



ANNUAL REPORT 2023



CONTENTS

01	OUR PURPOSE
02	PRESIDENT'S STATEMENT
04	CHAIR OF THE BOARD
06	STRATEGIC REPORT
	• CEO'S REVIEW OF THE YEAR
	• LOOKING FORWARD
	• STAKEHOLDER ENGAGEMENT
	• KEY DECISIONS
	• INCLUSION AND DIVERSITY
	• ENVIRONMENTAL DISCLOSURES
	• FINANCIAL REVIEW
38	GOVERNANCE REPORT
	• CHAIR'S INTRODUCTION
	• THE BOARD
	• PRESIDENT'S ASSURANCE STATEMENT
	• BOARD NOMINATIONS COMMITTEE REPORT
	• AUDIT & RISK COMMITTEE REPORT
	• REMUNERATION COMMITTEE REPORT
56	FINANCIAL STATEMENTS
58	AUDITOR'S REPORT
64	GROUP PROFIT AND LOSS ACCOUNT
65	PARENT PROFIT AND LOSS ACCOUNT
66	GROUP AND PARENT STATEMENT OF COMPREHENSIVE INCOME
67	GROUP AND PARENT BALANCE SHEETS
68	GROUP STATEMENT OF CHANGES IN EQUITY
69	PARENT STATEMENT OF CHANGES IN EQUITY
70	GROUP CASH FLOW STATEMENT
72	NOTES TO THE FINANCIAL STATEMENTS

OUR PURPOSE

**TO ENRICH LIVES,
INTRODUCE
MORE PEOPLE
TO RUGBY UNION
AND DEVELOP THE SPORT
FOR FUTURE GENERATIONS**





ROB BRIERS, PRESIDENT

PRESIDENT'S STATEMENT

I feel very privileged to be elected as President of the RFU for the 2023-24 season and I thank all who have granted me this great honour. I would also like to congratulate Rob Udwin, our new Senior Vice President, and Deborah Griffin as Junior Vice President. Both have already given great service and will continue to work hard for our sport, playing a full role in the presidential team.

Our Past President, Nigel Gillingham OBE, has been one of the hardest-working Presidents during my time on Council. Apart from his support of the men's England team, Nigel and his wife Christine have been ever present in their outstanding support of the Red Roses. His association with the Red Roses being greatly appreciated by that group.

Nigel has chaired Council with great expertise, visited many clubs, attended dinners and special events, and went over and above normal duties by taking a leading role in travelling the length and breadth of the country to explain the tackle height change. So, many congratulations on a job well done.



To my club, West Park Saint Helens, and my county Lancashire, my thanks for their support and encouragement since I became involved in adult rugby in the 1970s. I would also like to thank Council members for their support since I was appointed to Council in 2004. I must also pay tribute to the dedicated work that these volunteers carry out with great enthusiasm, giving up their leisure time to support and manage our great game. As the elected body representing our members, they channel the views of the members and clubs who elected them to the RFU, making some decisions on behalf of the Union and putting in place regulations and policies relating to the playing of rugby union. They also provide monitoring and oversight of the Board on behalf of the game as a whole.

A full list of our Council members can be found in the Governance section of this report.

My thanks also go to the RFU Executive and their staff, who have always given me support, while providing great expertise and dedication to our game. And, of course, I must thank my wife, Anne-Marie, and my family for always supporting my rugby involvement while playing an active part themselves.

We remember those of the rugby family who have lost their lives in the past year and pay tribute to Distinguished Members: Larry Lamb CBE, Keith Plain, Michael Knight KCB, and Malcolm Duncan. They, and many others we have lost, personified the values of our game.

Teamwork is one of those values. In a difficult time for the community game, professional staff and volunteers nationwide have been working as



a team for the benefit of all. As President, I will visit as many clubs as possible, aiming to visit every Constituent Body after the Rugby World Cup. Asked what the theme of my presidency will be, I will focus on three things: respect, communication, and inclusion and diversity. I will reference our core values and in particular respect; if this value is adhered to then most of the other values will fall into place. If those involved in the game respect each other, rugby will continue to flourish and parents will encourage their children to have rugby as their sport of choice.

Good communication at grassroots level is also vital so that messages from the top are clear and frequent enough to keep the game in touch with current events in rugby along with any changes happening. Attending a National Youth Council meeting, they gave me advice on how we should communicate with the game and the benefits of social media in getting our messages across, particularly to younger participants. We need to listen to our younger administrators and players for the benefit of the game.

I'm also keen to encourage more people to become involved in the game by stressing the importance of inclusion and diversity, and urging our clubs to reach out to the various communities around them.

We must emphasise that rugby is a sport available to all, providing great exercise, friendship and, above all, enjoyment.

We have some wonderful examples of clubs that have done this with great success, and I am particularly keen to emphasise the fact that rugby is not just for the more affluent in our society. I was raised on a council estate in quite a poor area, and I was lucky to attend a grammar school that played rugby union, the sport continuing to benefit me throughout life.

The primary role of the RFU President is to promote and represent the Union. In addition to this ambassadorial position, the President leads the Council and chairs its meetings. One of the responsibilities of Council is to hold the RFU Board to account on behalf of the membership. For 2022/23, the period this report covers, the Immediate Past President, Nigel Gillingham, has provided a statement in the Governance Section at page 45 on how Council has fulfilled this responsibility.

Rob Briars

Rob Briars, President



CHAIR OF THE BOARD

TOM ILUBE CBE, CHAIR

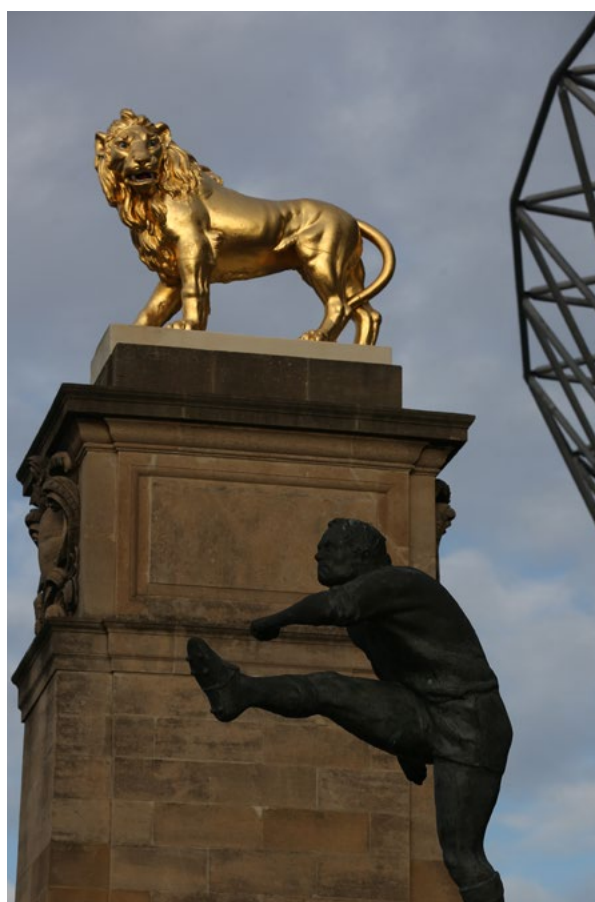
My thanks to my fellow Board members and all supporting the game over the past season, particularly Genevieve Shore, Independent Non-Executive Director, who is now Chair of Premier Women's Rugby Limited, and Stephen Pearson, Council Elected Director, who stepped down from the Board. They have been outstanding members who made exceptional contributions.

We welcome two new Board members. Kirsty Marlor, Council Elected Director, is our Royal Navy Council member who retired from playing in 2018. As a member of the RNRU Executive Committee, Kirsty has championed volunteers, and Auriol Stevens, Independent Non-Executive Director, brings tremendous experience as a global technology leader, as well as having a passion for encouraging more diversity in sport.

Board membership embraces both rugby and business experience, and appropriately the majority of the Board continues to be from strong rugby backgrounds, including three former England Internationals. Recent appointments see our Board now living up to our inclusion and diversity ambitions by achieving a 50 - 50 representation of men and women. We also welcomed a recent former player as a Board observer to help us further develop diversity of thought and experience.

Our Board Community Engagement Event at Sale FC Rugby Club was a great opportunity to both visit a thriving club and to engage with a variety of people from across the community involved in the women's and girls' game. This saw a sharing of views, concerns and opportunities, which was extremely useful.

The past season threw up a number of issues



in relation to discrimination at all levels of the game, as bravely highlighted by Luther Burrell. We are facing and, indeed, addressing these issues. Noting our core values, especially teamwork and respect, this continues to be a focus for the Board so that we ensure our sport continues to be one for everyone to enjoy, irrespective of personal, cultural or societal background. More on Inclusion & Diversity on page 24.

Sadly, three Premiership Rugby clubs went into administration. While we cannot fund insolvent professional clubs, we have been directly involved with the RFU Club Financial Viability Group, overseeing the decision-making process, and supporting any reasonable proposals for ownership change, which unfortunately were not forthcoming. During an incredibly distressing time for all involved in these famous clubs, we took over their academies and set up a hardship fund while supporting efforts to relocate players.

I would like to thank Board members for meeting regularly to make some very tough decisions, including those concerning Worcester, Wasps, and London Irish. While clearly difficult, these decisions were made in the interests of the game as a whole, for the club players affected, and the wider league in confirming the forthcoming season structure and allowing clubs to plan accordingly.

Working with Council has been essential and it is important to recognise the role that Council Members play in the direction and governance of the RFU. Council Members are elected or appointed to represent the views of the game and bring them to the Board. The game is well

represented on the Board, with six Board members coming from Council, which makes up half of the Board.

The Board will continue to reflect on and review its performance to ensure it operates professionally and in the best interest of the whole game, while also ensuring that decisions required are made objectively with all the necessary information before us. The continued support from the game throughout the season is very much appreciated by the Board and executive team, leadership of which rests with our CEO whose report follows.

