International Rugby Board

Consolidated Financial Statements

Year Ended 31 December 2009

CONTENTS

GENERAL INFORMATION

Council Members as at 31 December 2009

B Lapasset	Independent Chairman
W Beaumont	Independent Vice Chairman
J Dance	(England)
M Thomas	(England)
W Nolan	(Scotland)
G McKie	(Scotland)
P Boyle	(Ireland)
P Whelan	(Ireland)
D Pickering	(Wales)
G Davies	(Wales)
P McGrath	(Australia)
J O'Neill	(Australia)
G Mourie	(New Zealand)
S Tew	(New Zealand)
O Hoskins	(South Africa)
J Prinsloo	(South Africa)
P Camou	(France)
J Laurans	(France)
P Carreras	(Argentina)
C Le Fevre	(Canada)
G Dondi	(Italy)
I Kono	(Japan)
R Martins	(FIRA-AER)
N Mashimo	(ARFU)
A Bougja	(CAR)
H Schuster	(FORU)
R Paganini	(CONSUR)
P Higgins	(NACRA)

Chief Executive Officer

M Miller

Principal Bankers

Bank of Ireland
St Stephen's Green
Dublin 2

Auditors

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
One Spencer Dock
North Wall Quay
Dublin 1

STATEMENT OF COUNCIL'S RESPONSIBILITIES

Statement of Council's responsibilities in respect of the financial statements
The International Rugby Board (IRB) is the world governing and law making body of Rugby Union. It is made up of 98 Member Unions and 19 Associate Member Unions. The decision making body of the IRB is the IRB Executive Council which has a current representation of 26 voting members and an Independent Chairman and Independent Vice Chairman.

The Council is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the IRB and of its profit or loss and cash flow for that period. In preparing those financial statements, the Council is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with applicable accounting standards, 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 the association will continue its objectives.

The Council is responsible for maintaining records which disclose with reasonable accuracy the financial position of the association and its subsidiaries and to enable the Council to ensure that the financial statements have been properly prepared. The Council is also responsible for safeguarding the assets of the association and its subsidiaries and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

B Lapasset, Chairman

M Miller, CEO

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Independent auditors' report to the Council of the International Rugby Board

We have audited the consolidated financial statements for the year ended 31 December 2009 which comprise the Consolidated Income Statement, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated Statement of Change in Equity and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of Council members and auditors
The responsibilities of the Council members for preparing the financial statements in accordance with International Financial Reporting Standards (IFRSs) are set out in the Statement of Council's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report including the opinion, has been prepared for and only for the Council members as a body and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the consolidated financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union.

We read the statement of Council's responsibilities and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and generally accepted in Ireland. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Council members in the preparation of the consolidated financial statements, and of whether the accounting policies are appropriate to the association'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 consolidated financial statements 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 financial statements.

Opinion
In our opinion the consolidated financial statements give a true and fair view in accordance with IFRSs, of the state of affairs of the consolidated balance sheet as at 31 December 2009 and of the consolidated loss and cash flows for the year then ended.

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Dublin

16 May 2010

CONSOLIDATED INCOME STATEMENT
Year Ended 31 December 2009

	Notes	2009 Stg£	2008 Stg£
Revenue		2,397,848	2,248,666
Administration expenses	5	(14,951,966)	(14,549,808)
Tournament expenses		(7,046,725)	(6,323,818)
Other gains/(losses) - net	6	(3,094,857)	6,283,014
Other income	7	5,260,868	5,909,029
Other expenses	8	(22,087,802)	(14,406,911)
Loss before income tax		(39,522,634)	(20,839,828)
Income tax expense	10	(32,963)	(30,598)
Loss for the year		(39,555,597)	(20,870,426)

The notes on pages 9 to 22 are an integral part of these consolidated financial statements.

