

**Irish Rugby Football
Union**

Report and accounts

for year ended

30 April 2003

Irish Rugby Football Union

Report and Accounts

Year ended 30 April 2003

Contents	Page
Income and expenditure account	1
Balance sheet	2
Notes to the accounts	3
Statement of Committee's responsibilities	9
Independent auditors' report to the members	10
The following do not form part of the report and accounts	
Detailed schedules for the income and expenditure account	12
Funds flow statement	18

Irish Rugby Football Union

**Income and Expenditure Account for the year ended 30
April 2003**

		2002/03	2001/02	2000/01
		€	€	€
Income:	Schedule			
Representative matches	1	31,937,233	34,769,612	20,117,700
Other income	2	<u>6,053,743</u>	<u>3,412,274</u>	<u>1,574,412</u>
		<u>37,990,976</u>	<u>38,181,886</u>	<u>21,692,112</u>
Expenditure:				
Representative matches	3	26,535,166	22,185,502	15,848,851
Rugby development	4	7,045,019	7,130,459	5,693,952
Grants to branches, clubs, etc.	5	1,484,140	1,776,028	1,776,028
		1,890,446		
Grounds costs	6	1,601,881	1,650,468	1,704,025
Administration expenses	7	3,508,906	2,667,628	2,045,987
Depreciation		(Note3)		<u>1,374,273</u>
		<u>1,092,325</u>	<u>1,063,988</u>	
		<u>41,549,385</u>	<u>36,502,410</u>	<u>28,247,249</u>
Operating (Deficit) Surplus		(3,558,409)	1,679,476	(6,555,137)
Realisation of investments		-	3,543,237	-
Rugby World Cup		-	354,324	-
		<u>367,262</u>		
(Deficit) retained surplus for year		(Note 7)	<u>(3,558,409)</u>	<u>5,577,037</u>
				<u>(6,187,875)</u>

J. P. Lyons
Honorary Treasurer

P. R. Browne
Chief Executive

Irish Rugby Football Union

Balance Sheet as at 30 April 2003

	Note	30/4/03 €	30/4/02 €
Fixed Assets	3	<u>23,237,315</u>	<u>20,358,668</u>
Financial Assets			
Loans to clubs		2,181,309	2,126,890
Financial investments	4	<u>5,078,952</u>	<u>5,078,952</u>
		<u>7,260,261</u>	<u>7,205,842</u>
Current Assets			
Debtors and prepayments		6,772,798	4,513,926
Cash at bank and in hand		<u>2,888,882</u>	<u>8,935,680</u>
		<u>9,661,680</u>	<u>13,449,606</u>
Current Liabilities			
Bank overdraft		735,937	736,177
Creditors and accrued expenses		<u>10,084,707</u>	<u>5,196,340</u>
		<u>10,820,644</u>	<u>5,932,517</u>
Net Current (Liabilities)/Assets		<u>(1,158,964)</u>	<u>7,517,089</u>
Net Assets		<u>29,338,612</u>	<u>35,081,599</u>
Financed By:			
West Stand 5 year ticket fund	5	1,219,388	1,781,662
East Stand 10 year ticket fund	6	-	1,622,304
Union funds	7	<u>28,119,224</u>	<u>31,677,633</u>
		<u>29,338,612</u>	<u>35,081,599</u>

J. P. Lyons
 Honorary Treasurer

P. R. Browne
 Chief Executive

Irish Rugby Football Union

Notes to the Accounts for the year ended 30 April 2003

1. Accounting Policies

Basis of accounting

The accounts have been prepared under the historical cost

C
O
N
V
E
N
T
I
O
N
.

Fixed assets

Fixed assets are shown at their historic cost net of any capital grants received or receivable.

Depreciation

Depreciation is charged in order to write off the assets over their expected useful lives at the following annual rates: -

Land	Nil
Stand, buildings, etc.	2.5% straight line
Fixtures, fittings & equipment	25% and 12.5% straight line
Computer equipment	20% straight line
Grounds purchased & leased to clubs	Nil

Foreign currencies

Foreign currencies are expressed in Euro. Assets and liabilities in foreign currencies are translated at the exchange rate ruling at the balance sheet date.