Tom Ilube CBE, Chair



STRATEGIC REPORT

- OUR STRATEGIC OBJECTIVES
- CEO'S REVIEW OF THE YEAR
- LOOKING FORWARD
- STAKEHOLDER ENGAGEMENT
- KEY DECISIONS
- INCLUSION AND DIVERSITY
- ENVIRONMENTAL DISCLOSURES
- FINANCIAL REVIEW





STRATEGY

The RFU Strategy can be found [here](#). Our strategy now defines the Core activities, split into three areas, and the eight strategic objectives, outlined below.

CORE ACTIVITIES

OUR CORE ACTIVITIES FORM THE BACKBONE OF OUR ORGANISATION'S OPERATIONS AND SERVICES TO THE GAME

CORE RUGBY ACTIVITY

- Govern the rules and regulations of rugby on and off the field
- Set the competition framework
- Set the coaching and refereeing qualification framework
- Run, coach and fund the men's and women's England XV teams
- Ensure safeguarding, welfare, anti-doping, and discipline compliance

CORE COMMERCIAL ACTIVITY

- Deliver sponsorship and broadcast deals, and manage commercial partnerships
- Put on rugby events and sell tickets, memberships and hospitality
- Operate the stadium in a safe and cost effective way

RUNNING THE BUSINESS

- Comply with the legal and statutory requirements for Finance, Legal, Technology, HR, Stadium, and Health and Safety
- Maintain all physical and technology assets
- Maintain core people and finance requirements including compliance with financial sustainability metrics

OUR STRATEGIC OBJECTIVES

OUR STRATEGIC ACTIVITIES ARE THE PLACES WHERE WE CHOOSE TO SPEND OUR TIME AND MONEY, IN ADDITION TO OUR CORE ACTIVITIES, IN ORDER TO DELIVER OUR PURPOSE, VISION AND MISSION.

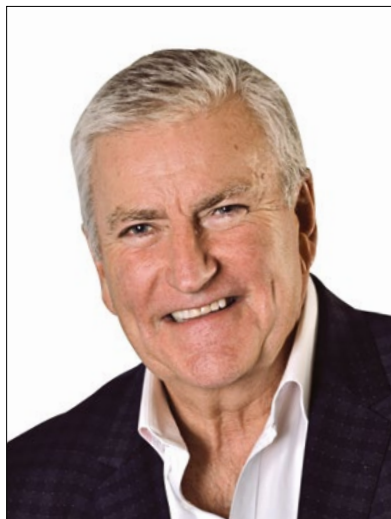
GAME OBJECTIVES

ENJOYMENT		Enable positive player experiences on and off the field
WINNING ENGLAND		Create the best possible high-performance system for England Rugby
WELFARE		Enhance player welfare to protect and support the wellbeing of players
FLOURISHING RUGBY COMMUNITIES		Support clubs to sustain and grow themselves and to reflect society

DRIVING OBJECTIVES

DIVERSITY & INCLUSION		Drive rugby union in England to reflect the diversity of society
UNDERSTAND		Build a deep understanding of players, volunteers and fans to shape the future of the game
CONNECT		Connect with and grow the rugby community and create exceptional experiences
COMMERCIAL AND OPERATIONAL EXCELLENCE		Ensure a sustainable and efficient business model delivered by an inspired workforce





BILL SWEENEY, CEO

CEO'S REVIEW OF THE YEAR

Wasps, Worcester and London Irish going into administration was the single most defining aspect of the men's professional game during the season and devastating for all involved, for players, families, staff, volunteers, fans, local communities, and for the game as a whole. The Premiership clubs have operated in an exceptionally challenging environment, including the after-effects of COVID-19, levels of debt, and the economic environment brutally exposing difficulties for business models with existing challenges.

The impact of COVID-19 and 18 months without contact rugby also accelerated challenges already becoming apparent in the community game. These include a changing demand from players regarding playing frequency; the transition from age grade rugby to adult rugby; the risk and fear of injury; challenging economic times; and rugby participation in schools.

Working with Premier Rugby Ltd, we see the re-negotiation of the Professional Game Agreement (PGA) as a major opportunity to restructure the game for a more financially sustainable future. This is underpinned by shared plans to deliver more consistently winning teams for both club and country.

As we take a leadership position, it is often said that the current working relationship between the RFU and PRL is the best in living memory. We intend to transform this positive relationship into a strategic partnership based upon a fully integrated shared vision, plans, and outcomes to stabilise the situation, implement turnaround, and then carry out transformation with a 'whole game solution'.

We are also considering the community game's future, creating a clear road map for investment and focus over the next 10 years.

In a very difficult financial environment, the RFU achieved an underlying marginal loss, maintaining robust financial management. The coming years will continue to be challenging with inflationary pressure on our costs, our revenues being under pressure from reduced discretionary spend, and the recovery of corporate confidence. We will continue to implement strong cost control and prudent fiscal management. More detail on our financial position is provided in the CFO report.

COMMUNITY RUGBY

In the first season for the men's future competition structure, overall league completion rates recovered well, finishing at 92% and equalling pre-pandemic levels. However, the need to increase squad sizes impacted lower XV's so, while some leagues are performing at close to 100% completion, the national average is only around 60%. The introduction of the Papa John's Community Cups saw an optional addition to the league programmes, and end-of-season opportunities for many clubs.

At the start of the season, 160 community clubs were identified where adult male teams were at risk due to low previous season match completion. Through targeted support across a range of initiatives, they increased match completion from 53% to 69%. The Play Together Stay Together campaign also focused on retaining and returning players, with high-profile opportunities motivating clubs to take action, lifting the profile of the game.



The growth of the women's and girls' game continues. Hosting the Rugby World Cup in 2025 brings added impetus, with many clubs reporting the energy brought by new and additional female players, and more clubs offering rugby to women and girls. Campaigns will continue to support the growth of the women's and girls' game, with a meaningful and lasting legacy from hosting the RWC in 2025.

We secured additional government investment of close to £15 million to deliver a legacy programme around the Rugby World Cup in 2025, and more than 580 women benefited from training bursaries, supporting the development of coaches and match officials. Additionally, 120 clubs and 23 Constituent Bodies received funding to expand provision for under 12s, and over 470 clubs received funding for facility enhancement. We saw over 70,000 bookings on face to face and virtual training courses for coaches and match officials, up from 61,000 in 2021-22.

As a continuation from the Government's COVID-19-related Winter Sports Survival Fund, we also secured an additional £2 million investment to support clubs with governance and business transformation.

ENGLAND

Our England men's team's performance in the Autumn Nations Series was not at the level we expected nor on track with our objectives. We, like the supporters, were disappointed and we made the decision to change the England men's Head Coach. We were very happy to welcome Steve Borthwick as he took over from Eddie Jones.

The Six Nations involved a testing preparation time, and despite disappointing results, the team's determination was evident in the game against Ireland. With the squad together for a longer period ahead of the Rugby World Cup, we saw Steve and the team represent England with tenacity, dignity, and pride to bring home bronze. Wayne Barnes, Karl Dickson, Matthew Carley, Tom Foley and Luke Pearce made World Cup history as the first match official lineup appointed from one union for the final, highlighting the world-class quality of our officials.

The Red Roses provided great inspiration, and we are proud of the role models they were and continue to be. Although they played in the Rugby World Cup final against hosts New Zealand with 14 players for more than three quarters of the match only three points separated the teams at the final



whistle, with the score 34-31. The Red Roses had not lost a Test since November 2019 and achieved a 30 Test record. The positivity in the media and our ongoing marketing contributed to our record crowd of nearly 60,000 at Twickenham for the TikTok Women's Six Nations game against France in April when England won a Grand Slam. Head coach Simon Middleton's contribution over eight years is much appreciated and we wish him well in his new chapter in Japan. Newly-appointed John Mitchell's international experience will help the team build towards a home World Cup in 2025 as he arrives post Rugby World Cup. Forwards coach Louis Deacon heads up the programme until then.



PLAYER PATHWAY

The player pathway for both men and women focused on individuals and maximising their time in the game. The RFU has taken on responsibility for running the Developing Player Programme and Academy programmes following the demise of the three premiership clubs. The RFU Midlands Central, Midlands West and London and South-Central academy programmes along with the RFU Yorkshire academy have helped 13 players to achieve professional contracts this season.

England Men U20s' Six Nations campaign saw them beating Wales, Italy and Scotland, and England Men U18s played three matches in their U18 Six Nations Festival, winning two but losing to Ireland by a single point.

England Women U20s played Scotland Futures after the Red Roses Test at Kingston Park, winning 66-19, and a two-match series against France, losing 17-35 at Wellington College. The second match in Tours saw a closer 31-40 result. England Women U18s Six Nations Festival at Wellington College saw the team win their first four matches before losing to France.

WOMEN'S PREMIERSHIP

The Allianz Premier 15s saw a new winner, competitive knock out games, a strong cup final, and teams vying for league position up until the last round. The final was won by Gloucester Hartpury, who beat Exeter Chiefs in front of 9,655 spectators at Kingsholm, trebling the previous record for a domestic final.

Off field distractions for some clubs, and the revamped league for 2023/24, brought challenges in particular for Darlington Mowden Park, Wasps, and Worcester, but the RFU worked closely with these clubs throughout the season. Sale Sharks Women and Worcester Warriors Women received conditional offers to join the new league. Both accepted these offers, but sadly the owners of Worcester Warriors Women elected to withdraw from the league before the campaign began.

Premiership Women's Rugby (PWR) was launched as a new company to own and operate the league ahead of the new 23/24 season and, with the RFU, will explore how greater geographical spread can be provided. With the Premier 15s NewCo Board established, it will be the responsibility of the Board and shareholders to consider any league expansion for the 2024/25 season onwards and the process or system for entry.

MEN'S CHAMPIONSHIP

It was also one of the most exciting seasons in the Championship, with Jersey Reds pipping Ealing Trailfinders to the title on the last day of the season. The Reds lost only one match all season, and amassed 100 league points. Tables were turned in a closely fought 35-31 Championship Cup Final, with Trailfinders securing back to back Cup victories. Very sadly since then, the Reds have ceased trading and entered liquidation. We have worked with the Rugby Players' Association to support the players and staff affected.



