



**Irish Rugby Football Union
Annual Accounts 2019/20**

EVERYONE IN

Irish Rugby Football Union

Report and accounts

Period ended 31 July 2020

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Irish Rugby Football Union

Union income statement for the period ended 31 July 2020

		2019/20	2018/19	2017/18
Income:	Schedule	€	€	€
Representative matches	1	73,719,131	84,279,220	81,498,313
Other income	2	<u>5,518,009</u>	<u>3,230,995</u>	<u>4,226,083</u>
		<u>79,237,140</u>	<u>87,510,215</u>	<u>85,724,396</u>
Expenditure:				
Professional game costs	3	48,327,540	45,604,636	42,336,017
Elite player development	4	13,991,787	11,192,768	10,805,084
Games support costs	5	691,142	549,882	572,811
Domestic and community rugby	6	14,252,864	11,225,461	10,588,387
Marketing and communications	7	2,209,832	2,181,833	2,028,496
Grounds	8	4,099,408	2,628,992	2,436,865
Administration and overheads	9	9,315,751	7,746,140	8,561,197
Movement in bad debt provision	(Note 11)	16,007,916	-	-
Depreciation	(Note 5)	3,782,018	1,307,068	1,248,678
Amortisation of financial fixed assets	(Notes 9 & 10)	<u>2,226,266</u>	<u>1,781,013</u>	<u>5,907,292</u>
		<u>114,904,524</u>	<u>84,217,793</u>	<u>84,484,827</u>
(Deficit) surplus for the period before exceptional income		<u>(35,667,384)</u>	<u>3,292,422</u>	<u>1,239,569</u>
Exceptional income	(Note 3)	<u>-</u>	<u>24,959,748</u>	<u>-</u>
(Deficit) surplus for the period		<u>(35,667,384)</u>	<u>28,252,170</u>	<u>1,239,569</u>

T. Grace
Honorary Treasurer

P. R. Browne
Chief Executive

Irish Rugby Football Union

Consolidated income statement for the period ended 31 July 2020

		2019/20	2018/19	2017/18
		€	€	€
Income:	Note			
Representative matches		73,719,131	84,279,220	84,249,726
Other income		5,628,259	3,313,582	3,135,083
Share of loss of joint ventures	9	<u>(2,472,654)</u>	<u>(1,992,326)</u>	<u>(2,155,077)</u>
		<u>76,874,736</u>	<u>85,600,476</u>	<u>85,229,732</u>
Expenditure:				
Professional game costs		48,327,540	45,604,636	42,336,017
Elite player development		13,996,341	11,203,899	13,793,483
Games support costs		691,142	549,882	572,811
Domestic and community rugby		14,252,864	11,225,461	10,588,387
Marketing and communications		2,209,832	2,181,833	2,028,496
Grounds		4,099,408	2,628,992	2,436,865
Administration and overheads		9,420,907	7,826,464	8,641,577
Movement in bad debt provision	11	16,007,916	-	-
Depreciation	5	3,969,518	1,457,068	1,748,678
Amortisation of goodwill	6	<u>(79,996)</u>	<u>(79,996)</u>	<u>365,068</u>
		<u>112,895,472</u>	<u>82,598,239</u>	<u>82,511,382</u>
(Deficit) surplus for the period before exceptional income		<u>(36,020,736)</u>	<u>3,002,237</u>	<u>2,718,350</u>
Exceptional income	3	<u>-</u>	<u>24,959,748</u>	<u>-</u>
(Deficit) surplus for the period		<u>(36,020,736)</u>	<u>27,961,985</u>	<u>2,718,350</u>

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Irish Rugby Football Union

Union statement of other comprehensive income for the period ended 31 July 2020

	2019/20	2018/19	2017/18
	€	€	€
(Deficit) surplus for the financial period	(35,667,384)	28,252,170	1,239,569
Actuarial gain (loss) on assets	218,000	338,000	(49,000)
Experience (loss) gain on pension scheme liabilities	(29,000)	200,000	172,000
Effect of changes in actuarial assumptions	<u>(1,276,000)</u>	<u>(1,067,000)</u>	<u>(169,000)</u>
Total (deficit) surplus relating to the period	<u>(36,754,384)</u>	<u>27,723,170</u>	<u>1,193,569</u>
Total (deficit) surplus recognised since the last annual report	<u>(36,754,384)</u>	<u>27,723,170</u>	<u>1,193,569</u>

Consolidated statement of other comprehensive income for the period ended 31 July 2020

	2019/20	2018/19	2017/18
	€	€	€
(Deficit) surplus for the financial period	(36,020,736)	27,961,985	2,718,350
Actuarial gain (loss) on assets	218,000	338,000	(49,000)
Experience (loss) gain on pension scheme liabilities	(29,000)	200,000	172,000
Effect of changes in actuarial assumptions	<u>(1,276,000)</u>	<u>(1,067,000)</u>	<u>(169,000)</u>
Total (deficit) surplus relating to the period	<u>(37,107,736)</u>	<u>27,432,985</u>	<u>2,672,350</u>
Total (deficit) surplus recognised since the last annual report	<u>(37,107,736)</u>	<u>27,432,985</u>	<u>2,672,350</u>

Irish Rugby Football Union

Union statement of changes in funds for the period ended 31 July 2020

	2019/20	2018/19	2017/18
	€	€	€
General reserve	96,081,506	68,358,336	67,164,767
Ground development reserve	1,269,738	1,269,738	1,269,738
Financial assistance to clubs reserve	<u>1,269,738</u>	<u>1,269,738</u>	<u>1,269,738</u>
Balance at beginning of period	98,620,982	70,897,812	69,704,243
Total recognised (deficit) surplus relating to the period	<u>(36,754,384)</u>	<u>27,723,170</u>	<u>1,193,569</u>
Balance at end of period	<u>61,866,598</u>	<u>98,620,982</u>	<u>70,897,812</u>

Consolidated statement of changes in funds for the period ended 31 July 2020

	2019/20	2018/19	2017/18
	€	€	€
General reserve	117,083,114	89,650,129	86,977,779
Ground development reserve	1,269,738	1,269,738	1,269,738
Financial assistance to clubs reserve	<u>1,269,738</u>	<u>1,269,738</u>	<u>1,269,738</u>
Balance at beginning of period	119,622,590	92,189,605	89,517,255
Total recognised (deficit) surplus relating to the period	<u>(37,107,736)</u>	<u>27,432,985</u>	<u>2,672,350</u>
Balance at end of period	<u>82,514,854</u>	<u>119,622,590</u>	<u>92,189,605</u>