B Lapasset, Chairman

M Miller, CEO

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year Ended 31 December 2009

	2009 Stg£	2008 Stg£
Loss for the year	(39,555,597)	(20,870,426)
Fair value gain/(loss) on available for sale financial assets	3,686,945	(3,564,611)
Total comprehensive income/(loss) for the year	(35,868,652)	(24,435,037)

The notes on pages 9 to 22 are an integral part of these consolidated financial statements.

B Lapasset, Chairman

M Miller, CEO

CONSOLIDATED GROUP BALANCE SHEET
As at 31 December 2009

	Notes	2009 Stg£	2008 Stg£
ASSETS			
Non – current assets			
Property, plant and equipment	11	422,556	478,898
Intangible assets	12	77,002	120,183
Deferred expenditure	13	2,886,926	1,426,786
Available-for-sale financial assets	14	80,673,949	25,501,846
Deposits	16	-	4,000,000
		84,060,433	31,527,713
Current assets			
Trade and other receivables	15	3,297,853	1,168,285
Current income tax		1,411	2,775
Deposits	16	9,211,826	45,014,981
Cash and cash equivalents	16	43,670,359	70,335,382
		56,181,449	116,521,423
Total assets		140,241,882	148,049,136
EQUITY			
Capital and reserves			
Retained earnings	19	85,587,537	121,456,189
LIABILITIES			
Non-current liabilities			
Deferred revenue	17	44,887,495	21,808,589
Current liabilities			
Trade and other payables	18	9,766,850	4,784,358
Total liabilities		54,654,345	26,592,947
Total equity and liabilities		140,241,882	148,049,136

The notes on pages 9 to 22 are an integral part of these consolidated financial statements.

B Lapasset, Chairman

M Miller, CEO

CONSOLIDATED CASH FLOW STATEMENT
Year Ended 31 December 2009

	Note	2009 Stg£	2008 Stg£
Cash flows from operating activities			
Cash generated from operations	20	(1,074,758)	28,473,813
Income tax paid		(31,599)	(40,282)
Net cash generated from operating activities		(1,106,357)	28,433,531
Cash flows from investing activities			
Purchases of property, plant and equipment		(119,080)	(254,019)
Purchase of available for sale financial assets		(8,659,216)	(10,868,754)
Proceeds on disposal of available for sale financial assets		7,636,546	8,340,351
Interest received		5,260,868	5,909,029
Net cash generated from investing activities		4,119,118	3,126,607
Cash flows from financing activities			
Increase in deposits		(10,950,731)	(15,624,240)
Grant Payments		(18,206,140)	(15,341,563)
Net cash used in financing activities		(29,156,871)	(30,965,803)
Net (decrease)/increase in cash and cash equivalents		(26,144,110)	594,335
Exchange gains on cash and cash equivalents		(520,913)	2,240,291
Cash and cash equivalents at beginning of the year		70,335,382	67,500,756
Cash and cash equivalents at end of the year		43,670,359	70,335,382

The notes on pages 9 to 22 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General information

The International Rugby Board (IRB) is the world governing and law making body of Rugby Union. It is made up of 98 Member Unions and 19 Associate Member Unions.

The International Rugby Board is resident in Dublin at Huguenot House, St Stephen's Green.

These consolidated financial statements have been approved for issue by the Council of the International Rugby Board on 11 May 2010.

2 Summary of significant accounting policies

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

A Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations adopted by the European Union (EU). The consolidated financial statements have been prepared under the historical cost convention, as modified by the measurement of the fair value of available for sale financial assets. A summary of the more important group accounting policies is set out below.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

New and amended standards adopted by the IRB

IAS 1 (revised) "Presentation of financial statements - effective 1 January 2009. This revised standard prohibits the presentation of items of income and expenses in the statement of changes in equity, and requires such items to be included in a Statement of Comprehensive Income. As a result, these financial statements now include a Statement of Comprehensive Income and comparative information has now been represented so that it is also in conformity with the revised standard."

