest receivable and similar income | 3    | 1,159,641        | 1,098,590        |
| Interest payable and similar charges         | 4    | (149,277)        | (222,988)        |
|                                              |      | 1,010,364        | 875,602          |
| <b>Profit before tax</b>                     |      | <b>992,824</b>   | <b>857,514</b>   |
| <b>Profit for the financial year</b>         |      | <b>992,824</b>   | <b>857,514</b>   |
| Retained earnings brought forward            |      | 2,771,708        | 1,914,194        |
| <b>Retained earnings carried forward</b>     |      | <b>3,764,532</b> | <b>2,771,708</b> |

The notes on pages 13 to 19 form an integral part of these financial statements.

# London Irish Consortium (2013) Ltd

## Statement of Financial Position as at 30 June 2021

|                                                       | Note      | 2021<br>£           | 2020<br>£           |
|-------------------------------------------------------|-----------|---------------------|---------------------|
| <b>Fixed assets</b>                                   |           |                     |                     |
| Investments                                           | <u>8</u>  | 4,297,799           | 4,297,799           |
| <b>Current assets</b>                                 |           |                     |                     |
| Debtors                                               | <u>9</u>  | 18,209,527          | 17,153,633          |
| Cash at bank and in hand                              |           | <u>55,464</u>       | <u>55,504</u>       |
|                                                       |           | 18,264,991          | 17,209,137          |
| <b>Creditors:</b> Amounts falling due within one year | <u>11</u> | <u>(14,160,728)</u> | <u>(14,097,698)</u> |
| <b>Net current assets</b>                             |           | <u>4,104,263</u>    | <u>3,111,439</u>    |
| <b>Net assets</b>                                     |           | <u>8,402,062</u>    | <u>7,409,238</u>    |
| <b>Capital and reserves</b>                           |           |                     |                     |
| Called up share capital                               |           | 4,637,530           | 4,637,530           |
| Profit and loss account                               |           | <u>3,764,532</u>    | <u>2,771,708</u>    |
| <b>Shareholders' funds</b>                            |           | <u>8,402,062</u>    | <u>7,409,238</u>    |

Company registration number: 08800984

Approved and authorised by the Board on 29 March 2022 and signed on its behalf by:

.....

M R Crossan

Director

The notes on pages 13 to 19 form an integral part of these financial statements.

# **London Irish Consortium (2013) Ltd**

## **Notes to the Financial Statements for the Year Ended 30 June 2021**

### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Hazelwood  
Hazelwood Drive  
Sunbury on Thames  
Middlesex  
TW16 6QU

The address of the company's principal place of business is:

Hazelwood  
Hazelwood Drive  
Sunbury-On-Thames  
Middlesex  
TW16 6QU

The principal activity of the company is that of an investment holding company for a professional rugby club.

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except any items disclosed in the accounting policies as being shown at fair value and are presented in sterling, which is the functional currency of the entity.

#### **Summary of disclosure exemptions**

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statement of Powerday Plc. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company
- (b) Disclosure in respect of financial instruments have not been presented
- (c) Disclosure in respect of the aggregate remuneration of key management personnel has not been presented.

#### **Group accounts not prepared**

The company was at the end of the year a wholly-owned subsidiary of another company incorporated in the United Kingdom and in accordance with section 400 of the Companies Act 2006 it is not required to produce and has not published consolidated accounts. Therefore the accounts disclose information about the individual company and not its group.

# **London Irish Consortium (2013) Ltd**

## **Notes to the Financial Statements for the Year Ended 30 June 2021**

### **Going concern**

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

The company remains dependent on the continued financial support of Powerday PLC its ultimate controlling party for the provision of the necessary working capital to continue being able to provide funding to its subsidiaries. To date the shareholders of Powerday PLC have provided additional working capital as and when required including an additional £2.5m injected three years ago pursuant to a rights issue. No formal agreements are in place with regard to levels of committed future funding.