Irish Rugby Football Union

Union statement of financial position as at 31 July 2020

	Note	31/07/20 €	30/04/19 €
Tangible fixed assets	5	<u>48,335,503</u>	<u>28,866,903</u>
Financial fixed assets			
Loans to clubs	7	1,946,547	1,905,887
Other loans	8	6,761,778	6,861,778
Joint ventures	9	61,570,748	63,609,514
Investment in subsidiary undertakings	10	<u>5,662,500</u>	<u>5,850,000</u>
		<u>75,941,573</u>	<u>78,227,179</u>
Current assets			
Debtors and prepayments	11	10,327,761	31,952,932
Cash at bank and in hand		<u>28,050,091</u>	<u>38,389,061</u>
		<u>38,377,852</u>	<u>70,341,993</u>
Current liabilities			
Creditors and accrued expenses	12	<u>38,570,738</u>	<u>27,562,335</u>
		<u>38,570,738</u>	<u>27,562,335</u>
Net current (liabilities) / assets		<u>(192,886)</u>	<u>42,779,658</u>
Total assets less current liabilities		<u>124,084,190</u>	<u>149,873,740</u>
Pension liability	13	(3,964,000)	(3,006,000)
Income received in advance		(4,800,000)	(6,000,000)
Deferred ticket fund	14	(51,807,411)	(40,948,678)
Loans	16	(1,646,181)	-
Deferred naming rights fund	15	<u>-</u>	<u>(1,298,080)</u>
		<u>61,866,598</u>	<u>98,620,982</u>
Financed by:			
Union funds		<u>61,866,598</u>	<u>98,620,982</u>

T. Grace
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Chief Executive

Irish Rugby Football Union

Consolidated statement of financial position as at 31 July 2020

	Note	31/07/20 €	30/04/19 €
Tangible fixed assets	5	<u>53,998,003</u>	<u>34,716,903</u>
Intangible fixed assets	6		
Goodwill		7,251,195	7,442,016
Negative goodwill		<u>(2,503,057)</u>	<u>(2,773,874)</u>
		<u>4,748,138</u>	<u>4,668,142</u>
Financial fixed assets			
Loans to clubs	7	1,946,547	1,905,887
Other loans	8	6,761,778	6,861,778
Joint ventures:	9		
Share of gross assets		171,099,782	176,804,667
Share of gross liabilities		<u>(93,677,011)</u>	<u>(96,909,242)</u>
		<u>86,131,096</u>	<u>88,663,090</u>
Current assets			
Debtors and prepayments	11	10,417,072	32,014,367
Cash at bank and in hand		<u>28,087,385</u>	<u>38,427,202</u>
		<u>38,504,457</u>	<u>70,441,569</u>
Current liabilities			
Creditors and accrued expenses	12	<u>38,649,248</u>	<u>27,614,356</u>
		<u>38,649,248</u>	<u>27,614,356</u>
Net current (liabilities)/assets		<u>(144,791)</u>	<u>42,827,213</u>
Total assets less current liabilities		<u>144,732,446</u>	<u>170,875,348</u>
Pension liability	13	(3,964,000)	(3,006,000)
Income received in advance		(4,800,000)	(6,000,000)
Deferred ticket fund	14	(51,807,411)	(40,948,678)
Loans	16	(1,646,181)	-
Deferred naming rights fund	15	-	(1,298,080)
		<u>82,514,854</u>	<u>119,622,590</u>
Financed by:			
Union funds		<u>82,514,854</u>	<u>119,622,590</u>

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Irish Rugby Football Union

Consolidated statement of cash flows for the period ended 31 July 2020

	31/07/20	30/04/19
	€	€
Cash flows from operating activities		
Operating (deficit) surplus	(36,020,736)	27,961,985
Interest receivable	(14,450)	(16,462)
Unwinding of discount (Note 15)	425,732	716,688
Depreciation (Note 5)	3,969,518	1,457,068
Profit on disposal of tangible fixed assets	-	(24,959,748)
Movement in shares of net assets of joint ventures	2,472,654	1,992,326
Amortisation of goodwill (Note 6)	(79,996)	(79,996)
Movement in provisions against loans to clubs	(8,832)	55,929
Movement in debtors	21,597,295	(7,726,067)
Movement in creditors	9,937,438	6,745,874
Movement in income received in advance	(1,200,000)	-
Current service costs less return on investment on pension	59,000	137,000
Pension fund contributions	(188,000)	(334,000)
Transfer to revenue – deferred naming rights	(1,723,812)	(2,390,475)
Transfer to revenue – corporate boxes and ten year tickets	<u>(14,646,536)</u>	<u>(17,618,194)</u>
Net cash outflow from operating activities	<u>(15,420,725)</u>	<u>(14,058,072)</u>
Cash flows from investing activities		
Interest received on loans to clubs	14,450	16,462
Net advances to clubs	(31,828)	(32,465)
Repayment by Munster Branch IRFU	100,000	100,000
Purchase of tangible fixed assets	(23,250,618)	(3,485,267)
Net proceeds on disposal of tangible fixed assets	-	<u>26,751,848</u>
Net cash (outflow) inflow from investing activities	<u>(23,167,996)</u>	<u>23,350,578</u>
Cash flows from financing activities		
Proceeds from World Rugby loan	2,743,635	-
Proceeds on sale of deferred tickets and boxes	<u>25,505,269</u>	<u>12,557,050</u>
Net cash inflow from financing activities	<u>28,248,904</u>	<u>12,557,050</u>
(Decrease) increase in cash and cash equivalents	(10,339,817)	21,849,556
Cash and cash equivalents at beginning of period	<u>38,427,202</u>	<u>16,577,646</u>
Cash and cash equivalents at end of period	<u>28,087,385</u>	<u>38,427,202</u>

Irish Rugby Football Union

Consolidated analysis of net debt for the period ended 31 July 2020

	At 1 May 2019 €	Cash flows €	At 31 July 2020 €
Cash at bank and in hand	38,427,202	(10,339,817)	28,087,385
Debt due after 1 year	-	1,097,454	1,097,454
Debt due within 1 year	-	<u>1,646,181</u>	<u>1,646,181</u>
	<u>38,427,202</u>	<u>(7,596,182)</u>	<u>30,831,020</u>

Irish Rugby Football Union

Notes to the accounts for the period ended 31 July 2020

1. Accounting policies

The following accounting policies have been applied consistently, except as stated below, in dealing with items which are considered material in relation to the accounts:

a. ***Basis of preparation***

The accounts have been prepared on the going concern basis in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the Committee to exercise judgement in applying the Irish Rugby Football Union's (the "Union") accounting policies (see note 2).

The financial statements are for a 15 month period ended 31 July 2020. Comparative figures are for a 12 month period ended 30 April 2019.

b. ***Basis of consolidation***

The group accounts include the accounts of the parent undertaking and its wholly controlled subsidiary undertakings, Lansdowne Car Park Limited, Irish International Rugby Competitions CLG and Clubland CLG.

c. ***Goodwill***

Goodwill is the difference between the fair value of the consideration given on the acquisition of a business and the aggregate fair value of the separate net assets acquired.

Goodwill is being amortised through the income statement in equal instalments over its estimated economic life of 40 years on a straight line basis.

Negative goodwill is amortised through the income statement in equal instalments over the remaining life of the asset to which it relates. This is considered to be 20 years.

Goodwill is reviewed for impairment at the end of the first full financial year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Irish Rugby Football Union

Notes to the accounts for the period ended 31 July 2020

1. Accounting policies (cont'd.)

d. **Turnover**

Turnover is measured at the fair value of the consideration received or receivable, net of discounts. Turnover includes revenue earned from the sale of goods and from the rendering of services.

The Union, when acting as principal, recognises revenue when: (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) it retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to it and (e) when the specific criteria relating to each of its sales channels have been met, as described below.

Ticket income, competition income and other event income are recognised as revenue when the related event is staged.