The battle at the bottom of the Championship was equally exciting, with London Scottish securing safety on the final day at the expense of Richmond, who have returned to National One. Cambridge RFC were promoted to the Championship after a dramatic title battle in National One, where the top three of Cambridge RFC, Rams and Sale FC were separated by only one point.

Promotion from the Championship is dependent not only on winning the league, but also meeting the Minimum Standards Criteria which are set by the Professional Game Board. These standards, which can be found [here](#): are designed to ensure that clubs are ready to compete in the Premiership off the field as well as on it. They focus on playing facilities, the experience of customers, facilities for media and governance of the club. Jersey Reds had elected not to be audited against these standards and not to apply for promotion, and so would have continued to compete in the Championship.

As we now focus on the new PGA, we are committed to developing a model which integrates the second tier more effectively.

PLAYER WELFARE

Player welfare continues to be a major priority.

The lowered tackle height in the community game will support player welfare as we continue to monitor its impact. Other unions, including Wales, Ireland and Scotland have lowered the tackle height at community level for the start of the season. This now forms part of a wider international trial to lower the tackle height in the community game which World Rugby has recommended that all unions opt into.

It was clear from the research and evidence that the tackle height should be reduced in the Community Game. Following the council decision, a wide ranging programme of implementation support saw over four and a half thousand people

booked on 200 Tackle Safe clinics, and over 550 people becoming tackle champions at local level.

Smart or instrumented mouthguards, offered to all Premiership and AP15s players, measured over 115,000 head acceleration events last season. This is part of our commitment to reduce exposure to head acceleration events across the game. Saliva testing for markers for concussion has been successfully introduced in the AP15s.

Our Medical Director co-authored the recent DCMS publication of grassroots concussion guidance, the RFU guidance having been in place for many years.

The Advanced Brain Health Clinic for retired elite players, which provides neurological advice, advanced imaging and assessment for 18 months, has been received positively. We continue to work closely with World Rugby as the most progressive sport on player welfare.

SAFEGUARDING

With the safety and security of children and adults at risk in rugby being crucial, our safeguarding team has consistently achieved the highest possible rating in its Child Protection in Sport NSPCC Unit annual review so that everyone can enjoy rugby in an inclusive, safe and enjoyable environment. The team has worked with clubs to monitor and improve practice and with external organisations such as Barnardo's to consider future areas of



priority and focus. More than 70 Safeguarding Managers and Deputies operate across Constituent Bodies nationwide, and over 2,000 Club Safeguarding Officers and Assistants aim to ensure that all clubs with age grade sections maintain the good practice that runs throughout the game.

Safeguarding is also crucial in the professional game, with spot check audits undertaken on Premiership clubs and safeguarding and the welfare of young players also part of the assessment of each Premiership academy.

We are always looking to improve the assurance of clubs and other bodies' safeguarding work.

INCLUSION AND DIVERSITY

With inclusivity critical throughout the game for those already enjoying rugby and those we want to attract, we are now two years into our Inclusion and Diversity Action Plan. We aim to publish an impact report next January reflecting on the past two years. We must ensure that there are no barriers to members being welcomed, and that their voices are heard, to introduce more people to rugby and future-proof the game.

The Rugby United programme aims to empower community clubs who are seeking to make long term cultural change in how they engage and become more accessible to their local communities, in order to attract players, coaches, volunteers, and match officials from Black and South Asian groups.

A detailed review is included in the Inclusion and Diversity section on page 24.

COMMERCIAL, CONTENT AND SOCIAL MEDIA

Excellent relationships continue with our commercial partners. Revenue targets for broadcast, sponsorship, retail, and licensing were all achieved, with retail performing especially well across online, instore and matchday sales.

O2's principal partnership will extend to 27 years in the coming season, and is stronger than ever, with O2 providing great support to the women's game. As part of O2's and the RFU's shared ambition to help close rugby's gender awareness gap, we are jointly collaborating with the Women's Sport Trust on an initiative that will grow awareness of England women. The Red Roses' profile continued to grow, and our Rugby World Cup campaign surrounding their matches brought recognition at the prestigious Drum Awards.



Papa Johns became naming rights partner of England Rugby's new men's and women's Community Cup competitions, and Continental Tyres joined our family of valued partners, becoming our England men's and women's official partner as well as title partner for the Continental Tyres Schools Cup.

We kicked off our digital transformation project to transform the experience for the game's players, fans and volunteers, exceeding our early data and digital targets around database growth and engagement, with continued growth expected.

From a content and social media perspective, we continue to grow and engage our audiences. Our audience on social media grew to over 4.9 million followers, driven by our TikTok channel, which continues to engage younger fans. We had our most successful women's Six Nations ever with over 68m video views, and in total our views and engagements surpassed 500m for the year.

Our podcast, O2 Inside Line, surpassed one million downloads, we delivered a new Rugby World Cup website, and launched on Reddit and Threads as we continue to explore engaging different audiences.

There is no better example of rugby's core values than all the volunteers keeping the community game

going every week. We provided support to some amazing individuals, and initiated a new programme of grants for clubs to support volunteer recruitment. The Volunteer Recognition Programme continues to celebrate their many achievements, and I would like to thank all of them, and also colleagues and the entire game, for their continuing support.

As mentioned at the start of this report, the game has endured a very challenging time, and we continue to face significant challenges. However, there are opportunities for us to shape the future of our game with a new professional game partnership, allowing us to begin a period of transformation.

Bill Sweeney, CEO

21 November 2023

PERFORMANCE AGAINST OUR STRATEGIC PLAN

CORE OBJECTIVES



Despite a challenging economic environment, robust financial management enabled us to exceed our full year group income target. We have also exceeded our targeted profits to reserves.

The England women's team met the target of being ranked #1/#2 in the world with the Red Roses under Simon Middleton's leadership, achieving a 92%-win ratio for the season. The England men's team, under new head coach Steve Borthwick, is looking to build on their performance after the Rugby World Cup.

GAME OBJECTIVES – ENJOYMENT



We regularly survey our players to understand levels of enjoyment in the game. This season, satisfaction levels were in line with our targets at 73% in the adult game and 79% in the age grade game.

To better understand player numbers, we would like all players to register and affiliate to their club on our central game management system. This season, we saw a 13% increase year-on-year with 148,000 boys registering. In the Women and Girls' game, there was an increase of 27% with 24,000 registered women and 23,000 registered girls. In addition, 1,500 women are playing in the social Inner Warrior series.

During this season, we monitored match completion rates to measure the health of the men's game, and completion rates were on target. As well as providing a measure of participation, registration gives players facts and data relating to their playing history and match scores. To support our objective of sustaining the men's game, adult male registration will be formally introduced in 2024/25.

GAME OBJECTIVES – WINNING ENGLAND



The Red Roses achieved a 92% win rate in the year including competing in the Rugby World Cup.

The England senior men's team had a disappointing 42% win rate in the year. The win rate does not reflect the performance in the Summer Series or Rugby World Cup.

The new Professional Game Partnership is aimed at delivering a high-performance system to maintain a competitive Premiership and enhanced access to players for the RFU to create sustained success.

GAME OBJECTIVES – FLOURISHING RUGBY COMMUNITIES



Our flourishing rugby communities index is a combination of behavioural and attitudinal data about how clubs are supporting volunteers, teams and leagues.

This year, we saw satisfaction levels of 71/100 and club health at 67/100 with the economic environment, resulting in a slight year-on-year drop with satisfaction down 3% and club health down 4%.

DRIVING OBJECTIVES – INCLUSION AND DIVERSITY



We are committed to doing everything we can to ensure rugby is inclusive for all.

The Rugby United project is at the centre of it with the purpose to empower community clubs who are seeking to make long term cultural change in how they engage and become more accessible to their local communities, in order to attract players, coaches volunteers, and match officials from Black and South Asian groups. The project has been funded by the Gift Aid from the debenture donation campaign and donations raised by the RFU fundraising team. While we increased fan diversity from underrepresented groups during the year, our annual inclusivity and diversity research saw a negative impact on perception scores due to the Gender Participation Policy introduced in Summer 2022. We will continue to review this policy as new science emerges.

DRIVING OBJECTIVES – UNDERSTAND AND CONNECT



Engagement with England Rugby content was significantly up year-on-year with 567m interactions primarily driven by social media, with Instagram accounting for 60% of interactions and TikTok being the fastest growing platform in terms of followers.

Our digital strategy saw a 3% growth in our database as we continue to increase our direct relationship with players and fans. The England Rugby brand measure, using YouGov's brand tracker, was at 27%. The tracker looks at the adult population of England and if they are aware of the England Rugby brand, respondents can indicate either a positive, negative or neutral sentiment regarding reputation. The measure reported is calculated as the % positive less the % negative.

DRIVING OBJECTIVES – ORGANISATIONAL EXCELLENCE



Ticket sales for the Red Roses exceeded the target set with crowds of 12,947 at Franklins Garden for the game against Italy and 10,053 at Kingston Park for the game against Scotland. The final game saw a world record breaking 58,000 tickets sold for England v France at Twickenham Stadium.

At Twickenham Stadium, we continued to reduce our environmental impact and carbon footprint, and demonstrated outstanding occupational health, safety, and wellbeing management, securing 5-star British Safety Council rating and the prestigious BSC Sword of Honour for the third year running.

We continue to measure our progress through our Strategic Targets, tracked quarterly by the Board and Executive Team. These align with our core values and strategic objectives.

RISK MANAGEMENT AND INTERNAL CONTROL



RISK MANAGEMENT AND INTERNAL CONTROL



Risk Management processes are vital to the ongoing successful operation of the RFU.

The RFU Risk Management Framework is available on our website [here](#).

Significant risks across the RFU are continuously monitored and the following are the key strategic risks that are reported to the Board on a regular basis:

PLAYER WELFARE



Player welfare continues to be a priority for the RFU and for rugby stakeholders across the game, from World Rugby to constituent bodies, clubs and parents. This includes injury due to the physical nature of the game.