Standards, amendments and interpretations effective in 2009 but not relevant to the IRB's operations

The following standards, amendments and interpretations are mandatory for the IRB for accounting periods beginning on or after 31 December 2009 but are not relevant to the IRB's operations:

- IFRS 8 - "Operating Segments"
- IAS 23 (Revised) - "Borrowing Costs"
- IAS 3a and IFRS 7 (Amendments) - "Reclassification of Financial Assets"
- IFRS 2 (Amendment) - "Share Based Payments"
- IAS 32 (Amendment) - "Financial Instruments: Presentation"
- IFRS 1 (Amendment) - "First Time Adoption of IFRS"
- IAS 27 - "Consolidated and Separate Financial Statements"
- IFRS 7 (Amendment) - "Financial Instruments Disclosure"
- IFRIC 9 and IAS 39 (Amendment) - "Embedded Derivatives"
- IFRIC 13 - "Customer Loyalty Programme"
- IFRIC 15 - "Agreements for Construction of Real Estate"
- IFRIC 16 - "Hedges of a Net Investment in a Foreign Operation"

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

2 Summary of significant accounting policies - continued

A Basis of preparation - continued

Standards and Interpretations to existing standards that are not yet effective and have not been early adopted by the IRB

The following standards, amendments to and interpretations to existing standards have been published and are mandatory for future accounting periods and have not been early adopted:

International Financial Reporting Standards (IFRS)		**Effective financial period beginning on or after**
IFRS 1 (Revised)	"First time adoption of IFRS"	1 January 2010
IFRS 2 (Amendment)	"Share Based Payment"	1 January 2010
IFRS 3 (Revised)	"Business Combinations"	1 July 2009
IFRS 5	"Non Current Assets held for Sale and Discontinued Operations"	1 July 2009
IAS 27	"Consolidated and Separate Financial Statements"	1 July 2009
IAS 32 (Amendment)	“Classification of Rights Issues”	1 February 2010
IAS 39 (Amendment)	"Financial Instruments - Recognition and Measurement" (Eligible Hedged Items)	1 July 2009
IFRS 9	“Financial Instruments”	1 January 2013
IAS 24 (Amendment)	“Related Party Disclosures”	1 January 2011

International Financial Reporting Interpretation Committee (IFRIC)

IFRIC 14	“Prepayments of a Minimum Funding Requirement”	1 January 2012
IFRIC 17	"Distribution of Non Cash Assets to Owners"	1 July 2009
IFRIC 18	"Transfers of Assets from Customers"	1 July 2009
IFRIC 19	“Extinguishing Financial Liabilities with Equity Instruments”	1 July 2010

It is not anticipated that the adoption of these standards and interpretations will have a material impact on the consolidated financial statements in the period of initial adoption.

B Consolidation

Subsidiaries are all entities over which the International Rugby Board has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the International Rugby Board controls another entity. The International Rugby Board is made up of a number of subsidiaries, which are listed below:

IBFB Services (Ireland) Limited - the company is engaged in providing financial and administrative services to various entities within the IRB group.

IB Tournaments Limited - the principal activity of the company is the promotion of Rugby Union and the organisation and administration of Rugby Union tournaments.

Rugby World Cup Limited - the company's principal activity is the licensing of rights emanating from the ownership of the Rugby World Cup.

Rugby World Cup 2003 Limited - dormant company previously involved in the organisation of Rugby World Cup 2003.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

2 Summary of significant accounting policies - continued

B Consolidation - continued

IRB Trust - the Trust is established for the sole purpose of the promotion and development of Rugby Union worldwide.

RWC Tournaments Limited - dormant company previously involved in the organisation of Rugby World Cup 1999.

International Rugby Development Limited - this company is the Corporate Trustee of the IRB Trust.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the International Rugby Board.

C Foreign currency translation

(a) Functional and presentation currency
Items included in the financial statements of each of the International Rugby Board's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in STG£, which is the International Rugby Board's functional and presentation currency.

(b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security, and other changes in the carrying amount of the security. Translation differences are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Translation differences on non-monetary financial assets such as equities classified as available for sale are included in the fair value reserve in equity.