Sponsorship income, TV rights income and other commercial agreements are recognised as revenue based on the relevant contractual terms. Where consideration is received in kind, income and expenditure are grossed up on the basis of arm's length commercial rates.

e. **Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

f. **Depreciation**

Depreciation is charged in order to write off the assets over their expected useful lives, on a straight line basis, at the following annual rates:

Land	Nil
Stands, buildings, etc.	2.5%
Car park	2.5%
Fixtures, fittings & equipment	Between 12.5% and 33.33%
Computer equipment	20% and 33.33%
Grounds purchased and leased to clubs	Nil

Irish Rugby Football Union

Notes to the accounts for the period ended 31 July 2020

1. Accounting policies (cont'd.)

g. *Joint ventures*

The Union's 50% interest in New Stadium DAC and Thomond Park Stadium Company DAC are accounted for in accordance with FRS 102.

In the individual accounts of the Union, investments in joint ventures are treated as financial fixed assets and valued at cost less provisions for impairment in value. The provision for impairment in value of these investments is based on the estimated useful lives of the underlying fixed assets. The estimated useful life is estimated to be 40 years and written off on a straight line basis.

In the consolidated accounts, the Union's share of the profits less losses are included in the income statement. The Union's interest in the net assets is indicated as a financial fixed asset in the statement of financial position at an amount representing the Union's share of the fair values of the net assets at acquisition plus the Union's share of post-acquisition retained profits or losses.

The amounts included in the accounts of the Union are taken from the management accounts of the joint ventures made up to the Union's period end. Audited accounts of the joint venture companies made up to 31 July are not available as both joint ventures have different period ends to the Union.

Irish Rugby Football Union

Notes to the accounts for the period ended 31 July 2020

1. Accounting policies (cont'd.)

h. *Financial fixed assets*

Investments

Investments are valued at cost. These are reviewed annually and provision is made where it is considered that there is an impairment in value. Income from investments is recognised in the income statement in the period in which it is receivable.

Investment – subsidiary undertakings

In the individual accounts of the Union, the investment in and advances to the Union's wholly owned subsidiary, Lansdowne Car Park Limited, are valued at cost less provisions for impairment in value. The provision for impairment in value is based on the estimated useful life of the underlying fixed asset, which was estimated to be 40 years, and written off on a straight line basis.

The investment in Irish International Rugby Competitions CLG is valued at cost less provision for impairment in value. This investment has been fully provided for on the basis that it is expected to be loss making.

i. *Grants*

Capital grants received are amortised in line with the useful life of related fixed assets.

Revenue grants are released to the income statement as the related expenditure is incurred.

j. *Foreign currencies*

Functional and presentation currency

Items included in the accounts are presented in 'Euro', the currency of the primary economic environment in which the entity operates (the 'functional currency').

Transactions and balances

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at a contracted rate. Monetary assets and liabilities denominated in foreign currencies are retranslated at the ruling rate of exchange at the statement of financial position date or the contracted rate. All differences are taken to the income statement as part of the fair value gain or loss.

Irish Rugby Football Union

Notes to the accounts for the period ended 31 July 2020

1. Accounting policies (cont'd.)

k. *Pension costs*

The Union operated a defined benefit pension scheme for certain employees. The assets of the scheme are held separately from those of the Union. From 31 August 2018 the trustees of the scheme made the decision to close the scheme to the accrual of benefits in respect of future service.

A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of the plan assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. The Union engages independent actuaries annually to calculate the obligation.

The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that have terms approximating the estimated period of the future payments.

The Union also operates defined contribution schemes for its employees. Pension benefits are funded over the employees' period of service by way of contributions to insured funds. The Union's contributions are charged to the income statement in the period to which they relate.

l. *Deferred ticket income*

Monies received in respect of corporate boxes and five and ten year tickets have been treated as deferred income and have been released to the income statement 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 note 14.

m. *Liquid resources*

In the statement of cash flows, liquid resources include cash on deposit at banks with more than 24 hours' notice.

Irish Rugby Football Union

Notes to the accounts for the period ended 31 July 2020

1. Accounting policies (cont'd.)

n. *Financing*

Amounts received in respect of the transfer to the counterparty of the Union's contributions receivable under the stadium naming rights agreement (see note 15) are recorded as deferred income. Interest is accrued using the rate implicit in the financing agreement and is charged to the income statement in the period to which it relates.

o. *Borrowing costs*

All borrowing costs are recognised in the Income Statement in the financial period in which they are incurred.

2. Significant judgements and estimates

When preparing the financial statements, the Committee undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenditure. These are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following are the significant judgements made in applying the accounting policies of the Union that have the most significant effect on the financial statements:

Going concern

The Union incurred a consolidated deficit of €36,020,736 (2018/19: surplus of €27,961,985) and net cash outflow of €10,339,817 for the period ended 31 July 2020. The financial statements have been prepared on a going concern basis, which assumes that the Union will continue in operational existence for a period not less than 12 months from the date of signing these financial statements.

On 11 March 2020, the World Health Organisation officially declared COVID-19, the disease caused by novel coronavirus, a pandemic. The imposition of local and international restrictions on movements has prevented the Union from operating rugby under normal conditions with competitive games returning behind closed doors in August 2020. These restrictions have imposed significant restraints on the Union in terms of generating normal levels of revenue. It also imposes the same restrictions on the four provincial branches, and the Union may be required to provide further funding to them than would normally have been anticipated.

Irish Rugby Football Union

Notes to the accounts for the period ended 31 July 2020

2. Significant judgements and estimates (cont'd.)

The Union has been working continuously to mitigate the effects of the pandemic and stabilise its financial position and performance including reducing certain costs and reviewing all expenditure being incurred. However, given the high level of uncertainty as to when restrictions will be lifted, the Committee have prepared detailed bottom-up cash flow forecasts for a period of at least twelve months from the date of signing these financial statements in order to address a range of scenarios for the Union's future operations, including games continuing behind closed doors for the foreseeable future. The Union's forecasts and projections reflect key assumptions based on information available at the time of the review and include, detailed monthly forecasting for the current financial year reflecting the known circumstances up to the date of the preparation of the forecasts. The Union have also anticipated the use of adequate borrowing facilities from a third party banker, which can be extended if required based on the Union holding significant unencumbered property related assets.

Based on these projections and various scenario planning noted above, the Committee consider it appropriate to prepare the financial statements on a going concern basis, which assumes that the Union will continue in operational existence for a period not less than 12 months from the date of signing these financial statements.

Allowances for impairment of trade receivables

The Committee estimates the allowance for doubtful trade receivables based on an assessment of specific accounts where the Union has objective evidence comprising default in payment terms or significant financial difficulty that certain parties are unable to meet their financial obligations. In these cases, judgement is used based on the best available facts and circumstances.

Information about the estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenditure is provided below. Actual results may be substantially different.

Impairment

In assessing impairment of the intangible assets, the Committee estimates the recoverable amount of each asset based on expected future cash flows. Estimation uncertainty relates to assumptions about the determination of a suitable discount rate.

Deferred ticket income

In assessing the release of deferred ticket income, the Committee estimates the number of future matches, future ticket prices and rates of inflation in order to calculate the release of income in the current and future periods.