Head impact prevention is a priority for both the professional and community game, with significant investment into research, surveillance, education, and communication at all levels to minimise the risk of occurrence. This investment also ensures correct protocols and treatments are in place to reduce impact and long-term injury. This continued work is supported by engagement with external stakeholders, including World Rugby, to ensure consistent and timely communication, and to improve the interface with health and education sectors.

Claims brought by former professional and amateur players against the RFU, World Rugby and the Welsh Rugby Union, and other parties, have now begun and initial Court hearings have taken place in some of these claims. The RFU is working closely with its insurers and appointed solicitors to respond to those claims.

The RFU continues to work actively to provide education and support, including provision of well-recognised programmes such as Pre-Hospital Immediate Care in Sport courses across all areas of the game, and specific tackle height education.



SAFEGUARDING



Safeguarding continues to be a priority for the RFU, with policies, procedures, and education regularly reviewed and refreshed.

Safeguarding structures are in place across Constituent Bodies (CBs), professional clubs/academies, and enhanced PRL safeguarding function. Further details on the continued efforts of safeguarding at the RFU can be found at <https://www.englandrugby.com/governance/safeguarding>.

PARTICIPATION



The community game, including men's, women's, and age grade competition, has been significantly impacted by COVID-19 and the recent economic downturn. A noted decline in return to play has been identified within adult numbers, particularly within the male social and lower XV areas. Resources have been deployed to support the clubs and CBs, including the participation campaign, coach development, and competition support.

Insights highlight the risk of a decline in popularity of rugby for young people, which is driven by several societal factors. This downturn would negatively impact the future of the game, including player numbers, volunteers, coaches, match officials, and the sustainability of local clubs. A review of the age-grade game and schools rugby is shaping the community game blueprint to provide structure and resources that will help keep the game attractive to young people.

The competitive community game relies on the availability of trained match officials. Increased offerings on the Introduction to Referee Course and England Rugby Refereeing Award, as well as the introduction of Women's Match Official Performance Group, have successfully increased numbers of new match officials to the game.

OPERATING TWICKENHAM



Revenues derived from events at Twickenham Stadium are a significant revenue stream for the Organisation.

Substantial risks regarding fire safety, stadium maintenance, and terrorism may impact the ability of the stadium to operate. These risks are actively mitigated through a series of activities driven through the Health & Safety Lead within Venue Operations, including:

- i. revision and implementation of fire safety strategy and risk assessments;
- ii. retention of British Safety Council 5 Star Occupational Health & Safety Audit status;
- iii. review and improvement of Business Continuity processes;
- iv. maintenance of a statutory compliance tracker monitored by Exec and Board;
- v. mandatory training for all employees.

FINANCIAL STABILITY



Challenges to revenue streams, such as ticketing and commercial partnerships, continue due to the impact of the current economic environment. Management continues to work with related parties to ensure all revenue opportunities are explored for the game.

Due to inflation, significant increases in the cost of core supplies are an issue. This includes, but is not limited to, the cost of energy, and event day staffing requirements. Continuous monitoring of costs and usage of brokers to mitigate rises and fix rates has been implemented to minimise the impact on the business and game.

Insurance markets continue to prove to be challenging across all areas.

CYBER SECURITY AND DATA



As a well-recognised brand and governing body, there are significant risks relating to cyber security and data privacy.

The risk of malicious attacks, including phishing emails, database security, impact on data protection, and potential business disruption is actively managed and tested to reduce potential impact.

KEY DECISIONS



KEY DECISIONS – SECTION 172 STATEMENT

The directors have sought, collectively and individually, to conduct themselves in accordance with the RFU's Core Values and more generally with the highest ethical standards.

These behaviours are considered central to promoting the success of the RFU. Although the RFU is a Registered Society rather than a limited company, the RFU's Rules make clear that the directors owe the same fiduciary duties as if the RFU were a private limited company. As such, the Board has regard to the matters set out in section 172(1)(a-f) of the UK Companies Act 2006. Examples of how the directors have had regard to each of these matters is set out below, with reference to information found elsewhere in this Strategic report.

The Council also makes decisions on behalf of the RFU under its powers, including the making of policy and regulation relating to the game, and to appointments of individuals. When making decisions, the Council acts in the best interests of the game as a whole.

MAKING DECISIONS IN THE LONG-TERM



One element of the purpose of the RFU set out in its current strategy is to “develop the sport for future generations.”

As such, the long-term consequences of decisions are central to decision-making by the Board. This can be seen in decisions around investing the proceeds of CVC Capital Partners' investment into the Six Nations. The Board agreed that these were not to be spent on operating expenses and, as was set out in the 2022 Annual Report, the Board established a “Strategic Growth Fund” which is used among other things to invest in the rugby's future, including revenue generating projects. The Board continues to ensure that only such investment projects are funded through the Strategic Growth Fund.

COMMUNITY AND ENVIRONMENT



The community game is central to rugby union in England and forms a significant part of decision-making and discussion at Board and at Council.

The Board is also supported by the Community Game Board, whose focus is adult and age grade rugby. The Board and the Council consider the impact on rugby and the communities in which it is played, especially the volunteer base. The decision to lower the tackle height in the community game was taken early to allow for the maximum amount of time for volunteers as well as players to adjust to the new laws.

The RFU and its group undertakes a number of initiatives to make the organisation, including Twickenham Stadium and the wider game, more sustainable. For further information on this, please refer to the Sustainability section within the Strategic Report.

CONSIDERING EMPLOYEES



Directors maintain a close regard for the interests of the RFU's employees by spending time meeting with senior employees to understand and discuss their areas.

This also forms part of the induction process for new members of the Board and Council. The RFU also undertakes regular employee surveys, and the results of these are reported to the Board.

FOSTERING RELATIONSHIPS WITH SUPPLIERS, CUSTOMERS AND STAKEHOLDERS



As with other sports, rugby has a complex network of stakeholders. The Board is very conscious of the importance of developing and maintaining relationships with stakeholder groups.

Within rugby these include players, volunteers, clubs, referee societies, Constituent Bodies, other unions or rugby bodies, and outside rugby these include government (DCMS and other parts of government), Sport England and UK Sport and the community local to Twickenham Stadium. The Board holds one meeting per season away from Twickenham and uses that occasion to engage with the local rugby community.

The Council is made up primarily of representatives from different stakeholders within the game and provides a direct means through which those stakeholders can advise the Board. Six of the 12 members of the Board come from the Council which helps ensure that the voice of the game is heard within Board discussions and decisions.

MAINTAINING A REPUTATION FOR HIGH STANDARDS OF CONDUCT



The RFU's Core Values place high importance on standards of conduct, and the Board and Council seek to live those values.

The Board aspires to the highest ethical standards in its management of the organisation. Members of the Board and Council are subject to a Code of Conduct (among other policies).

ACTING FAIRLY BETWEEN MEMBERS



The RFU's members are predominantly its member clubs, referee societies and Constituent Bodies.

The Board is always aware of the importance of acting fairly between the stakeholders, which is considered whenever a decision is being made that affects one or more of the stakeholders, such as financial support for the game.

The Council is similarly aware of this need when making regulations for the game. The Board and Council, both directly and through committees and sub-committees, engage with stakeholders to ensure that it is aware of their views and to assist it in complying with its duty to act fairly between them.



INCLUSION AND DIVERSITY

INCLUSIVITY IS CRITICAL TO OUR PURPOSE AND RUNS THROUGH OUR VALUES, BOTH FOR THOSE WHO ALREADY ENJOY OUR GAME AND THOSE WE WANT TO ATTRACT. BEING MORE INCLUSIVE WILL FOSTER DIVERSITY AND HELP RUGBY UNION TO THRIVE IN ENGLAND. A YEAR INTO OUR ACTION PLAN, WE HAVE BEEN FOCUSING ON FOUR STRATEGIC PILLARS EACH WITH SPECIFIC OUTCOMES: FANS, FOLLOWERS & PARTNERS; GAME PLAY; EMPLOYEES & BOARD; AND GAME LEADERSHIP.

Fans, Followers & Partners – Driving interest amongst under-represented groups and using rugby to have a positive social and cultural impact in communities across the country.

While encouraging diversity and celebrating inclusivity during the Guinness Six Nations and TikTok Women's Six Nations, we have also featured inclusive and diverse groups in sport across Guinness' social media channels. Key commercial branding rights have helped us to promote campaign messaging through the likes of LEDs and big screen advertising at Twickenham. We have also tackled discrimination in stadia and online by working with social media platforms to eradicate negative comments during competitions.

Game Play – Improving inclusivity, reducing discrimination, and increasing access for under-represented groups, therefore growing the game overall. Through work such as Rugby United, which targets under-represented areas within the game (further information can be found [here](#)) and the RWC25 Legacy Project, we are targeting new young players, coaches and match officials, and providing a wide range of opportunities to get involved in rugby.

Additionally, we have been working with the Rugby Players' Association, Premiership Rugby and Premiership Women's Rugby to develop an elite-game Inclusion and Diversity Plan, designed to increase understanding within the game, deliver education across each club and ultimately, deliver positive and inclusive change. Presently, a bespoke I&D education module for the elite and professional game is being delivered through three phases, including: an online element, introducing the principles and importance of I&D; in-person workshops, club by club, team by team, to establish local needs and action plans; and webinars to guide clubs and teams on tools which can be implemented to drive change. Additionally, over the past three years, a community I&D Survey has



provided an understanding of who is participating in rugby, their experiences of doing so, and whether they have experienced or witnessed discrimination. This year we will run the community survey again, alongside a professional game survey for the second time, giving us insight into the top end of rugby as well as grassroots.

Finally, we have centralised our reporting system for cases of discrimination in the community game, which has seen all instances reported handled by our discipline team. We have also recruited additional and diverse panel members, who sit alongside existing members to hear cases.

Employees & Board – Increasing diversity from under-represented groups and making the RFU feel like an inclusive place to work.