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

### **Judgements and key sources of estimation uncertainty**

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

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

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are as follows:

Unlisted investments are held at fair value as estimated by the group.

### **Business combinations**

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

### **Investments**

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

# **London Irish Consortium (2013) Ltd**

## **Notes to the Financial Statements for the Year Ended 30 June 2021**

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade and other debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade and other creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

### **Interest bearing borrowings**

Interest bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the statement of comprehensive income over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

### **Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

# London Irish Consortium (2013) Ltd

## Notes to the Financial Statements for the Year Ended 30 June 2021

### 3 Other interest receivable and similar income

|                      | 2021<br>£        | 2020<br>£        |
|----------------------|------------------|------------------|
| Other finance income | <u>1,159,641</u> | <u>1,098,590</u> |

### 4 Interest payable and similar expenses

|                                               | 2021<br>£      | 2020<br>£      |
|-----------------------------------------------|----------------|----------------|
| Interest expense on other finance liabilities | <u>149,277</u> | <u>222,988</u> |

### 5 Staff costs

No staff costs were incurred during the year (2020: £Nil).

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

|                            | 2021<br>No. | 2020<br>No. |
|----------------------------|-------------|-------------|
| Administration and support | 1           | 1           |
| Other departments          | <u>1</u>    | <u>1</u>    |
|                            | <u>2</u>    | <u>2</u>    |

### 6 Auditor's remuneration

|                                   | 2021<br>£     | 2020<br>£     |
|-----------------------------------|---------------|---------------|
| Audit of the financial statements | <u>10,000</u> | <u>10,000</u> |

### 7 Taxation

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2020 - the same as the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

|                                                                           | 2021<br>£        | 2020<br>£        |
|---------------------------------------------------------------------------|------------------|------------------|
| Profit before tax                                                         | <u>992,824</u>   | <u>857,514</u>   |
| Corporation tax at standard rate                                          | 188,637          | 162,928          |
| Effect of expense not deductible in determining taxable profit (tax loss) | 3,325            | 2,290            |
| Utilisation of group relief                                               | <u>(191,962)</u> | <u>(165,218)</u> |
| <b>Total tax charge/(credit)</b>                                          | <u>-</u>         | <u>-</u>         |

# London Irish Consortium (2013) Ltd

## Notes to the Financial Statements for the Year Ended 30 June 2021

### 8 Investments

|                             | 2021<br>£        | 2020<br>£               |
|-----------------------------|------------------|-------------------------|
| Investments in subsidiaries | <u>4,297,799</u> | <u>4,297,799</u>        |
| <b>Subsidiaries</b>         |                  | £                       |
| <b>Cost or valuation</b>    |                  |                         |
| At 1 July 2020              |                  | <u>4,297,799</u>        |
| <b>Provision</b>            |                  |                         |
| <b>Carrying amount</b>      |                  |                         |
| <b>At 30 June 2021</b>      |                  | <u><u>4,297,799</u></u> |
| At 30 June 2020             |                  | <u><u>4,297,799</u></u> |

| Subsidiary undertakings                      | Registered office                                                              | Holding         | Proportion of voting rights and shares |      |
|----------------------------------------------|--------------------------------------------------------------------------------|-----------------|----------------------------------------|------|
|                                              |                                                                                |                 | 2021                                   | 2020 |
| London Irish Holdings Limited                | Hazelwood,<br>Hazelwood Drive,<br>Sunbury on<br>Thames, Middlesex,<br>TW16 6QU | Ordinary Shares | 92%                                    | 92%  |
| London Irish Scottish Richmond Limited *     | Hazelwood,<br>Hazelwood Drive,<br>Sunbury on<br>Thames, Middlesex,<br>TW16 6QU | Ordinary Shares | 92%                                    | 92%  |
| London Irish Rugby Football Ground Limited * | Hazelwood,<br>Hazelwood Drive,<br>Sunbury on<br>Thames, Middlesex,<br>TW16 6QU | Ordinary Shares | 92%                                    | 92%  |

\* Shares held by London Irish Holdings Limited.