Irish Rugby Football Union

Notes to the accounts for the period ended 31 July 2020

2. Significant judgements and estimates (cont'd.)

Useful lives of long lived assets

The Committee reviews its estimate of the useful lives of long lived assets during each financial period, based on the expected utilisation of the assets. Uncertainties in these estimates relate to technical and physical obsolescence that may change the utilisation of certain assets.

3. Exceptional income and contingent asset

During the year ended 30 April 2019, the Union sold land to a third party realising a net surplus on disposal of €24,959,748. In addition to the agreement for the sale of the land, an overage agreement was entered into, which states that additional consideration must be paid to the Union, where certain conditions relating to the future development of the lands are achieved by the Purchaser during the overage period of 10 years. At the reporting date, it is not yet certain whether any of these conditions will be achieved within the overage period. Therefore no asset has been recognised.

4. Income and expenditure recognition

Income and expenditure are recognised in the season in which they arise and are incurred.

Irish Rugby Football Union

Notes to the accounts for the period ended 31 July 2020

5. Tangible fixed assets

Union	Cost at 01/05/19 €	Additions €	Disposals €	Cost at 31/07/20 €
Premises and grounds	49,002,003	23,240,917	-	72,242,920
Fixtures, fittings & equipment	8,169,744	9,701	-	8,179,445
Grounds purchased and leased to clubs	<u>368,713</u>	<u>-</u>	<u>-</u>	<u>368,713</u>
	<u>57,540,460</u>	<u>23,250,618</u>	<u>-</u>	<u>80,791,078</u>
		Charge for period €	Disposals €	Accum' deprec'n at 31/07/20 €
Premises and grounds	20,972,635	3,613,487	-	24,586,122
Fixtures, fittings & equipment	7,700,922	168,531	-	7,869,453
Grounds purchased and leased to clubs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>28,673,557</u>	<u>3,782,018</u>	<u>-</u>	<u>32,455,575</u>
Net book value	<u>28,866,903</u>			<u>48,335,503</u>

Irish Rugby Football Union

Notes to the accounts for the period ended 31 July 2020

5. Tangible fixed assets (cont'd.)

Consolidated	Cost at 01/05/19 €	Additions €	Disposals €	Cost at 31/07/20 €
Premises and grounds	49,002,003	23,240,917	-	72,242,920
Fixtures, fittings & equipment	8,169,744	9,701	-	8,179,445
Car park	10,000,000	-	-	10,000,000
Grounds purchased and leased to clubs	<u>368,713</u>	<u>-</u>	<u>-</u>	<u>368,713</u>
	<u>67,540,460</u>	<u>23,250,618</u>	<u>-</u>	<u>90,791,078</u>
	Accum' deprec'n at 01/05/19 €	Charge for period €	Disposals €	Accum' deprec'n at 31/07/20 €
Premises and grounds	20,972,635	3,613,487	-	24,586,122
Fixtures, fittings & equipment	7,700,922	168,531	-	7,869,453
Car park	4,150,000	187,500	-	4,337,500
Grounds purchased and leased to clubs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>32,823,557</u>	<u>3,969,518</u>	<u>-</u>	<u>36,793,075</u>
Net book value	<u>34,716,903</u>			<u>53,998,003</u>

- (i) The Union consider the accumulated cost, less related depreciation, on expenditure capitalised in respect of the previous stadium at Lansdowne Road as relating to enhancing the value of the land on which the stadium is situated. As stated in note 9 the Union is in receipt of annual rental income of €750,000 for this land. The net amount included within premises and grounds above in respect of this expenditure is €4,362,521 (2019: €4,758,437).
- (ii) Under a Memorandum of Understanding dated 10 December 2007, the Union entered into arrangements with the Munster Branch IRFU and Thomond Park Stadium Company DAC to redevelop the stadium at Thomond Park. As part of these arrangements, the Union advanced a loan to the Branch (note 8) and acquired a 50% interest in Thomond Park Stadium Company DAC (note 9).

The accumulated cost of the old stadium, less related depreciation, amounts to €2,748,538 (2019: €2,914,271) and is included within premises and grounds above.

Irish Rugby Football Union

Notes to the accounts for the period ended 31 July 2020

6. Intangible fixed assets	31/07/20	30/04/19
	€	€
Goodwill arising on share of New Stadium DAC		
Cost		
At beginning of period	<u>11,898,642</u>	<u>11,898,642</u>
At end of period	<u>11,898,642</u>	<u>11,898,642</u>
Amortisation		
At beginning of period	(4,456,626)	(4,265,805)
Charge for the period	<u>(190,821)</u>	<u>(190,821)</u>
At end of period	<u>(4,647,447)</u>	<u>(4,456,626)</u>
	<u>7,251,195</u>	<u>7,442,016</u>

As part of its investment in the development of the Aviva Stadium, the Union incurred certain expenditure, which was not directly advanced to the joint venture company. In addition, the Union's capital contribution exceeded 50% of the overall capital contribution made to the joint venture company.

This additional expenditure referred to above, the effect of conversion of the loan to share capital and premium as referred to in note 9 and the excess capital contribution, which represents the fair value of the cost of the development of the stadium over the Union's share of the separate net assets of the joint venture company, has been treated as goodwill.

This goodwill is being amortised over a period of 40 years on a straight line basis.

Irish Rugby Football Union

Notes to the accounts for the period ended 31 July 2020

6. Intangible fixed assets (cont'd.)	31/07/20	30/04/19
	€	€
Negative goodwill arising on share of Thomond Park Stadium Company DAC		
Cost		
At beginning of period	(4,603,897)	(4,603,897)
Union share of movement on capital contribution	<u>-</u>	<u>-</u>
At end of period	<u>(4,603,897)</u>	<u>(4,603,897)</u>
Amortisation		
At beginning of period	1,830,023	1,559,206
Credit for the period	<u>270,817</u>	<u>270,817</u>
At end of period	<u>2,100,840</u>	<u>1,830,023</u>
	<u>(2,503,057)</u>	<u>(2,773,874)</u>

Negative goodwill arose on the Union's share of a capital contribution in Thomond Park Stadium Company DAC.

Negative goodwill is being amortised through the income statement in equal instalments over the remaining life of the asset.

7. Loans to clubs

Interest on loans to clubs is generally charged at a rate of 1%. Terms of repayment are generally over 10 years.

	31/07/20	30/04/19
	€	€
At beginning of period	2,421,680	2,389,215
New loans issued	341,669	344,001
Repayments	<u>(309,841)</u>	<u>(311,536)</u>
At end of period	2,453,508	2,421,680
Provision	<u>(506,961)</u>	<u>(515,793)</u>
	<u>1,946,547</u>	<u>1,905,887</u>

Loans to clubs included in the statement of financial position are net of provisions where applicable. Provisions against loans to clubs at the period end amounted to €506,961 (2019: €515,793). The movement on these provisions has increased net income by €8,832 (2018/2019: €55,929 decrease 2017/2018: €105,504 increase).

Irish Rugby Football Union

Notes to the accounts for the period ended 31 July 2020

8. Other loans	31/07/20	30/04/19
Union and Consolidated	€	€
Loan to Munster Branch IRFU	<u>6,761,778</u>	<u>6,861,778</u>
Amount due within one year	100,000	100,000
Amounts due after one year	<u>6,661,778</u>	<u>6,761,778</u>
	<u>6,761,778</u>	<u>6,861,778</u>

The Union advanced funds to the Munster Branch IRFU in order to assist with the development of Thomond Park. The amounts advanced are secured on the Branch's share in Thomond Park Stadium Company DAC and on the loan advanced by the Branch to that company. Interest is chargeable on the loan to the Branch based on the effective cost of funds to the Union.