Improvements have been made to our recruitment processes, including: updating the way we advertise jobs, working with a wide range of job boards, and ensuring the language we use in adverts is inclusive; moving away from traditional requirements like CVs and covering letters; and implementing a new tracking system to more effectively measure the diversity of applicants through to those we offer jobs to. Additionally, our annual I&D staff engagement survey measures inclusivity and sentiment, providing a basis from which to address issues and build a more inclusive culture. We also rolled out an education and training programme for all employees, Executives and Board members.

In the last year, we introduced PITCH, our inclusivity in action series, bringing diverse voices from within and outside of the game to educate and support staff in applying inclusive practices into their day-to-day activities.



FANS, FOLLOWERS & PARTNERS

Fan Interest Share			
	2021/22	2022/23	2025 Target*
Women & Girls	27%	28%	40%
Ethnically Diverse Communities	6%	6%	6%
Low Socio-Economic Groups	32%	37%	37%

*The RFU will assess these targets and seek to improve if targets are met early

OVER THE PAST 18 MONTHS:

- Five new Council Members have been co-opted from a range of diverse backgrounds
- Guidance has been produced on inclusive meeting practices for all committees
- Inclusive recruitment toolkits for clubs and CBs
- I&D training programme launched for Council Members
- Council & National Youth Council mentoring programme launched
- 30 I&D Leads appointed across our CBs



ENVIRONMENTAL IMPACT

WHILE A LOT OF ENERGY USE IS INVOLVED, TWICKENHAM STADIUM HAS REDUCED ELECTRICAL CONSUMPTION BY 20% AGAINST THE 2018 BASELINE WHEN THE EAST STAND WAS COMMISSIONED. ALL ELECTRIC FORKLIFTS ARE UTILISED AT THE STADIUM AND A FLEET OF ELECTRIC SHUTTLE BUSES TRANSPORT FANS TO AND FROM MAJOR MATCHES.

With BS20121 Event Sustainability Accreditation, ISO 14001 accreditation and Green Tourism silver accreditation, the stadium operates a zero waste to landfill policy. Stadium waste is either recycled or energy recovery is performed, to remove the CO2 emission, and 23.5 tonnes of glass is sent for recycling.

Reusable ecocups have been replaced by Lifecycle self-destructing cups which will self-destruct, if in landfill, within two years, leaving no micro plastics or toxins behind.

All carbon emissions generated from food menus are measured and, with 95% of food prepared and cooked onsite, all meat and fish is sourced ethically and from the UK where possible, with 70% of fruit and vegetables sourced from the UK. When beef

is used, it is entirely outdoor reared British grass-fed beef, and a target has been set to reduce the stadium's use of beef by 50% by the end of 2025. All fish is MSC grades 1-3 and high welfare British poultry and pork and free-range eggs are used as standard.

There has been a 40% reduction in dairy in the past 12 months and all menus are served with at least two vegetable portions, all are offered with a suitable plant-based alternative. Twickenham Stadium's aim is to have 25% of concourse food as plant based on match days and all conference and events menus will have a minimum of 50% of plant-based options.

A circular food waste strategy maximises every ingredient, reduces food miles and tracks the source, and any left-over foods are regularly donated to Olio, City Harvest and The Felix Project, surplus food redistribution charities.

ENVIRONMENTAL DISCLOSURES

A proactive use of the Building Management System (BMS) with daily programming of time zones for all plant operation in conjunction with the use of a BMS analytics system to identify faults and inefficiencies has helped to optimise stadium plant use. A programme of stadium-wide LED light replacement, which is 60% complete, and the installation of presence sensors for lighting in all communal areas, hospitality rooms and kitchens is helping to drive down daily electrical baseload. Heating and hot water provision are aligned with

the demands of both match days and conference and events to reduce gas consumption. Water consumption is monitored and wastage from toilets and cleaning has been tackled through a managed flushing regime. The benefit of these actions can be seen in the fact that while day to day conference and events business increased 19% year on year, the best ever result, there was nonetheless only a 4% increase in total energy consumption in 2023.

ENERGY USAGE

		2023			2022		
		Units	KgCO ₂ e	% of total	Units	KgCO ₂ e	% of total
Gas	kWh	13,608,723	2,762,121	44.97	12,379,001	2,512,565	43.36%
Electricity	kWh	12,833,526	2,724,942	44.36	13,012,611	2,762,968	47.69%
Cars	miles	1,885,387	569,970	9.28	1,373,059	415,089	7.16%
Water	m ³	169,551	71,733	1.17	216,671	91,214	1.57%
Waste	kg	702,701	13,699	0.22	632,800	12,336	0.22%
			6,142,465	100.00		5,794,172	100.00





SUE DAY, COO/CFO

It has been a challenging few years financially for rugby in England. The RFU is facing these challenges too, but from a position of stability because of our strong financial discipline. It is critical that we maintain that discipline so that we can continue to support all elements of the game now and in the future. We have three key financial focuses coming out of this year and to take into the next:

REBALANCING THE SYSTEM

Our financial results over the last four years have been heavily impacted by COVID-19. We lost many millions in revenues and accessed debt and facilities to sustain the organisation and the game. Over the course of the last year we have paid off that debt; work is now needed to bring our cyclical operational results back into a sustainable position. We are reporting a loss to reserves of £6.3m this year (and an underlying loss of c.£2.2m adjusting for one-offs (see Net Results table)) whereas, ordinarily in the third year in a men's rugby world cup cycle, we would expect to report a c.£10m profit.

That is because, like all other rugby organisations and indeed many other businesses, we are facing significant revenue and cost inflation challenges. At the same time, we have aimed to return to levels of investment into rugby that are closer to pre-pandemic levels because we know that the wider rugby eco-system is in need of investment.

Looking forward to future years, we are currently forecasting a c.£5m ongoing deficit in our underlying profit/ loss to reserves position. Given our strong cash position, we can cope with this in the short term to safeguard levels of rugby investment, but it is unsustainable in the long term.

This is a focus for the year ahead as we work with other key organisations in the system to redress the deficit at an RFU level and across the entire eco-system of English rugby.

MAINTAINING A POSITION OF CASH STABILITY

The stability of our business model is built from the fact that we have the valuable Twickenham Stadium asset, robust financial controls, and are in strong cash and P&L reserves positions.

We have £24.9m in cash, £25m in deposits, and have paid off all our bank debt. The reason that we have been able to do that is because we are a cash generative business at a low point in our capital cycle. In future years, when we know significant stadium investment is required, that position will change, and these cash reserves (and more) will be needed to invest in the stadium to safeguard the future revenues needed to invest back into the game.

Whilst it may be attractive to use these cash reserves in the short term to shore up operating expense, this approach would have long-term detrimental consequences for the whole game. Accordingly, the discipline of maintaining a strong control over annual operating expense is vital so that long term investment is protected.

INVESTING TO GROW

Our P&L reserve position is also strong (£123.3m) due to the Six Nations Agreement with CVC that was reported in last year's annual report. That deal will bring in £90m in capital proceeds over four years. We recognised the full amount last year, as required by accounting standards, but the cash

will be received over four years (£33.7m has been received as at 30 June 2023).

We also explained last year that those funds have been assigned to a 'strategic growth fund' to be invested in long-term revenue generating projects. Those projects will drive greater future revenues centrally at the RFU to reinvest back in the game, and will be invested in community game projects that will drive revenue and sustainability locally. In difficult economic times, it is more critical than ever that we use these funds to invest to grow.

We know that our P&L reserve will reduce significantly over the course of the next cycle as we invest the capital funds from the strategic growth fund. We will monitor that position closely to make sure that we are generating the best returns possible from our investment.

PRIOR YEAR COMPARISON

Comparing our financial performance with the prior year, there are four main drivers of differences.

Those are:

- i) **Match profile:** Our revenue and cost of sale vary year-on-year depending on the number of home internationals played at Twickenham stadium. 2022/23 is a 'high match profile' year, so revenue and cost of sale lines are both higher than the prior year. This revenue movement also leads to higher payments made under the Professional Game Agreement, as that contract is linked to revenue. That increase is reflected in the professional rugby investment line.
- ii) **Rugby investment:** This is the first year of resumption of full rugby activity post-pandemic, and investment levels that are closer to pre-pandemic levels. This is reflected in increases in both the professional rugby investment and rugby development investment lines.
- iii) **Inflation:** We have seen significant increases in our cost base, as inflationary pressures drive up our energy, technology, insurance, matchday and people costs. This is reflected across all our cost lines, but particularly in matchday cost of sale and overheads.
- iv) **Growth investment:** Increased investment of the 'strategic growth fund' in line with the business cases for each of the growth areas also drives some cost increases. That additional investment is mostly commercial and is therefore reflected in overhead cost lines, driving an increase compared to the prior year.

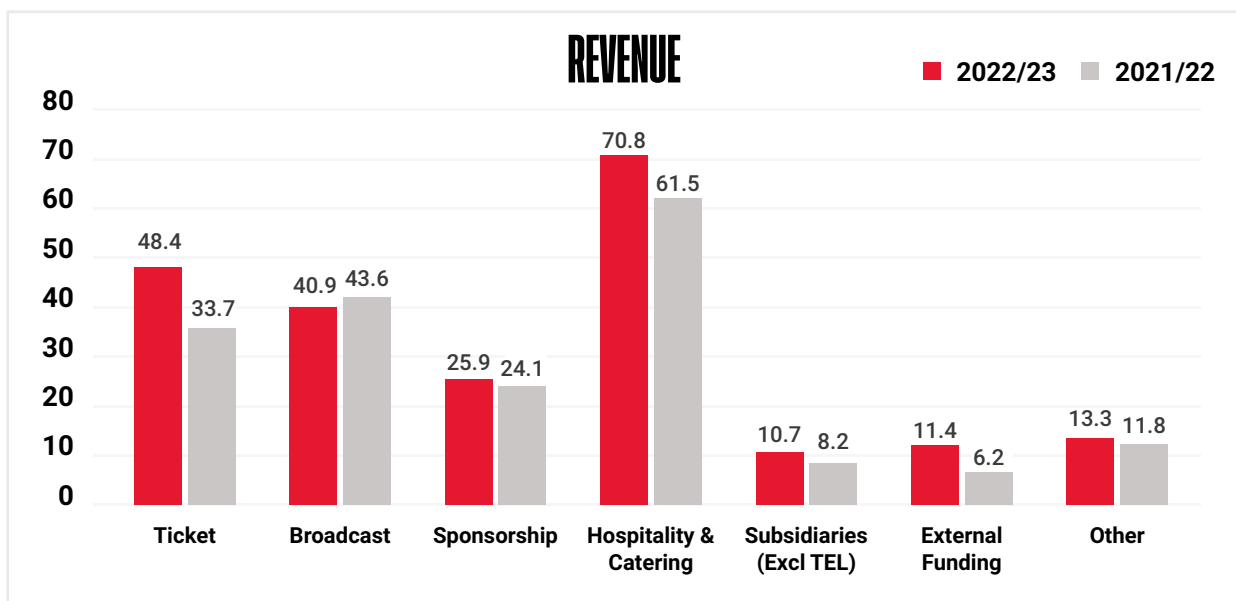


REVENUE

The increase in Ticket income (£48.4m vs £33.7m) is largely driven by match profile. Twickenham played host to four Men's autumn Internationals and three Men's Six Nations Internationals in 2022/23 compared to the three autumn matches and two Six Nations matches in 2021/22. In addition, a world record crowd watched the Red Roses' Six Nations match against France in April, bringing in c.£1m of revenue. The ticket yield on women's internationals is currently much lower than the men's game but is a key area of focus for growing future revenues.