Pension

Pension benefits are funded over employees' periods of service by way of contributions to independently administered funds. The group's annual contributions to defined benefit schemes are based on actuarial advice and are charged to the profit and loss account in the period to which they relate.

Grants

Capital grants received are netted against the cost of fixed assets.

Revenue grants are recognised as income in the period to which they relate.

Deferred income

Monies received in respect of five and ten year tickets has been treated as deferred income and have been released to the income and expenditure over the period to which they relate based on the estimated number of fixtures and the expected admission prices. Details of the amount deferred are set out in notes 5 and 6.

Irish Rugby Football Union

Notes to the Accounts for the year ended 30 April 2003

2. Income and Expenditure Recognition

The Union did not include in revenue any income received in respect of international fixtures postponed due to the outbreak of foot and mouth during the 2000/2001 season. The Union did not recognise any expenditure in respect of the postponed fixtures. The income and expenditure relating to those postponed fixtures has been recognised in full in 2001/2002.

3. Fixed Assets

	Cost at 30/4/02 €	Additions €	Cost at 30/4/03 €
Premises and grounds	24,048,875	3,584,855	27,633,730
Fixtures, fittings & equipment	4,335,651	513,715	4,849,366
Grounds purchased and leased to clubs	221,922	154,350	376,272
	<u>28,606,448</u>	<u>4,252,920</u>	<u>32,859,368</u>
	Accumulated depreciation at 30/4/02 €	Charge for depreciation year €	Accumulated depreciation at 30/4/03 €
Premises and grounds	5,438,387	808,299	6,246,686
Fixtures, fittings & equipment	2,809,393	565,974	3,375,367
Grounds purchased and leased to clubs	-	-	-
	<u>8,247,780</u>	<u>1,374,273</u>	<u>9,622,053</u>
Net book value	<u>20,358,668</u>		<u>23,237,315</u>

4. Financial Investments

Included in the above are term investments at cost of €5,078,952, the market value of which at 30 April 2003 amounted to €7,065,974 (2002 €9,669,512).

Irish Rugby Football Union

Notes to the Accounts for the year ended 30 April 2003

5. **West Stand 5 Year Ticket Fund**

	30/4/03	30/4/02
	€	€
Balance at 30/4/02	1,781,662	-
Funds from the issue of 5 year tickets	-	2,368,561
Transfer to revenue account 2002/03	562,274	586,899
Balance at 30/4/03	<u>1,219,388</u>	<u>1,781,662</u>

6. **East Stand 10 Year Ticket Fund**

	30/4/03	30/4/02
	€	€
Balance at 30/4/02	1,622,304	3,225,517
Transfer to revenue account 2002/03	1,622,304	1,603,213
Balance at 30/4/03	<u>-</u>	<u>1,622,304</u>

7. **Union Funds**

	30/4/03	30/4/02
	€	€
Balance at 30/4/02	29,138,157	23,561,120
Ground development reserve	1,269,738	1,269,738
Financial assistance to clubs reserve	1,269,738	1,269,738
	<u>31,677,633</u>	<u>26,100,596</u>
(Deficit) retained surplus for year	(3,558,409)	5,577,037
Balance at 30/4/03	<u>28,119,224</u>	<u>31,677,633</u>

Irish Rugby Football Union

Notes to the Accounts for the year ended 30 April 2003

8. Pension Costs

The company operates a defined benefit scheme, the assets of which are administered by trustees in funds independent from those of the Union.

Total pension costs for the year amounted to €291,951 (30/4/2002 €242,390).

The pension costs relating to the Union's defined benefit scheme is assessed in accordance with advice of qualified actuaries using the aggregate method.

The most recent actuarial valuation was as at 1 August 2002. The assumptions, which have the most significant effect on the results of the valuation, are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment return would be 7% per annum, reducing to 6% per annum after retirement, that salary increases would average 5.5% per annum and that present and future pensions would increase at the rate of 5% per annum.