A new schedule of loan repayments was agreed with the Branch in 2018. Under the new repayment schedule the principal terms of repayment are as follows:

- Annual loan repayments in the amount of €100,000 plus;
- 50% of any additional multi-year ticket sales, 50% of any multi-year corporate box sales and 50% of net Thomond Park naming rights income on an annual basis.

The arrangement is to be reviewed on a biennial basis and the Union reserves the right to revert to the strict terms of the Loan Agreement following each review in its absolute discretion and/or in the event of any failure by the Munster Branch IRFU to meet the newly agreed arrangements.

Irish Rugby Football Union

Notes to the accounts for the period ended 31 July 2020

9. Joint ventures

The Union holds 50% of the ordinary share capital of New Stadium DAC and 50% of the ordinary share capital of Thomond Park Stadium Company DAC (companies formed to develop the Aviva Stadium and Thomond Park respectively).

	31/07/20	30/04/19
	€	€
Investment at cost		
- New Stadium DAC	108,145,832	108,145,832
- Thomond Park Stadium Company DAC	<u>5</u>	<u>5</u>
	108,145,837	108,145,837
Amortisation in respect of New Stadium DAC		
Accumulated balance carried forward	(44,536,323)	(42,905,310)
Charge for the period	<u>(2,038,766)</u>	<u>(1,631,013)</u>
	<u>61,570,748</u>	<u>63,609,514</u>

On 11 September 2014, the Union exchanged the existing loan to New Stadium DAC for 1 ordinary share of €1 nominal value. The excess of the liability at that date, over the nominal value of the share received was recognised as share premium. This gave rise to additional goodwill as referred to in note 6.

Disclosures in respect of New Stadium DAC, based on the company's management accounts, are as follows:

	31/07/20	30/04/19
	€	€
Share of turnover	<u>3,403,502</u>	<u>3,028,813</u>
Share of operating loss	(1,701,755)	(1,514,407)
Share of tax	<u>-</u>	<u>-</u>
Share of loss after tax	<u>(1,701,755)</u>	<u>(1,514,407)</u>

Irish Rugby Football Union

Notes to the accounts for the period ended 31 July 2020

9. Joint ventures (cont'd.)

	31/07/20	30/04/19
	€	€
Share of fixed assets	156,826,456	160,221,808
Share of current assets	<u>1,745,125</u>	<u>3,423,008</u>
Share of gross assets	<u>158,571,581</u>	<u>163,644,816</u>
Share of current liabilities	(713,913)	(933,535)
Share of non-current liabilities	<u>(80,552,968)</u>	<u>(83,704,826)</u>
Share of gross liabilities	<u>(81,266,881)</u>	<u>(84,638,361)</u>
Share of net assets	<u>77,304,700</u>	<u>79,006,455</u>

Disclosures in respect of Thomond Park Stadium Company DAC, based on the company's management accounts, are as follows:

	31/07/20	30/04/19
	€	€
Share of turnover	<u>1,541,798</u>	<u>933,840</u>
Share of operating loss	(770,899)	(477,919)
Share of tax	<u>-</u>	<u>-</u>
Share of loss after tax	<u>(770,899)</u>	<u>(477,919)</u>
Share of fixed assets	12,386,939	12,886,576
Share of current assets	<u>141,262</u>	<u>273,275</u>
Share of gross assets	<u>12,528,201</u>	<u>13,159,851</u>
Share of current liabilities	(471,712)	(332,465)
Share of non-current liabilities	<u>(11,938,418)</u>	<u>(11,938,416)</u>
Share of gross liabilities	<u>(12,410,130)</u>	<u>(12,270,881)</u>
Share of net assets	<u>118,071</u>	<u>888,970</u>

Irish Rugby Football Union

Notes to the accounts for the period ended 31 July 2020

9. Joint ventures (cont'd.)

The Union has entered into lease agreements with each of these companies to lease land on which the stadia have been redeveloped on the following terms:

Company	Term of lease	Annual rent
	99 years	
New Stadium DAC	from Dec 2005	€750,000
Thomond Park Stadium	55 years	
Company DAC	from Oct 2006	€9,600

The rents due became payable during the year ended April 2011 in the case of Thomond Park and became due from May 2010 in the case of the Aviva Stadium.

10. Investment in subsidiary undertakings

	Irish International Rugby Competitions CLG €	Lansdowne Car Park Limited €	Total €
Cost			
At 1 May	1,415,000	10,000,000	11,415,000
Additions during the period	-	-	-
At 31 July	1,415,000	10,000,000	11,415,000
Amortisation and impairment			
At 1 May	(1,415,000)	(4,150,000)	(5,565,000)
Charge for the period	-	(187,500)	(187,500)
At 31 July	(1,415,000)	(4,337,500)	(5,752,500)
Net book value			
At 31 July	-	<u>5,662,500</u>	<u>5,662,500</u>

The Union owns 100% of the ordinary share capital of Lansdowne Car Park Limited, and Irish International Rugby Competitions CLG. Both companies are registered in the Republic of Ireland and their registered office is at 10/12 Lansdowne Road, Dublin 4.

The Union advanced funds to Lansdowne Car Park Limited in order to finance the construction of a car park located adjacent to the Aviva Stadium. The investment in Lansdowne Car Park Limited and the associated underlying assets is being amortised over a period of 40 years.

Irish Rugby Football Union

Notes to the accounts for the period ended 31 July 2020

10. Investment in subsidiary undertakings (cont'd.)

The loan is unsecured, interest free, has no fixed date of repayment and is repayable on demand.

Irish International Rugby Competitions CLG was set up in order to run the Women's Rugby World Cup 2017. This venture is not expected to generate profits and for this reason the Union decided to fully provide against its investment. The accumulated losses relating to this venture to 31 July 2020 amounted to €1,420,736 (2019: €1,404,385). It is the intention of the Union to wind up this company in the near future.

A Property Holding Company in the name of Clubland CLG, Company Number 621439 was incorporated on 20th February 2018 to enable the transfer of the legal title to the lands and properties owned by the Union, an unincorporated association, and held in the names of the Trustees of the Union for and on behalf of the Union, into the name of Clubland CLG, as Trustee of the Union, in accordance with the Laws of the Union. The beneficial interest in the properties remains vested in the Union.

The Union has a 25% holding in Celtic Rugby Designated Activity Company, which manages the "Pro14" rugby competition. Income received in the context of this competition is recognised as provincial competition income.

11. Debtors and prepayments	Union		Consolidated	
	31/07/20	30/04/19	31/07/20	30/04/19
	€	€	€	€
Sponsorship debtors	3,199,895	7,167,155	3,199,895	7,167,155
Ticket debtors	5,091,506	8,639,454	5,091,506	8,639,454
Other debtors	2,875	5,270	2,875	5,270
Prepayments and accrued income	1,882,376	15,955,635	1,971,687	16,017,070
Stock of sportswear and Equipment	151,109	185,418	151,109	185,418
	<u>10,327,761</u>	<u>31,952,932</u>	<u>10,417,072</u>	<u>32,014,367</u>

Irish Rugby Football Union

Notes to the accounts for the period ended 31 July 2020

11. Debtors and prepayments (continued)

Trade debtors and short term receivables above are stated net of provisions, where applicable. Provisions against debtors, prepayments and stock at the period end amounted to €19,118,171 (2019: €2,963,119). The movement on these provisions has decreased net income by €16,155,052 (2018/2019: €104,105 increase, 2017/2018: €86,647 decrease). Of this amount, €16,007,916 relates to a provision against branch amounts receivable primarily in relation to player recharges.