The reduction in Broadcast revenues (£40.9m vs £43.6m) is partly due to a reduced placing distribution, with the men's team finishing fourth in the Six Nations versus third in the prior year, and partly due to our percentage share of Six Nations Rugby Limited's revenues reducing due to the Six Nations Agreement with CVC. This is the revenue category that remains furthest behind pre-pandemic levels; driving for long-term growth in this area will be a significant focus in the coming year, alongside Six Nations Rugby Limited.

New commercial partnerships with Papa Johns and Pozitive Energy, in addition to contractual uplifts with our existing partners, is driving the year-on-year increase in Sponsorship income (£25.9m vs £24.1m). This year-on-year increase is pleasing but, overall, sponsorship income remains c.£5m down on pre-pandemic levels, reflecting challenging economic conditions.



In contrast and as anticipated, revenues from Hospitality and Catering were our highest ever (£70.8m vs £61.5m). This growth is due to the increased match profile compared to the prior year.

Income from our subsidiaries, RFU Hotel Limited, RFU Health and Leisure Limited, and England Rugby Travel Limited, is up on the prior year (£10.7m vs £8.2m), but still yet to return to pre-pandemic levels, again reflecting the challenging leisure market.

External Funding, which includes funding from

World Rugby (£2.7m), Sport England (£8.6m) and Other (£0.1m) amounted to £11.4m in total in 2022/23, representing an increase of £5.2m on the prior year. The increase is largely driven by the World Rugby funding for Rugby World Cup 2025 impact and funding from Sport England for the Governance & Business Transformation project, which was funded from residual funds from the successful Winter Sports Survival Fund.

The details of our funding from Sport England are presented in the table below. We are deeply grateful to government, and Sport England, for this support.

	2022/2023	2021/2022
Total Sport England Income	8.6	2.8
Schools & Universities	0.6	0.5
Club/CB/Local Authority support	1.3	1.2
Women & Girls including talent development	0.7	0.5
Coach & MO development and training	0.2	0.6
RWC25 impact	3.2	-
Governance & Business Transformation	2.3	-
Commonwealth Games	0.2	-
Total Spend	8.6	2.8

Our other revenues increased year-on-year largely as a result of additional stadium hires, with Big Game, Army v Navy, Varsity, the Premiership Final, and Big Summer Kick Off all taking place at

Twickenham. We also hosted a Depeche Mode concert in June, which was the first music concert to be held at the stadium since 2019.

COST OF SALES

Cost of sales has increased year-on-year due to match profile (£44.6m vs £38.2m). Gross profit margin is at c.80% which is consistent with the prior year.

OVERHEADS

Our overhead expenses, which include all administration and non-matchday stadium costs, have increased by 25% from the prior year (£73.4m vs £58.5m).

Like other parts of the organisation, much of the year-on-year increase is driven by match profile, a return to full activity post-pandemic, and general inflationary pressures on the costs, including people costs, of running the core RFU business and its subsidiaries. In addition, most of the investment of the 'strategic growth fund' into long-term revenue generating projects, being commercial investment, falls into the overhead category.

Of the £5.3m increase in stadium cost, £3.7m is due to increases in utilities (£2.2m) and rates (£1.5m), with the remainder due to general inflation across all major contracts, including people (note there was a business rates holiday for 9 months of 2021/22).

The £3.7m increase in subsidiary company operating costs (TEL, Hotel, Health and Leisure, PWR) reflects the fact that they were not able to operate fully in the prior year due to COVID-19 restrictions (or returning from them), and inflation across all cost areas.

The £1m increase in commercial overhead is predominantly due to an increase in people costs as well as the additional marketing spend needed to sell tickets for our increased number of Men's Intls.

The £1.6m increase in business operations is driven by inflationary increases across across all areas, predominantly with respect to, people and technology costs, with increased license, cloud services and cyber insurance costs.

The £3.7m increase in 'strategic growth fund' represents investment in our three long-term-revenue-generating projects, which are: stadium master planning, digital transformation and the commercial growth of the women's game.

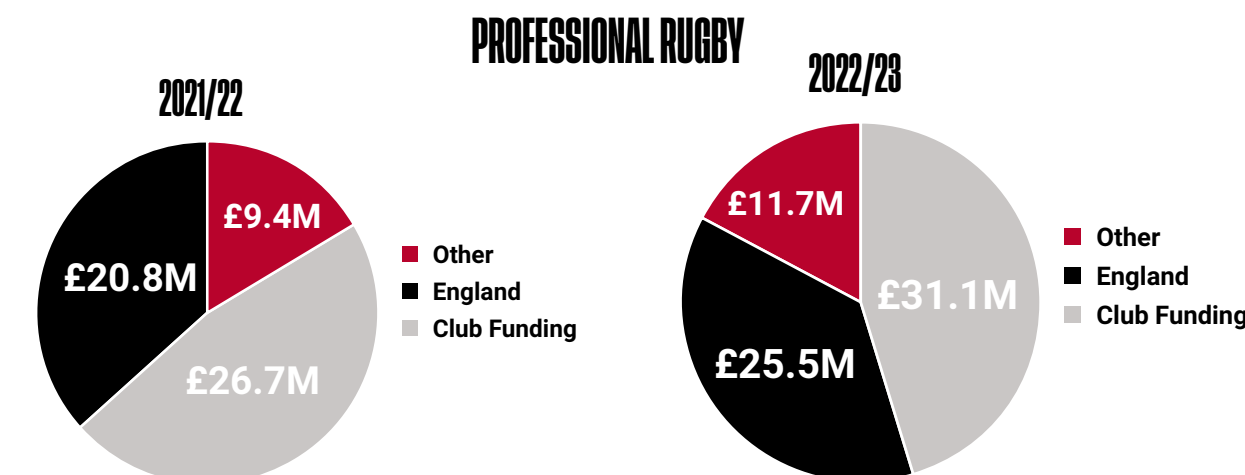
PROFESSIONAL RUGBY INVESTMENT

Professional Rugby Investment increased 20% from £57.0m to £68.3m. This consists of Club Funding (which includes Men's and Women's Premiership and Men's Championship); England (including player fees and contracts, XV's and 7s programmes, pathway, and kit), and Other (sports medicine, player welfare, match officials, rugby operations, events and competitions and, in 2022/23, the professional game elements of the Governance & Business Transformation project).

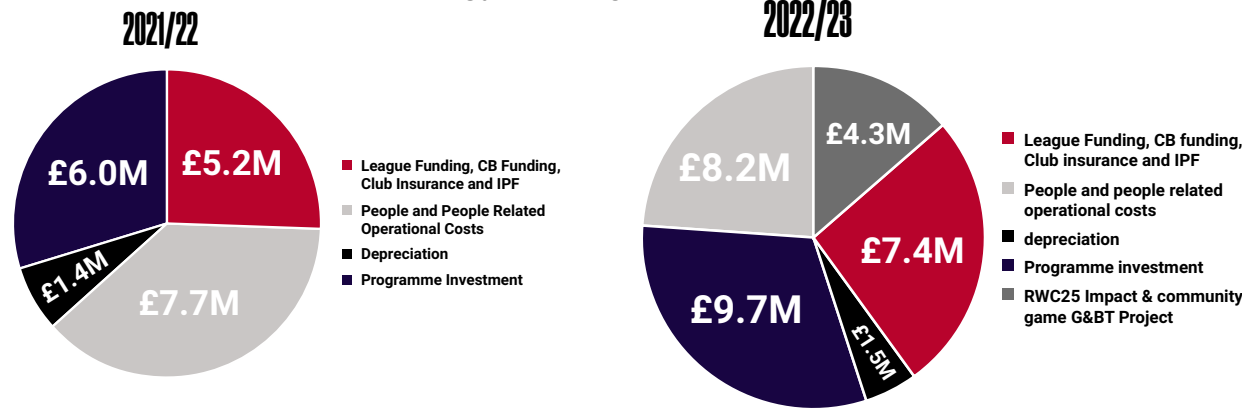
Most of the year-on-year increase in 'Club Funding' (£31.1m vs £26.7m) is driven by the Professional Game Agreement. This agreement underpins the RFU's investment in the Men's Premiership and is directly linked to revenues,

The increase in investment in our England teams (£25.5m vs £20.8m) is due to several factors. It includes: the costs associated with changing the England Men's coaching team; the costs of the Red Roses attending a Rugby World Cup (both player costs and logistics); and the increased costs of the men's team due both to a longer autumn window and the first Rugby World Cup camp falling in June.

The increase in 'Other' (£11.7m vs £9.4m), is driven largely by the Governance and Business Transformation spend attributable to the Professional game (£1.2m), and the remainder



RUGBY DEVELOPMENT



due to the increased cost of match officials and performance data and analysis.