D Property, plant and equipment

The IRB does not hold any property. All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the IRB and the cost of the item can be measured reliably. All repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Fixtures and fittings	5 years
Computer equipment	3 years
Plant and equipment	25 years
Motor vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

2 Summary of significant accounting policies - continued

D Property, plant and equipment - continued

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income Statement.

E Intangible assets

Rugby World Cup Logo
The Rugby World Cup logo represents costs incurred in registering the logo. The logo is regarded as having an indefinite useful life because, based on an analysis of all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows to the entity. The logo is not subject to amortisation and is tested annually for impairment. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. To date an impairment loss has not arisen.

Website development costs
The costs incurred in developing the International Rugby Board's website are capitalised and amortised over 3 years.

F Financial assets

Available-for-sale financial assets
The International Rugby Board classifies all of its investments into the available-for-sale category. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Regular purchases and sales of investments are recognised on trade-date – the date on which the IRB commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Available-for-sale financial assets are subsequently carried at fair value. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the IRB has transferred substantially all risks and rewards of ownership.

Changes in the fair value of monetary securities classified as available-for-sale and non-monetary securities classified as available-for-sale are dealt with in the statement of comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'gains and losses from investment securities'. Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the Group's right to receive payments is established.

The fair values of quoted investments are based on current bid prices.

The IRB assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

2 Summary of significant accounting policies - continued

G Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the International Rugby Board will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within administration expenses. When a trade receivable is uncollectible it is written off against the allowance account for trade receivables. Subsequent recoveries of previously written off amounts are credited against administration expenses in the income statement.

H Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

I Employee benefits

Pension obligations
The IRB operates a defined contribution pension plan. A defined contribution plan is a pension plan under which the IRB pays fixed contributions into a separate entity. The International Rugby Board has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

J Provisions

Provisions for restructuring costs and legal claims are recognised when the International Rugby Board has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

2 Summary of significant accounting policies - continued

K Revenue recognition

Royalties from the licensing of television rights to broadcast the Rugby World Cup are recognised on the successful completion of the respective Rugby World Cup tournament. Instalments received prior to this date are deferred as they may be repayable, in whole or in part, at any time up to the completion of the Rugby World Cup upon the occurrence, for any reasons, of one of more of the following conditions specified in the contract agreements:

- Cancellation and/or rescheduling of the events and/or non availability of feed of events to the licensee.
- Either party has committed a material breach of any of its obligations which cannot be remedied.
- Either party has committed a material or repeated breach of any of its obligations and fails to remedy such breach.
- The other party goes into liquidation or an administrator or receiver is appointed over the whole or any part of that other party's assets.
- The other party ceases or threatens to cease to carry on business or is removed from the relevant register of companies.

Interest earned on instalments received is for the benefit of the International Rugby Board and is recorded as interest income.

Other revenue
Other revenue is generated from the sale of sponsorship rights, hospitality rights and licensing rights. Those which are related to the Rugby World Cup tournament are deferred to the year in which the event is held as they may be repayable in whole or in part upon the occurrence of similar conditions which apply to the broadcasting rights agreements. Revenues related to other tournaments are recorded in the period in which the relevant tournament takes place.

Financial income
Interest income is recognised on an effective yield basis and dividend income is recognised when the right to receive payment is established.

L Leases

The IRB has no finance leases of property, plant and equipment where the Group has substantially all of the risks and rewards of ownership.

All leases undertaken by the IRB are operating leases in which a significant portion of the risks and rewards are retained by the lessor. Payments made under such operating leases, excluding contingency payments, are charged to the income statement on a straight – line basis over the period of the lease.