Included in ticket debtors above are amounts receivable in two to five years of €2,366,000 (2019: €4,413,300).

12. Creditors	Union		Consolidated	
	31/07/20	30/04/19	31/07/20	30/04/19
	€	€	€	€
Trade creditors and accruals	20,421,395	20,091,803	20,499,905	20,126,324
Income received in advance	8,701,063	6,784,268	8,701,063	6,801,768
Capital grant	380,000	475,000	380,000	475,000
Loan (Note 16)	1,097,454	-	1,097,454	-
PAYE/PRSI	7,950,328	72,270	7,950,328	72,270
VAT	<u>20,498</u>	<u>138,994</u>	<u>20,498</u>	<u>138,994</u>
	<u>38,570,738</u>	<u>27,562,335</u>	<u>38,649,248</u>	<u>27,614,356</u>

PAYE/PRSI relates to the liability arising for the period from February 2020 to July 2020 as the Union availed of the Revenue Debt Warehousing Scheme. The warehoused debt will not be payable until August 2021, with no interest charges or collection activity. After August 2021, a reduced interest rate of 3% will apply on the warehoused debt until it is fully paid.

Irish Rugby Football Union

Notes to the accounts for the period ended 31 July 2020

13. Pension commitments

The pension entitlements of certain employees of the Union arise under both a defined benefit scheme and defined contribution schemes which are funded by annual contributions by the Union to separately administered pension funds.

The latest actuarial valuation for the defined benefit scheme was dated 1 August 2017. The assets of the fund, which amounted to €8,880,000, showed that, on an immediate discontinuance basis, the assets of the fund were adequate to meet the plan's statutory minimum funding liabilities. The assets represent 87% in aggregate of the benefits which would accrue to members at the valuation date after allowing for future salary increases. The actuarial report is not available for public inspection.

The valuations employed for FRS 102 disclosure purposes have been updated by the scheme's independent and qualified actuary to take account of the requirements of the accounting standard in order to assess the liabilities of the scheme as at 31 July 2020.

During the prior year, the Trustees of the scheme made the decision to close the scheme with effect from 31 August 2018 to the accrual of benefits in respect of future service.

Total charge to the income statement	<u>65,000</u>	<u>154,000</u>
Actual return on scheme assets	<u>409,000</u>	<u>523,000</u>

Actuarial losses of €1,087,000 (2018/19: €529,000) have been recognised in the statement of other comprehensive income.

The amounts recognised in the income statement are as follows:

	31/07/20	30/04/19
	€	€
<i>Amounts charged to income statement:</i>		
Current service cost	-	<u>99,000</u>
Total operating charge	-	<u>99,000</u>
<i>Amounts charged to finance cost:</i>		
Net finance expense	<u>65,000</u>	<u>55,000</u>

Irish Rugby Football Union

Notes to the accounts for the period ended 31 July 2020

13. Pension commitments (cont'd.)

The amounts recognised in the statement of financial position are as follows:

	31/07/20	30/04/19
	€	€
Present value of funded obligations	(13,549,000)	(12,947,000)
Fair value of scheme assets	<u>9,585,000</u>	<u>9,941,000</u>
Net pension liability	<u>(3,964,000)</u>	<u>(3,006,000)</u>

	31/07/20	30/04/19
	€	€
Opening defined benefit obligation	12,947,000	11,797,000
Current service cost	-	99,000
Interest on scheme liabilities	250,000	235,000
Actuarial loss	1,305,000	867,000
Benefits paid	<u>(953,000)</u>	<u>(51,000)</u>
Closing defined benefit obligation	<u>13,549,000</u>	<u>12,947,000</u>

Changes in the fair value of scheme assets are as follows:

	31/07/20	30/04/19
	€	€
Opening fair value of scheme assets	9,941,000	9,123,000
Expected return on scheme assets	191,000	185,000
Contributions by employer	188,000	334,000
Contributions by scheme participants	-	12,000
Actuarial gain	218,000	338,000
Benefits paid	<u>(953,000)</u>	<u>(51,000)</u>
Closing fair value of scheme assets	<u>9,585,000</u>	<u>9,941,000</u>

Irish Rugby Football Union

Notes to the accounts for the period ended 31 July 2020

13. Pension commitments (cont'd.)

The fair value of the major categories of scheme assets as a percentage of total scheme assets are as follows:

	31/07/20	31/07/20	30/04/19	30/04/19
	%	€	%	€
Equities	33.7	3,233,000	34.4	3,421,000
Bonds	34.7	3,324,000	32.7	3,255,000
Cash/Other	31.6	<u>3,028,000</u>	32.9	<u>3,265,000</u>
		<u>9,585,000</u>		<u>9,941,000</u>

The principal actuarial assumptions as at the reporting date were:

	31/07/20	30/04/19
	%	%
Rate of increase in salaries	1.60	1.80
Rate of increase in pensions payment (pre 2009)	5.00	5.00
Rate of increase in pensions payment (post 2009)	1.60	1.80
Discount rate	1.10	1.60
Inflation assumption	1.60	1.80

The mortality assumptions used were as follows:

	31/07/20	30/04/19
	years	years
Life expectancy of male/female currently aged 65	23.2/25.4	23.1/25.3
Life expectancy of male/female at 65 currently aged 45	25.1/27.6	25.0/27.5

Irish Rugby Football Union

Notes to the accounts for the period ended 31 July 2020

14. Deferred ticket fund

	31/07/20	30/04/19
	€	€
At beginning of period	40,948,678	46,009,822
Transfer to revenue account	(14,646,536)	(17,618,194)
Proceeds in respect of tickets sold during the period received and receivable	<u>25,505,269</u>	<u>12,557,050</u>
At end of period	<u>51,807,411</u>	<u>40,948,678</u>

15. Deferred naming rights fund

The Union entered into an arrangement with Hibernian Aviva Group plc ('Aviva') in respect of naming rights for the stadium. The Union, the Football Association of Ireland and New Stadium DAC received payments over a ten year period which commenced in July 2010 in return for the naming rights to the stadium. The Union agreed to transfer the rights to future elements of these payments in return for an upfront payment of €8,333,333. These funds, together with other amounts received, were shown as deferred naming rights and have been released to the income statement over the period of the naming rights agreement.

	31/07/20	30/04/19
	€	€
At beginning of period	1,298,080	2,971,867
Unwinding of discount	425,732	716,688
Transferred to income during the period	<u>(1,723,812)</u>	<u>(2,390,475)</u>
At end of period	<u>-</u>	<u>1,298,080</u>

The financing element of the arrangement is secured over future payments receivable from Aviva only. This arrangement concluded during the period and a new agreement in respect of naming rights was entered into directly with Aviva, and as such no financing element is included. Income received in advance in respect of the naming rights is now included in creditors due within and after one year.