RUGBY DEVELOPMENT INVESTMENT

Rugby Development Investment increased 52% from 2021/22 (£31.1m vs £20.4m).

The increase was partly due to the resumption of more programmes post-pandemic, and partly due to securing additional external Sport England funding, with £3.2m secured for Rugby World Cup 2025 Impact projects, and £1.2m for the Governance and Business Transformation project.

The increase in 'People and people related operational costs' (£8.2m vs £7.7m) is driven by the annual staff pay rise and increased travel related costs.

Club insurances increased by £0.6m year-on-year, and core CB funding increased by £0.4m (as £0.4m of the funding in 2020/21 had been paid in advance in 2019/20).

Programme investment increased by £3.7m (£9.7m vs £6.0m). This was driven by numerous increases across the board, the most significant of which were an additional £0.9m spent on Project Phoenix, a project focused on increasing adult

male participation numbers in the community game; a further £0.4m on the Developing Player Programme, which now incorporates age-grade girls as well as boys; and £0.4m of spend on projects funded by the Gift Aid associated with the 2019/20 debenture waiver project.

Depreciation within Rugby Development relates to artificial grass pitches and remains largely consistent year-on-year.

OPERATING PROFIT / (LOSS)

Operating profit was £4.0m, compared to £15.0m in the prior year.

INTEREST RECEIVABLE, INTEREST PAYABLE AND SIMILAR CHARGES

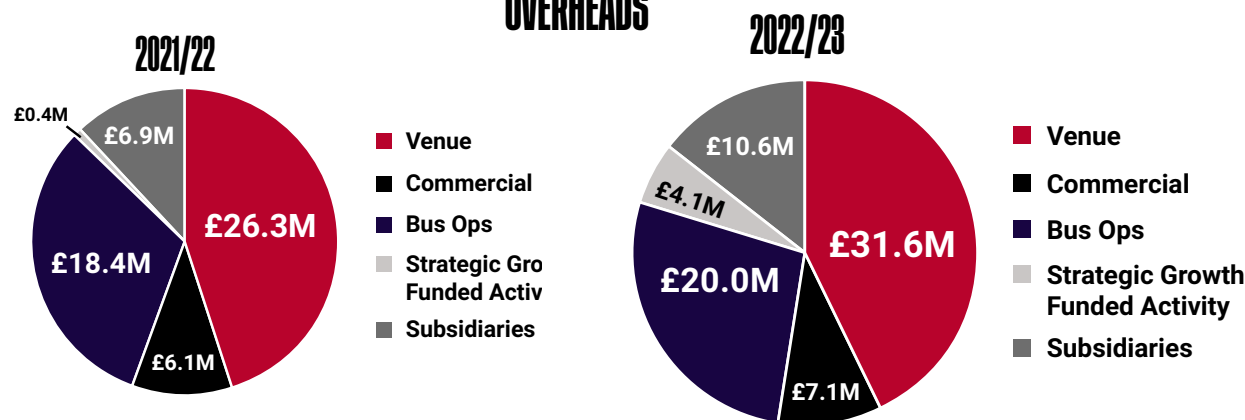
Interest cost of £2.2m was significantly below the prior year cost of £3.1m despite higher interest rates as the loan facility was paid down in July 2022.

NET RESULT

After taking account of taxation and adjusting for minority interests, the loss to reserves was (£6.3m) compared to a profit of £95.0m in the prior year.

Adjusting for any non-recurring amounts in

OVERHEADS



2022/23 figures, including strategic growth fund investment, the underlying loss position is approximately (£2.2m).

	2022/23 (£m)	2021/22 (£m)
Underlying Profit/(Loss) to Reserves	(2.2)	1.5
Impact of CVC transaction / (investment in SGF)	(3.4)	88.5
Debenture gift aid income / (funded activity)	(0.4)	3.6
Other	(0.3)	1.4
Overall Profit/(Loss)	(6.3)	95.0

The prior year profit was driven by the gain on sale of shares in Six Nations Rugby Ltd as part of the Project Light transaction. The underlying profit to reserves reported in the 2022 Annual Report and Accounts of £1.5m is a more appropriate comparison.

CASH FLOW

We end the year debt free with a cash balance of £24.9m and £25m of cash held in short-term deposits.

Net cash inflow from operating activity amounted to £17.7m, with the main drivers of difference compared to the £1.3m profit on ordinary activities after tax figure being the depreciation charge £19.1m and working capital (£3.8m).

Net cash outflow from investing activity amounted to £14.9m. This takes into account our capital spend of (£9.6m), the £19.2m we received as the second tranche of the proceeds from the Six Nations agreement with CVC, and the (£25m) of cash we deposited in a short-term deposit account.

Cash flows from financing activities resulted in an outflow of £13.1m, as we repaid our outstanding £17m bank loan, received £14.7m from debenture sales, and paid £10.1m out in dividends to Compass Group for their share of Twickenham Experience Limited's profits.

BALANCE SHEET

At year end, the RFU's capital employed stands at £283.8m, compared to £275.6m in the prior year. The increase is largely driven by £14.7m of debenture sales.

Our fixed assets are down (£254.5m compared to £267m in the prior year) due to the timing of our capital cycle, as in-year depreciation currently exceeds our routine stadium and technology capital spend. Work on our stadium development project indicates that significant investment in the stadium will be needed in the medium term to ensure it meets customer expectations and safeguards future revenues, so this position will change in the coming years.

Our long-term creditors position improved (£88.8m compared to £102.7m in the prior year) as the bank facility taken to help with working capital during COVID-19 was paid back in year.

We end the year with a strong P&L reserve, £123.3m, as a result of the capital proceeds recognised on completion of Six Nations Agreement with CVC.

In summary, we have a strong balance sheet – we have paid off all of our debt and have a robust cash position and positive P&L reserves. However, like all other organisations, we are facing financial challenges caused by the pandemic and wider economic conditions - our future revenues are less certain and we are facing high cost inflation. Accordingly, our focus is on maintaining our strong financial discipline whilst working with the other key members of the rugby eco-system to sustain and grow English rugby.



Sue Day, COO/CFO

21 November 2023



GOVERNANCE REPORT

- CHAIR'S INTRODUCTION
- THE BOARD
- PRESIDENT'S ASSURANCE STATEMENT
- BOARD NOMINATIONS COMMITTEE REPORT
- AUDIT & RISK COMMITTEE REPORT
- REMUNERATION COMMITTEE REPORT

CHAIR'S INTRODUCTION TO THE GOVERNANCE REPORT

FOR A NATIONAL GOVERNING BODY, WITH RESPONSIBILITIES FOR GOVERNING THE GAME OF RUGBY UNION IN ENGLAND, IT IS IMPERATIVE THAT THE RFU ALSO GOVERNS ITSELF EFFECTIVELY. THE DETAILS OF OUR GOVERNANCE STRUCTURE ARE FOUND [HERE](#).

During 2022/23, both the Board and the Council continued to meet physically, with the ability of members and attendees to attend virtually should they need to. The Board also continued its practise of holding at least one Board meeting away from Twickenham each season, which is combined with a visit to a community club to meet and hear from local volunteers. In March 2023, the Board combined this meeting with an event at Sale FC where the Board was able to spend time with local club and Constituent Body volunteers. This event had a particular focus on the women and girls' game in the North-West.

BOARD SIZE AND COMPOSITION

From 1 August 2023, the Board achieved equal representation of men and women for the first time. It also continues to meet its stated aim of having at least two members from ethnically diverse communities, with three such members.

COMPLIANCE WITH THE CODE FOR SPORTS GOVERNANCE

As the National Governing Body of rugby union, the RFU is subject to the Code for Sports Governance (the Code), first published by Sport England and UK

Sport in 2017. Following publication of the Code, the RFU members agreed to a number of changes to its constitution to ensure compliance, and the RFU adopted a number of operational changes to reflect the Code's requirements. After constructive discussions, Sport England agreed that the RFU could make a small number of derogations from the Code to reflect the needs of the RFU as a National Governing Body. The Board submitted its annual return to Sport England setting out how it complies with the Code.

Further detail on the RFU's compliance with the Code is set out in the compliance statement on the RFU's [website](#).

FURTHER IMPROVEMENTS

The Board continues to evolve and develop its working practices, with Board agendas increasingly focusing on longer term matters. The Board also continues to hold an annual strategy day in December, looking ahead to the needs of the game in ten years' time. The decision to implement a lower tackle height in the community game has given a range of learnings, and the Board is actively considering how it can help Council consider the implications of decisions within Council's authority.

In July 2023, the Council agreed to constitute a review of the RFU's governance arrangements, focusing on decision-making in the volunteer structure. The Board will seek to play an active part in the process of reviewing the RFU's governance.



RFU BOARD OF DIRECTORS

FY 2022/23		
Tom Ilube	Chair of Board	9 of 9
Bill Sweeney	Chief Executive	8 of 9
Sue Day	COO / CFO	9 of 9
Paula Carter	Council Elected Director (to 31 July 2022) and Chair, Governance Standing Committee (from 1 August 2022)	8 of 9
Phil de Glanville	Chair, Professional Game Board	9 of 9
Stephen Pearson	Council Elected Director	7 of 9
Yasmin Diamond	Independent Non-Executive Director (from 1 August 2022)	7 of 8
David Roberts	Chair, Community Game Board	8 of 9
Genevieve Shore	*Independent Non-Executive Director	3 of 3
Jonathan Webb	Council Elected Director and World Rugby Representative	7 of 9
Polly Williams	Senior Independent Non-Executive Director	7 of 9
James Cook	Council Elected Director (from 1 August 2022)	7 of 8
Dominic Proctor	*Independent Non-Executive Director	1 of 1
Chris Cuthbertson	*Chair, Governance Standing Committee	1 of 1
Peter Whiting	*Council Elected Director	1 of 1

- * Genevieve Shore's term on Board ended on 1 December 2022
- * Dominic Proctor's term on Board ended on 31 July 2022
- * Chris Cuthbertson's term on Board ended on 31 July 2022
- * Peter Whiting's term on Board ended on 31 July 2022

THE BOARD



TOM ILUBE, CHAIR, BOARD NOMINATIONS COMMITTEE

- Member, Board Nominations Committee
- Member, Remuneration Committee
- Appointed 1 August 2021

Tom is considered independent for the purposes of the Sport England Code for Sports Governance.