M Grants

The IRB distributes discretionary investment grants through the IRB Trust. These are charged to the Income Statement in the year in which the liability to distribute the grant falls due. Unpaid investment grants are accrued for two years only. Grants which remain unpaid after that date, because of non-compliance with the terms and conditions applying to their payment, are credited back to the income statement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

3 Financial risk management

Financial risk factors

The International Rugby Board's activities have the potential to expose it to a variety of financial risks including foreign exchange risk, credit risk and interest rate risk. Its overall risk management programme seeks to minimise potential adverse effects on the International Rugby Board's activities. The IRB uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by the International Rugby Board Finance Department under policies approved by the Council of the International Rugby Board. The Council provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) *Foreign exchange risk*

The IRB operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the pound sterling. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

To manage their foreign exchange risk arising from future commercial transactions and recognised assets and liabilities and when considered appropriate and necessary, entities in the Group use forward contracts, transacted with the Finance Department. Foreign exchange risk arises when future commercial transactions, recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. There were no forward contracts outstanding at the year end date.

(b) *Credit risk*

The IRB has no significant concentrations of credit risk. Substantially all of its revenues are generated from the licensing of television broadcasting rights and other commercial rights and the IRB believes that that all amounts due under such rights are fully collectible.

(c) *Interest rate risk*

The IRB does not have any significant concentrations of interest rate risk.

(d) *Liquidity risk*

The IRB holds significant cash deposits and as a result does not have any significant liquidity risk.

4 Critical accounting estimates and judgements

Estimates and judgements are continually 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 International Rugby Board makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. However the International Rugby Board considers that there are no significant estimates, judgements or assumptions applied in the current financial year as a result of which there is a risk of causing a material adjustment to the carrying amounts of assets and liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

5 Administration expenses by nature

	2009 Stg£	2008 Stg£
Depreciation and amortisation (notes 11 and 12)	218,603	252,613
Employee benefit expense (note 9)	6,083,834	5,070,388
Development expenses	2,888,047	1,179,274
Finance and administration expenses	1,882,959	1,997,335
Member services	1,764,282	1,052,783
Other expenses	1,990,610	4,676,633
Commercial expenses	123,631	320,782
Total administrative expenses	14,951,966	14,549,808

	2009 Number	2008 Number
Number of employees	64	58

	2009 Stg£	2008 Stg£
Finance and administration expenses include :		
Audit fee	19,505	25,504
Council member attendance fees	364,357	390,171

6 Other gains/(losses) - net

	2009 Stg£	2008 Stg£
Losses arising on the disposal of available for sale financial assets	(291,399)	(471,029)
Foreign exchange (loss)/gain	(2,803,458)	6,754,043
	(3,094,857)	6,283,014

7 Other income

	2009 Stg£	2008 Stg£
Income from financial assets	5,260,868	5,909,029

8 Other expenses

During 2009 the International Rugby Board incurred £22,087,802 of grant expenditure, which was distributed to tournaments and member unions. (2008: £14,406,911).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

9 Employee benefit expense

	2009 Stg£	2008 Stg£
Wages and salaries	5,205,800	4,468,255
Social security costs	582,352	328,202
Pension costs – defined contribution plans	295,682	273,931
Total employment benefits expense	6,083,834	5,070,388

10 Income tax expense

	2009 Stg£	2008 Stg£
Income tax expense	32,963	30,598

Under Irish tax law the International Rugby Board is largely exempt from paying tax. A minimal taxation expense was incurred in the current financial period. This expense arose within the following entities:

- IRFB Services Limited
- RWC 2003 Limited
- IB Tournaments Limited

11 Property, plant and equipment

	Vehicles Stg£	Furniture, fittings and equipment Stg£	Total Stg£
Year ended 31 December 2008			
Opening net book amount	12,517	400,042	412,559
Additions	-	254,019	254,019
Depreciation charge (note 5)	(7,825)	(179,855)	(187,680)
Closing net book amount	4,692	474,206	478,898
At 31 December 2008			
Cost	100,025	1,715,528	1,815,553
Accumulated depreciation	(95,333)	(1,241,322)	(1,336,655)
Net book amount	4,692	474,206	478,898
Year ended 31 December 2009			
Opening net book amount	4,692	474,206	478,898
Additions	-	119,080	119,080
Depreciation charge (note 5)	(4,692)	(170,730)	(175,422)
Closing net book amount	-	422,556	422,556
At 31 December 2009			
Cost	100,025	1,834,608	1,934,633
Accumulated depreciation	(100,025)	(1,412,052)	(1,512,077)
Net book amount	-	422,556	422,556