Irish Rugby Football Union

Notes to the accounts for the period ended 31 July 2020

16. Loans

Loans are repayable as follows:

	31/07/20	30/04/19
	€	€
Within 1 year	1,097,454	-
Between 2-5 years	1,646,181	-
	2,743,635	-
	2,743,635	-

World Rugby has agreed to advance a total of £2.5m (€2.7m) from the normal cycle world cup fund of £7.5m (€8.2m). Normal cycle payments of £1m (€1.1m) would have been payable on 1 July 2021, 1 July 2022 and 1 July 2023 respectively. The advance attracts interest on each individual tranche advanced at 1% above LIBOR from the date of payment for the period up until the normal cycle payment date. The accrued interest shall become payable by no later than 31st December 2023. A further condition of the advance is that the Union has agreed to participate in Rugby World Cup 2023.

17. Revenue grants

The following grants were received and used for the stated purpose in the period ended 31 July 2020.

	31/07/20	30/04/19
<i>The Revenue Commissioners Ireland</i>		
- temporary wage subsidy scheme	€1,205,408	-
<i>HM Revenue & Customs</i>		
- furlough scheme	Stg£393,591	-
<i>Sport Ireland (Department of Transport, Tourism and Sport)</i>		
- core grant income	€2,250,843	€2,250,843
- women in sport	€120,000	€114,000
- high performance men's sevens	€130,000	-
- high performance women's sevens	€220,000	€220,000
<i>Olympic Council (Federation) of Ireland</i>		
- men's and women's sevens programme	-	€10,000
- make a difference	€7,000	-
-YOG olympic solidarity	€7,500	-
<i>World Rugby</i>		
- game development and participation and HP programme investment	Stg£170,000	Stg£170,000

Irish Rugby Football Union

Notes to the accounts for the period ended 31 July 2020

17. Revenue grants (cont'd.)

The following grants were received in the period ended 31 July 2020 and deferred to use in following financial periods.

	31/07/20	30/04/19
<i>Sport Ireland (Department of Transport, Tourism and Sport)</i>		
- core grant income	-	€1,125,421
- capital grant	€380,000	€475,000
- high performance men's sevens	-	€50,000
<i>World Rugby</i>		
- high performance men's sevens	€323,749	-

18. Commitments and contingencies

Commitments under operating leases

In the prior year, the Union occupied the property at 10/12 Lansdowne Road under an operating lease dated 1st July 2013 at an annual rent of €350,000. In the current period, the Union acquired this property and therefore operating lease disclosures for this property are not applicable. During the period the Union incurred operating lease rentals on motor vehicles amounting to €375,156 (2019: €359,023). The commitment in respect of existing lease agreements on vehicles within twelve months amount to €392,942 (2019: €145,196) and after twelve months amount to €61,792 (2019: €22,452). The Union also has operating leases for Units J3 and Unit D1 M7 Business Park, Newhall Interchange, Naas, Co. Kildare. The amount charged during the current period amounted to €72,284 (2019: €57,827). The commitment in respect of existing lease agreements on these premises within twelve months amounts to €32,084 (2019: €57,827) and after twelve months €1,959 (2019: €48,500).

Capital commitments

The Union has capital commitments in the amount of €116,165 in respect of the ongoing development of facilities of Abbotstown as at 31 July 2020.

Irish Rugby Football Union

Notes to the accounts for the period ended 31 July 2020

18. Commitments and contingencies (cont'd.)

Contingencies

In terms of agreements between the Union, the Football Association of Ireland, New Stadium DAC and the Government for the provision of grants amounting to €191 million for the redevelopment of the Aviva Stadium, the Union have agreed that in the event that the land on which the stadium is built is not used for sporting and recreational activities for a period of thirty years from the date of payment of the grants, the grants or a portion of the grants could become repayable.

In terms of agreements between the Union, Munster Branch IRFU, Thomond Park Stadium Company DAC and the Government for the provision of grants amounting to €9 million for the redevelopment of Thomond Park, the Union have agreed that in the event that the Stadium is not used as a facility for the playing of Rugby Union and associated social, recreational and cultural activities for the people of Munster and surrounding district for a period of fifteen years from the date of payment of the grants, the grants or a portion of the grants could become repayable.

The Union has pledged the lands at Thomond Park as security in respect of any liability which may arise in this regard.

The Union and the Ulster Branch IRFU entered into a deed of covenant with the Department of Culture, Arts and Leisure (Northern Ireland) for the provision of grants amounting to £15.6 million for the redevelopment of Ravenhill. The Union have agreed that in the event that the Stadium is not used as a facility for the playing of Rugby Union for a period of twenty five years from the date of payment of the grants, the grant together with accrued interest could become repayable.

The Union issued a joint and several letter of undertaking in conjunction with the Football Association of Ireland to secure a bank guarantee issued by New Stadium DAC, trading as Aviva Stadium, in favour of Iarnród Éireann in the amount of €2,250,000.

19. Related party disclosures

The Union is controlled by the Council of the Irish Rugby Football Union.

The day to day affairs are managed by a Committee comprising various members, the majority of whom have been elected.

The Committee consider that all material transactions with related parties have been adequately disclosed in these financial statements and the notes thereto.

Irish Rugby Football Union

Notes to the accounts for the period ended 31 July 2020

20. Financial risk management

The Union has exposure to three main areas of risk - foreign exchange transactional currency, liquidity risk and customer credit. To a lesser extent the Union is also exposed to interest rate risk. Recently, economic risk has resulted in relation to the Coronavirus (COVID-19) outbreak.

Economic risk

As a result of the outbreak of the Coronavirus, the Union's operations have been exposed to certain risks, which may adversely affect the business, results of operations or financial condition. Uncertainty about global economic conditions due to the Coronavirus could result in negative financial news and/or declines in income or asset values. At this point, the extent to which the coronavirus may impact the Union's results in the long term is uncertain and the Committee continues to monitor and assess the ongoing development and respond accordingly.

The Union are also subject to other types of risks associated with the aforementioned pandemic, including difficulties in managing staffing and operations, disruption in sustaining rugby competitions due to orders to shut down temporarily by Government and due to social distancing restrictions.

Foreign exchange transactional currency

The Union is exposed to currency exchange rate risk due to a significant portion of its receivables and operating expenses being denominated in non-euro currencies. The net exposure of each currency is monitored and managed by the Committee on a continuous basis.

Liquidity risk

The objective of the Union in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The Union expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the Union has credit facilities available.

Customer credit

The Union may offer credit terms to its customers and allow payment of the debt after delivery of the goods or services. The Union is at risk to the extent that a customer may be unable to pay the debt on the specified due date.

Irish Rugby Football Union

Notes to the accounts for the period ended 31 July 2020

21. Financial assets and liabilities

No financial assets and liabilities of the Union or Group are carried at fair value through profit or loss.

22. Approval of accounts

The accounts of the Union were approved by the Committee on 24th of September 2020 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 responsible for preparing accounts, 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 judgements and estimates have been used in the preparation of the accounts, 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

For the period ended 31 July 2020

Opinion

We have audited the financial statements of the Irish Rugby Football Union (the "Union"), which comprise the Union and consolidated income statement, the Union and consolidated statement of other comprehensive income, the Union and consolidated statement of changes in funds, the Union and consolidated statement of financial position, the consolidated statement of cash flows and the consolidated analysis of net debt for the financial period ended 31 July 2020, and the related notes to the financial statements, including the summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements are accounting standards issued by the Financial Reporting Council including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Generally Accepted Accounting Practice in Ireland).