This valuation showed that the market value of the scheme's assets was €1,277,000 and that the actuarial value of those assets represented 68% of the benefits that had accrued to members after allowing for expected future increases in earnings. The contributions of the Union and employees are 26% and 5% of earnings respectively.

The actuarial valuations are not available for public inspection but the results of the valuations are advised to members of the scheme.

Financial Reporting Standard 17 - Retirement Benefits

The Union operates a defined benefit pension scheme. The valuation used for FRS 17 has been based on a valuation estimate as at 30 April 2003, which was carried out by a qualified independent actuary.

The major assumptions used by the actuary as at 30th April 2003 were in nominal terms:

	30/4/03	30/4/02
Inflation rate increase	2.50%	3.00%
Salary rate increase	4.00%	4.50%
Pension payment increases	4.50%	5.00%
Discount rate	4.75%	5.75%

Irish Rugby Football Union

Notes to the Accounts for the year ended 30 April 2003

8. **Pension Costs** (cont'd.)

Scheme Assets

	30/4/03	30/4/02
Long term rate of return expected at 30 April 2003		
Equities	8.0%	8.0%
Bonds	4.6%	5.5%
Property	7.0%	7.0%
Cash	4.0%	4.0%
	€' 000	€' 000
Assets in the scheme at 30 April 2003		
Equities	1,006	1,027
Bonds	332	286
Property	117	109
Cash	<u>40</u>	<u>13</u>
	1,495	1,435
Present value of scheme liabilities	<u>(2,496)</u>	<u>(1,866)</u>
Deficit in scheme	<u>1,001</u>	<u>431</u>
<i>Net assets</i>		
Net assets excluding pension liability	29,339	35,082
Pension liability	<u>(1,001)</u>	<u>(431)</u>
Net assets including pension liability	<u>28,338</u>	<u>34,651</u>
<i>Reserves</i>		
Reserves excluding pension liability	29,339	35,082
Pension liability	<u>(1,001)</u>	<u>(431)</u>
Reserves including pension liability	<u>28,338</u>	<u>34,651</u>

The above disclosures are in accordance with the requirements of FRS 17 as they apply at present.

Irish Rugby Football Union

Notes to the Accounts for the year ended 30 April 2003

9. **Revenue and Capital Grants**

The following grants were received and used for the stated purpose in the year ended 30 April 2003:

€

Revenue grant for game development and participation
3,750,000

10. **Capital Commitments**

30/04/03	30/04/02
€	€

At the 30 April 2003, the Union had capital commitments as follows:

Approved and contracted for	<u>1,800,000</u>	<u>1,000,000</u>
-----------------------------	------------------	------------------

11. **Approval of Accounts**

The accounts of the Union were approved by the committee on 4th June, 2003 and signed on its behalf by the Honorary Treasurer and the Chief Executive.

Irish Rugby Football Union

Statement of Committee's Responsibilities

The Committee is required to prepare financial statements, which give a true and fair view of the state of affairs of the Union at the end of each financial period and of the surplus or deficit for the period. They are responsible for keeping proper accounting records, for safeguarding assets, and for preventing and detecting fraud and other irregularities.

The Committee confirms that suitable accounting policies have been consistently applied, that reasonable and prudent judgments and estimates have been used in the preparation of the financial statements, and that it is appropriate to assume that the Union will continue in being and to prepare the financial statements on a going concern basis.

Irish Rugby Football Union

Independent Auditors' Report to the Members

Year ended 30 April 2003

We have audited the financial statements on pages 1 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 3.

This report is made solely to the members, as a body. Our audit work has been undertaken so that we might state to the 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 any other than the members as a body, for our audit work, or for the opinions we have formed.

Respective Responsibilities of the Director and the Auditors

As described on page 9, the Committee is responsible for the preparation of the accounts in accordance with applicable law and Irish Accounting Standards.

It is our responsibility to audit the financial statements in accordance with relevant legal and regulatory requirements and Auditing Standards promulgated by the Auditing Practices Board in Ireland and the United Kingdom.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared.