The depreciation expense has been charged entirely within “administration expenses”.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

12 Intangible assets

	Rugby World Cup Logo Stg£	Website development Stg£	Total Stg£
Year ended 31 December 2008			
Opening net book amount	77,002	108,114	185,116
Amortisation charge (note 5)	-	(64,933)	(64,933)
Closing net book amount	77,002	43,181	120,183
At 31 December 2008			
Cost	77,002	360,369	437,371
Accumulated amortisation and impairment	-	(317,188)	(317,188)
Net book amount	77,002	43,181	120,183
Year ended 31 December 2009			
Opening net book amount	77,002	43,181	120,183
Amortisation charge (note 5)	-	(43,181)	(43,181)
Closing net book amount	77,002	-	77,002
At 31 December 2009			
Cost	77,002	360,369	437,371
Accumulated amortisation and impairment	-	(360,369)	(360,369)
Net book amount	77,002	-	77,002

The Rugby World Cup Logos are considered to have an indefinite life because it is considered that there is no foreseeable limit to the period over which this asset is expected to generate cash flows. As the cash inflows to the IRB as a result of the successful completion of the World Cup tournaments are expected to be significantly in excess of the net book amount of these intangible assets no impairment is considered to have taken place.

13 Deferred expenditure

	Stg£ 2009	Stg£ 2008
Broadcasting	2,217,559	1,143,268
Sponsorship	581,002	283,518
Merchandising	88,365	-
	2,886,926	1,426,786
Beginning of the year	1,426,786	-
Deferred during the period	1,460,140	1,426,768
End of the year	2,886,926	1,426,786

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

14 Available-for-sale financial assets

	2009 Stg£	2008 Stg£
Beginning of the year	25,501,846	19,507,681
Additions	8,659,216	10,868,753
Disposals	(7,927,944)	(8,811,380)
Revaluation surplus/(deficit) transfer to equity	3,686,945	(3,564,610)
Reclassification	50,753,886	7,501,402
End of the year	80,673,949	25,501,846

There were no impairment provisions on available-for-sale financial assets in 2009 or 2008.

	2009 Stg£	2008 Stg£
Available-for-sale financial assets includes the following:		
Listed securities:		
– Equity securities – eurozone countries	2,342,389	2,281,689
– Equity securities – US	4,481,455	3,359,237
– Equity securities – UK	13,887,103	9,970,121
– Equity securities – other	2,291,710	2,322,856
	23,002,657	17,933,903
– Interest securities – eurozone countries	17,133,306	2,512,165
– Interest securities – US	16,114,494	1,615,918
– Interest securities – UK	21,230,835	3,116,098
– Interest securities - other	3,192,657	323,762
	57,671,292	7,567,943
	80,673,949	25,501,846

At 31 December 2009 retained earnings included a surplus of Stg£3,651,269 (2008 deficit: Stg£35,676) in respect of unrealised fair value gains on available for sale financial assets.

The maximum exposure to credit risk at the reporting date is the fair value of the debt securities classified as available for sale.

15 Trade and other receivables

	2009 Stg£	2008 Stg£
Trade receivables	2,852,411	1,566,746
Less: provision for impairment of receivables	(428,768)	(907,061)
Trade receivables – net	2,423,643	659,685
Prepayments	874,210	508,600
	3,297,853	1,168,285

There is no difference in the fair value of trade and other receivables and the amounts stated above. The movement and the provision for impairment of receivables reflects a credit to the income statement during the year which was included in "administration expenses". Given the nature of the IRB's operations standard credit terms do not apply. At the year end date none of the unimpaired trade receivables above were considered to be overdue. Prepayments do not contain any impairment assets. The maximum exposure to credit risk is the fair value of each receivable noted above. The IRB does not hold any collateral as security.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

16 Cash and cash equivalents

	2009 Stg£	2008 Stg£
Cash at bank and in hand	3,481,784	3,292,083
Short-term bank deposits	40,188,575	67,043,299
	43,670,359	70,335,382

The effective interest rate on short-term bank deposits was 1.6% (2008: 3.5%); these deposits have an average maturity of 18 days (2008: 23 days).