In our opinion, the Union's financial statements:

- give a true and fair view of the state of the Union's affairs as at 31 July 2020 and of its deficit for the financial period then ended; and
- have been prepared in accordance with Generally Accepted Accounting Practice in Ireland including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the 'responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, namely the Irish Auditing and Accounting Supervisory Authority (IAASA) Ethical Standard concerning the integrity, objectivity and independence of the auditor, and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. 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.

Irish Rugby Football Union

Independent auditors' report to the members

For the period ended 31 July 2020

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (Ireland) require us to report to you where:

- the Committee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Committee have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Union's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon. The Committee are responsible for the other information. 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 in the financial statements, 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.

Responsibilities of the Committee

As explained more fully in the Statement of Committee's responsibilities set out on page 36, the Committee of the Union is responsible for the preparation of the financial statements giving a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, including FRS 102, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Irish Rugby Football Union

Independent auditors' report to the members

For the period ended 31 July 2020

Responsibilities of the Committee (cont'd.)

In preparing the financial statements, the Committee is responsible for assessing the Union'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 Committee either intends to liquidate the Union or to cease operations, or has no realistic alternative but to do so.

The Committee are responsible for overseeing the Union's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

The auditor's 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 their opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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.

As part of an audit in accordance with ISAs (Ireland), the auditor will exercise professional judgement and maintain professional scepticism throughout the audit. The auditor will also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Union's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee.

Irish Rugby Football Union

Independent auditors' report to the members

For the period ended 31 July 2020

Responsibilities of the auditor for the audit of the financial statements (cont'd.)

- Conclude on the appropriateness of the Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Union's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a matter that achieves a true and fair view.

The auditor communicates with the Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

Where the auditor is reporting on the audit of a group, the auditor's responsibilities are to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the group financial statements. The auditor is responsible for the direction, supervision and performance of the audit, and the auditor remains solely responsible for the auditor's opinion.

Irish Rugby Football Union

Independent auditors' report to the members

For the period ended 31 July 2020

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Union's members, as a body, in accordance with the agreed scope of our engagement. Our audit work has been undertaken so that we might state to the Union'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 Union and the Union's members as a body, for our audit work, for this report, or for the opinions we have formed.

GRANT THORNTON
Chartered Accountants and
Statutory Audit Firm
13 -18 City Quay
Dublin 2
Date: 24 September 2020

Irish Rugby Football Union
Income for the period ended 31 July 2020

Schedule 1: Representative matches

	2019/20	2018/19	2017/18
	€	€	€
International rugby income	27,779,455	39,650,358	42,235,936
Commercial income	13,598,474	11,242,184	11,158,173
Amortised income	16,311,681	20,008,669	15,725,677
Provincial competition income	<u>16,029,521</u>	<u>13,378,009</u>	<u>12,378,527</u>
	<u>73,719,131</u>	<u>84,279,220</u>	<u>81,498,313</u>

Schedule 2: Other income

	2019/20	2018/19	2017/18
	€	€	€
Other rugby income	278,167	269,076	314,477
Revenue grants	4,478,528	2,594,843	2,584,843
Other income	<u>761,314</u>	<u>367,076</u>	<u>1,326,763</u>
	<u>5,518,009</u>	<u>3,230,995</u>	<u>4,226,083</u>

Irish Rugby Football Union

Expenditure for the period ended 31 July 2020

Schedule 3: Professional game costs

	2019/20	2018/19	2017/18
	€	€	€
National tours, camps and squads	299,398	1,420,221	1,379,463
National match costs	2,616,509	3,602,851	3,771,993
Player and management costs	<u>45,411,633</u>	<u>40,581,564</u>	<u>37,184,561</u>
	<u>48,327,540</u>	<u>45,604,636</u>	<u>42,336,017</u>

Schedule 4: Elite player development

	2019/20	2018/19	2017/18
	€	€	€
Women's representative teams	2,538,580	2,355,992	3,019,235
Sevens	1,159,949	673,726	483,526
Under 20s	569,000	569,105	611,380
Age-grade teams	197,189	478,247	447,388
Academies	3,707,723	3,184,544	2,929,136
High performance unit	<u>5,819,346</u>	<u>3,931,154</u>	<u>3,314,419</u>
	<u>13,991,787</u>	<u>11,192,768</u>	<u>10,805,084</u>

Schedule 5: Games support costs

	2019/20	2018/19	2017/18
	€	€	€
Referee costs	<u>691,142</u>	<u>549,882</u>	<u>572,811</u>
	<u>691,142</u>	<u>549,882</u>	<u>572,811</u>

Irish Rugby Football Union

Expenditure for the period ended 31 July 2020

Schedule 6: Domestic and community rugby

	2019/20	2018/19	2017/18
	€	€	€
Club Ireland	111,452	73,041	78,214
Domestic competitions	224,708	316,081	324,622
General development costs	1,032,924	911,071	760,511
Development resources	318,906	394,405	270,327
Coaching courses	309,550	263,504	327,695
Youth and schools	866,850	790,204	498,092
YDO and provincial staff	5,554,774	3,540,504	3,786,281
Clubs and schools support	1,728,563	1,256,767	1,130,436
Referee development	560,779	583,790	550,867
Participation rugby	731,600	779,258	612,154
Community rugby and other funding	<u>2,812,758</u>	<u>2,316,836</u>	<u>2,249,188</u>
	<u>14,252,864</u>	<u>11,225,461</u>	<u>10,588,387</u>

Irish Rugby Football Union

Expenditure for the period ended 31 July 2020

Schedule 7: Marketing and communications

	2019/20	2018/19	2017/18
	€	€	€
Marketing	1,177,884	1,278,391	1,093,277
PR and communications	700,228	659,367	661,871
Website	<u>331,720</u>	<u>244,075</u>	<u>273,348</u>
	<u>2,209,832</u>	<u>2,181,833</u>	<u>2,028,496</u>

Schedule 8: Grounds

	2019/20	2018/19	2017/18
	€	€	€
Licence fees, rates and insurance	3,353,852	2,257,795	2,123,842
Repairs and renewals	157,751	234,574	162,137
Other facilities	<u>587,805</u>	<u>136,623</u>	<u>150,886</u>
	<u>4,099,408</u>	<u>2,628,992</u>	<u>2,436,865</u>

Irish Rugby Football Union

Expenditure for the period ended 31 July 2020

Schedule 9: Administration and overheads

	2019/20	2018/19	2017/18
	€	€	€
Governance costs	319,519	371,732	373,757
Salaries and pension	4,547,259	3,694,716	3,224,373
Printing, postage and stationery	96,123	91,113	90,173
Rates, rent, insurance and telephone	995,780	1,270,890	858,431
Office maintenance	914,354	615,178	498,825
Professional fees	1,686,751	1,014,380	2,953,897
Miscellaneous administration costs	<u>755,965</u>	<u>688,131</u>	<u>561,741</u>
	<u>9,315,751</u>	<u>7,746,140</u>	<u>8,561,197</u>