Basis of Audit Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Committee in the preparation of the accounts, and of whether the accounting policies are appropriate to the Union's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Irish Rugby Football Union

Independent Auditors' Report to the Members (continued)

Year ended 30 April 2003

Opinion

In our opinion the accounts give a true and fair view of the state of the Union's affairs as at 30 April 2003 and of its deficit for the year then ended.

**Grant Thornton
Registered Auditors
Chartered Accountants**

Ashford House
Tara Street
Dublin 2

Date: 4th June 2003

Irish Rugby Football Union

Income for the year ended 30 April 2003

Schedule 1: Representative Matches

	2002/03	2001/02	2000/01
	€	€	€
International rugby income	23,511,174	27,287,621	14,510,811
Ten and five year tickets	2,184,578	2,190,112	1,347,704
ERC and provincial income	6,123,996	5,070,663	4,000,844
Other representative match income	<u>117,485</u>	<u>221,216</u>	<u>258,341</u>
	<u>31,937,233</u>	<u>34,769,612</u>	<u>20,117,700</u>

Schedule 2: Other Income

	2002/03	2001/02	2000/01
	€	€	€
Other rugby income	1,103,740	326,202	512,708
Government grants - Note 9	3,750,000	728,766	93,440
Percentage of admissions	1,196,181	1,929,266	652,870
Rents from branch and club grounds	23,516	38,941	18,405
Other rents	263,254	275,208	141,037
Net interest receivable and exchange movement	<u>(282,948)</u>	<u>113,891</u>	<u>155,952</u>
	<u>6,053,743</u>	<u>3,412,274</u>	<u>1,574,412</u>

Irish Rugby Football Union

Expenditure for the year ended 30 April 2003

Schedule 3: Representative Matches

	2002/03	2001/02	2000/01
	€	€	€
<i>Senior match costs</i>			
Home Six Nations	695,045	1,358,080	407,286
Away Six Nations	530,903	591,738	369,215
Other internationals	1,389,687	763,925	951,063
Tours and camps	648,162	279,137	256,947
Referees' costs	460,433	373,897	273,656
Miscellaneous match expenses	<u>269,783</u>	<u>237,507</u>	<u>369,315</u>
	<u>3,994,013</u>	<u>3,604,284</u>	<u>2,627,482</u>
 <i>Other representative matches</i>			
Rugby sevens	27,064	61,509	122,777
"A" internationals	311,124	405,136	240,052
Ireland U21 internationals	594,721	455,486	171,340
Ireland U19 internationals	<u>292,297</u>	<u>298,055</u>	<u>219,331</u>
	<u>1,225,206</u>	<u>1,220,186</u>	<u>753,500</u>
 <i>Domestic rugby costs</i>			
Schoolboys	134,249	188,052	218,999
Youths	262,899	202,361	138,878
Students	31,349	110,860	48,434
AIL and domestic competition costs	<u>1,146,908</u>	<u>1,058,757</u>	<u>1,080,443</u>
	<u>1,575,405</u>	<u>1,560,030</u>	<u>1,486,754</u>

Irish Rugby Football Union

Expenditure for the year ended 30 April 2003

Schedule 3: Representative Matches (continued)

	2002/03 €	2001/02 €	2000/01 €
<i>National team costs</i>			
National players and coaches	3,160,318	6,024,816	4,216,966
Squad sessions	<u>310,239</u>	<u>337,622</u>	<u>228,535</u>
	<u>3,470,557</u>	<u>6,362,438</u>	<u>4,445,501</u>
<i>Provincial team costs</i>			
Provincial players and coaches	11,208,171	5,254,489	3,278,188
Provincial team costs	<u>5,061,814</u>	<u>4,184,075</u>	<u>3,257,426</u>
	<u>16,269,985</u>	<u>9,438,564</u>	<u>6,535,614</u>
Total representative costs	<u>26,535,166</u>	<u>22,185,502</u>	<u>15,848,851</u>