The effective interest rate on deposits with maturity between 3 to 12 months was 2.6% (2008: 4%): these deposits have an average maturity of 46 days (2008: 121 days).

The effective interest rate on deposits with maturity in excess of 1 year was 3% (2008: 4%): these deposits have an average maturity of 3 years (2008: 3.5 years).

Cash at bank and in hand and all deposits are held with financial institutions with either a Standard and Poor's AA or A rating.

17 Deferred revenue

	2009 Stg£	2008 Stg£
Broadcasting	32,744,185	16,008,589
Sponsorship	11,200,000	5,800,000
Merchandising	943,310	-
	44,887,495	21,808,589

Beginning of the year	21,808,589	-
Deferred during the period	23,078,906	21,808,589
End of the year	44,887,495	21,808,589

18 Trade and other payables

	2009 Stg£	2008 Stg£
Trade payables	463,076	374,797
Accrued expenses	9,303,774	4,409,561
	9,766,850	4,784,358

There is no difference in the fair value of trade and other payables and the amounts stated above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

19 Retained earnings

	2009 Stg£	2008 Stg£
Balance at start of year	121,456,189	145,891,226
Total comprehensive income/(loss)	(35,868,652)	(24,435,037)
Balance at end of year	85,587,537	121,456,189

20 Cash generated from operations

	2009 Stg£	2008 Stg£
(Loss)/profit for the period before taxation	(39,522,634)	(20,839,828)
Adjustments for:		
- Depreciation (Note 5)	175,422	187,680
- Amortisation (Note 6)	43,181	64,933
- Loss on disposal of available for sale financial assets	291,398	471,029
- Interest income	(5,260,868)	(5,909,029)
- Grants	22,087,802	14,406,911
- Loss/gain on foreign exchange	601,344	(4,955,903)
Changes in working capital		
- Trade and other receivables	(2,206,868)	62,614,450
- Trade and other payables	1,097,699	(37,948,233)
- Deferred revenue	23,078,906	21,808,589
- Deferred expenses	(1,460,140)	(1,426,786)
Cash generated from operations	(1,074,758)	28,473,813

21 Commitments

The IRB has made commitments to provide a total of approximately £48m in Strategic Investment funding between 1 January 2009 and 31 December 2012.

The IRB has made commitments to its Member Unions to pay grants at a level of approximately Stg£6.6m over the next year.

IB Tournaments Limited, an entity wholly owned by the IRB, has entered into firm commitments to pay participation fees for the IRB Sevens of up to US$1,250,000 (Stg£833,000) in 2009.

The IRB, through its wholly owned entity, Rugby World Cup Limited, has entered into a formal agreement with the NZRU awarding them the right to host the Rugby World Cup in New Zealand in 2011. Rugby World Cup Limited has also entered into further agreements with the RFU and JRFU awarding them the right to host the Rugby World Cup in England in 2015 and Japan in 2019.

The IRB, through its wholly owned entity, Rugby World Cup Limited, has entered into a formal agreement with the RFU awarding them the right to host the Women's Rugby World Cup in England in 2010.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

21 Commitments - continued

Operating lease commitments

At the balance sheet date, the Group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	2009 Stg£	2008 Stg£
Not later than one year	450,563	450,563
Later than one and no later than five years	1,802,252	1,802,252
Later than five years	2,928,659	3,379,222
	5,181,474	5,632,037

The majority of the lease commitments of the IRB relate to the lease of its headquarters at 35-38 Huguenot House, St. Stephens Green, Dublin 2, Ireland. The lease ends in July 2021, with a break clause occurring in 2011.