In addition London Irish Consortium (2013) Ltd holds a 84% holding of deferred ordinary shares in London Irish Holdings Limited. These shares are non-voting and only participate in an exit event in excess of £100m.

# London Irish Consortium (2013) Ltd

## Notes to the Financial Statements for the Year Ended 30 June 2021

### INVESTMENT IN ASSOCIATES AND JOINT VENTURES

|                      |                                                                                |                 |     |     |
|----------------------|--------------------------------------------------------------------------------|-----------------|-----|-----|
| Hazelwood Centre LLP | Hazelwood,<br>Hazelwood Drive,<br>Sunbury on<br>Thames, Middlesex,<br>TW16 6QU | Ordinary Shares | 32% | 32% |
|----------------------|--------------------------------------------------------------------------------|-----------------|-----|-----|

### 9 Debtors

|                                | 2021<br>£         | 2020<br>£         |
|--------------------------------|-------------------|-------------------|
| Amounts owed by group entities | 18,209,527        | 17,067,386        |
| Other debtors                  | -                 | 86,247            |
|                                | <u>18,209,527</u> | <u>17,153,633</u> |

The recoverability of the amounts owed by group undertakings is secured upon the interest in Premier Rugby and freehold property held in the undertakings concerned.

### 10 Cash and cash equivalents

|              | 2021<br>£     | 2020<br>£     |
|--------------|---------------|---------------|
| Cash at bank | <u>55,464</u> | <u>55,504</u> |

### 11 Creditors

|                               | Note | 2021<br>£         | 2020<br>£         |
|-------------------------------|------|-------------------|-------------------|
| <b>Due within one year</b>    |      |                   |                   |
| Amounts due to group entities | 13   | 11,289,552        | 11,256,416        |
| Other payables                |      | 2,861,176         | 2,831,282         |
| Accrued expenses              |      | 10,000            | 10,000            |
|                               |      | <u>14,160,728</u> | <u>14,097,698</u> |

### 12 Share capital

#### Allotted, called up and fully paid shares

|                               | 2021       |           | 2020       |           |
|-------------------------------|------------|-----------|------------|-----------|
|                               | No.        | £         | No.        | £         |
| Ordinary shares of £0.05 each | 92,750,597 | 4,637,530 | 92,750,597 | 4,637,530 |

# **London Irish Consortium (2013) Ltd**

## **Notes to the Financial Statements for the Year Ended 30 June 2021**

### **13 Related party transactions**

Included within debtors due within one year are amounts due of £18,209,527 (2020: £17,067,386) advanced by the company to London Irish Scottish Richmond Limited. Interest amounting to £1,159,641 (2020: £1,098,590) was charged on these amounts and no set repayment terms are in place.

Included within debtors due within one year are amounts of £Nil (2020: £86,247) due from Powerday Plc, the ultimate parent undertaking. No interest was charged on these amounts and no set repayment terms are in place.

Included within creditors due within one year are amounts of £11,289,552 (2020: £11,297,916) advanced to the company by Powerday Plc, the ultimate parent undertaking. Interest has been charged at 1% above LIBOR on these amounts, and no set repayment terms are in place.

Included within other creditors due within one year is a balance of £2,138,860 (2020: £2,116,533) advanced to the company by P.F Cusack (Tool Supplies) Limited, who have a participating interest in the company. Interest has been charged at 1% above LIBOR on these amounts, and no set repayment terms are in place.

### **14 Relationship between entity and parents**

The parent of the largest group preparing group accounts including the results of the company is headed by Powerday plc.

The registered address of Powerday plc is:

130 Shaftesbury Avenue

2nd Floor

London

W1D 5EU

The ultimate parent is Powerday plc, incorporated in England and Wales.

These consolidated financial statements are available from Companies House at Crown Way, Cardiff, CF14 3UZ.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.