Irish Rugby Football Union

Expenditure for the year ended 30 April 2003

Schedule 4: Rugby Development Costs

	2002/03	2001/02	2000/01
	€	€	€
Technical salaries	1,280,192	1,462,570	1,085,797
Motor and travelling expenses	412,345	407,688	343,751
Game development costs	1,003,561	704,745	416,144
Youth development officer scheme	646,790	690,501	385,735
Clubs and schools of Ireland	2,043,187	2,146,361	2,299,177
Referee development	230,736	95,806	97,521
Marketing and PR	883,655	1,142,528	647,663
Academy	<u>544,553</u>	<u>480,260</u>	<u>418,164</u>
	<u>7,045,019</u>	<u>7,130,459</u>	<u>5,693,952</u>

Irish Rugby Football Union

Expenditure for the year ended 30 April 2003

Schedule 5: Grants to Branches, Clubs, etc.

	2002/03 €	2001/02 €	2000/01 €
Branches	680,264	496,641	505,380
Exiles	130,863	77,899	111,299
Schools	171,352	95,699	-
IRFU Charitable Trust	82,533	82,533	82,533
Insurance	278,088	865,636	986,443
Universities and colleges	73,717	45,747	106,640
Interest subsidies	3,257	1,297	9,499
Other	<u>64,066</u>	<u>110,576</u>	<u>88,652</u>
	<u>1,484,140</u>	<u>1,776,028</u>	<u>1,890,446</u>

Irish Rugby Football Union

Expenditure for the year ended 30 April 2003

Schedule 6: Grounds Costs	2002/03	2001/02	2000/01
	€	€	€
<i>Lansdowne Road:</i>			
Rates, insurance and telephone	533,115	236,823	222,477
Repairs and renewals	416,999	762,736	855,812
Wages, cleaning and pitch maintenance	288,111	347,888	299,378
Gas, electricity and water	<u>42,571</u>	<u>26,680</u>	<u>40,107</u>
	<u>1,280,796</u>	<u>1,374,127</u>	<u>1,417,774</u>
<i>Branch grounds:</i>			
Ravenhill Park	189,964	150,168	161,822
Thomond Park	<u>131,121</u>	<u>126,173</u>	<u>124,429</u>
	<u>321,085</u>	<u>276,341</u>	<u>286,251</u>
	<u>1,601,881</u>	<u>1,650,468</u>	<u>1,704,025</u>
 Schedule 7: Administration Costs			
	2002/03	2001/02	2000/01
	€	€	€
Committee and meeting expenses	457,874	421,777	467,366
Salaries and pension	1,266,849	889,065	737,412
General office expenses	220,976	150,858	139,627
Rent, rates, insurance and telephone	486,485	231,075	210,915
Repairs and renewals	267,189	289,851	280,654
Professional fees	596,333	493,727	(89,862)
Miscellaneous expenses	<u>213,200</u>	<u>191,275</u>	<u>299,875</u>
	<u>3,508,906</u>	<u>2,667,628</u>	<u>2,045,987</u>

Irish Rugby Football Union

Funds Flow Statement for the year ended 30 April 2003

	2002/03	2001/02
	€	€
Net (deficit)/surplus	(3,558,409)	5,577,037
<i>Non-cash adjustments:</i>		
Depreciation	1,374,273	1,092,325
Movement in debtors	(2,258,872)	(830,517)
Movement in creditors	4,888,367	(4,021,033)
Profit on sale of investments	-	(3,543,237)
Transfer to revenue account - five and ten year tickets	<u>(2,184,578)</u>	<u>(2,190,112)</u>
Operating cash outflow	<u>(1,739,219)</u>	<u>(3,915,537)</u>
<i>Other sources of funds</i>		
Encashment of investments	<u>-</u>	<u>11,669,561</u>
	<u>-</u>	<u>11,669,561</u>
<i>Application of funds</i>		
Expenditure on fixed assets	(4,252,920)	(644,066)
Net movement on loans to clubs	<u>(54,419)</u>	<u>(254,457)</u>
	<u>(4,307,339)</u>	<u>(898,523)</u>
Net cash flow	(6,046,558)	6,855,501
Opening net cash balances	<u>8,199,503</u>	<u>1,344,002</u>
Closing net cash balances	<u>2,152,945</u>	<u>8,199,503</u>