BILL SWEENEY, CHIEF EXECUTIVE

- World Rugby Representative
- EPCR Representative
- Six Nations Representative
- British & Lions Representative
- Appointed 1 May 2019

Bill is not considered independent for the purposes of the Sport England Code for Sports Governance.



SUE DAY, COO / CFO

- Six Nations Representative
- Subsidiary Directorships:
 - Twickenham Experience Limited
 - Rugby Football Development Limited
 - RFU Hotel Limited
 - England Rugby Limited

- Appointed 1 April 2018

Sue is not considered independent for the purposes of the Sport England Code for Sports Governance.



PAULA CARTER, CHAIR, GOVERNANCE STANDING COMMITTEE (FROM 1 AUGUST 2022)

- Council Member for Surrey since 2019
- Chair, Governance Standing Committee
- Chair, Head Injury Prevention and Management Subcommittee

- Chair, Club Financial Viability Group
- Appointed on 1 August 2021

Paula is not considered independent for the purposes of the Sport England Code for Sports Governance.



BRIGADIER JAMES COOK, COUNCIL ELECTED DIRECTOR

- Council Member for Army Rugby Union since 2015
- Member, Governance Standing Committee
- Chair, Agents Review Board
- Former Chair, Rugby Growth Subcommittee

- Appointed 1 August 2022

James is not considered independent for the purposes of the Sport England Code for Sports Governance.



CHRIS CUTHBERTSON, CHAIR, GOVERNANCE STANDING COMMITTEE (TO 31 JULY 2022)

- Council Member for Middlesex since 2003
- Appointed 1 August 2014; term on Board ended 31 July 2022

Chris is not considered independent for the purposes of the Sport England Code for Sports Governance.



YASMIN DIAMOND, INDEPENDENT NON-EXECUTIVE DIRECTOR

- Chair, Remuneration Committee (from 1 December 2022)
- Appointed 1 August 2022

Yasmin is considered independent for the purposes of the Sport England Code for Sports Governance.



DOMINIC PROCTOR, INDEPENDENT NON-EXECUTIVE DIRECTOR (TO 31 JULY 2022)

- Chair, Board Nominations Committee
- Appointed 1 March 2016; term on Board ended 31 July 2022

Dominic is considered independent for the purposes of the Sport England Code for Sports Governance.



PHIL DE GLANVILLE, CHAIR, PROFESSIONAL GAME BOARD

- Member, Remuneration Committee
- Appointed 1 August 2018

Phil is not considered independent for the purposes of the Sport England Code for Sports Governance.



STEPHEN PEARSON, COUNCIL ELECTED DIRECTOR

- Oxford University representative since 2010
- Chair of Trustees, RFU Injured Player Foundation
- Chair of Trustees, RFU Pension Fund
- Member, Audit and Risk Committee

- Appointed 1 August 2017, term on board ended July 2023

Stephen is not considered independent for the purposes of the Sport England Code for Sports Governance.



DAVID ROBERTS, CHAIR, COMMUNITY GAME BOARD

- Chair, Rugby Football Development Limited
- Council Member for Hertfordshire since 2015
- Director of England Rugby Limited
- Former Chair, Club & CB Development Sub-Committee
- Member, Head Injury Prevention and Management Subcommittee

- Appointed 1 August 2020
- David is not considered independent for the purposes of the Sport England Code for Sports Governance.



GENEVIEVE SHORE, INDEPENDENT NON-EXECUTIVE DIRECTOR (TO 1 DECEMBER 2022)

- Member, Board Nominations Committee
- Member, Diversity & Inclusion Coordination Group
- Appointed 29 September 2017; term on Board ended 1 December 2022

Genevieve is considered independent for the purposes of the Sport England Code for Sports Governance.



JONATHAN WEBB, COUNCIL ELECTED DIRECTOR & WORLD RUGBY REPRESENTATIVE

- Member of Council since 2012
- Chair, Medical & Sports Science Technical Advisory Group
- Member, Governance Standing Committee

- Appointed 1 August 2016
- Jonathan is considered independent for the purposes of the Sport England Code for Sports Governance.



POLLY WILLIAMS, SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

- Chair, Audit & Risk Committee
- Chair, Twickenham Experience Ltd
- Appointed 1 August 2021

Polly is considered independent for the purposes of the Sport England Code for Sports Governance.



WING COMMANDER PETER WHITING, COUNCIL ELECTED DIRECTOR (TO 31 JULY 2022)

- Council Representative for the RAF since 2007
- Director, England Rugby Travel Limited
- Appointed 1 August 2019 (having served a previous term on Board); term on Board ended 31 July 2022

Peter is not considered independent for the purposes of the Sport England Code for Sports Governance.

COUNCIL MEMBERS

MARGARET (MAGGIE) ALPHONSI MBE - NATIONAL MEMBER

TED ATKINSON - YORKSHIRE

JOE BEDFORD - YORKSHIRE

STEPHEN BOUGH - BERKSHIRE

NICK BRACKEN OBE DL - ESSEX

ROB BRIERS - PRESIDENT

CHRIS BROOKES - NOTTS, LINGS & DERBY

RICHARD BRYAN - RPA REPRESENTATIVE

TERRY BURWELL - HAMPSHIRE

PAUL GANDLISH - DURHAM

PAULA CARTER JP - SURREY

DAVID CLARKE - LANCASHIRE

ROGER CLARKE - KENT

BRIGADIER JAMES COOK OBE PHD - ARMY

JOHN CONSTABLE - DORSET & WILTSHIRE

MARTIN CORRY MBE - NATIONAL MEMBER

JOHN CRATE - SURREY

PAUL DEAKIN - LANCASHIRE

JACKIE DYER - NOTTS, LINGS, DERBY

ROXY FEARON - CO-OPTED

COLIN FREE - CHESHIRE

YEMI GBAJOBI - CO-OPTED

KEITH GEE - GLOUCESTERSHIRE

NIGEL GILLINGHAM OBE - IMMEDIATE PAST PRESIDENT

DEBORAH GRIFFIN OBE - JUNIOR VICE PRESIDENT AND WORLD RUGBY

PHIL DE GLANVILLE - STUDENTS

SIMON HALLIDAY - CHAMPIONSHIP CLUBS

GARY HENDERSON - SUSSEX

CHARLIE HEMMINGS - NORTH MIDLANDS

JOHN HOLE - ENGLAND COLLEGES

PETER HOWARD - LEICESTERSHIRE

MARK HYNDMAN - STUDENTS

JOHN INVERDALE - NATIONAL LEAGUE RUGBY

EDDIE KEAL - MIDDLESEX

PAUL KAMINSKI - NORTH MIDLANDS

MARK LOWE - ENGLAND RUGBY FOOTBALL SCHOOL UNION

GARNET MACKINDER - CO-OPTED

COMMANDER KIRSTY MARLOR RN - ROYAL NAVY

ROBERT MASTERS - DEVON

NEIL MARTON - CUMBRIA

SIMON MASSIE-TAYLOR - PRL

STEVE MEAD - SOMERSET

STEVE MILES - EAST MIDLANDS

DR TIM MILLER - RUGBY FOOTBALL REFEREES UNION

ALAN MILLINER MBE - CORNWALL

TIM O'BRIEN - OXFORD UNIVERSITY

NIGEL ORTON JP - ENGLAND RUGBY FOOTBALL SCHOOLS UNION

ROGER PIERSON - EASTERN COUNTIES

MICHAEL PROCTER - STAFFORDSHIRE

DAVID ROBERTS - HERTFORDSHIRE

ANDREW SMART - MIDDLESEX

MATT SMITH - WARWICKSHIRE

PENNY STEWART - NORTHUMBERLAND

SIMON THORNTON - GLOUCESTERSHIRE

DICK TYLER - CAMBRIDGE UNIVERSITY

ROB UDWIN - SENIOR VICE PRESIDENT

ROBERT WALSH - OXFORDSHIRE

JONATHAN WEBB - WORLD RUGBY REPRESENTATIVE

MATTHEW WEBB - CO-OPTED

WARRANT OFFICER PETER WILSON MBE - RAF

SIMON WINMAN - BUCKINGHAMSHIRE

THANKS TO COUNCIL MEMBERS WHO RETIRED LAST YEAR

FRED BATCHELOR - ERFUS

JOHN ROGERS - CUMBRIA

SIMON WAKEFIELD - ESSEX

KEN ANDREWS - LANCASHIRE

DAVE MCATEER - BERKSHIRE

STEPHEN PEARSON - OXFORD UNIVERSITY

JEFF BLACKETT - PAST PRESIDENT

BECKY DAVIES - CO-OPTED

GENEVIEVE GLOVER - CO-OPTED

STEVE LLOYD - CHAMPIONSHIP CLUBS

PRESIDENT'S ASSURANCE STATEMENT

THE COUNCIL PERFORMS AN IMPORTANT ROLE IN THE CONSTITUTION OF THE RFU. ONE OF ITS PRINCIPAL DUTIES IS TO PERFORM A MONITORING AND OVERSIGHT ROLE ON BEHALF OF THE MEMBERS. THIS SECTION SETS OUT HOW THE COUNCIL HAS FULFILLED THAT ROLE DURING FINANCIAL YEAR 2022/23.

GENERAL MONITORING AND OVERSIGHT

The Council has now fully returned, post covid, to holding its scheduled Council meetings in person. The majority of Council Members attended all meetings in person, but there was the facility for members to attend virtually if necessary. Five Council meetings were initially scheduled but additional Council meetings were called in January (on a virtual basis) to lower the tackle height in the community game from season 2023/24, and in July (on a hybrid basis) to agree how a review of the RFU's governance will be undertaken.

At each of the five scheduled meetings Council received written reports from the Chair of the Board, the CEO and the chairs of the various standing committees with the opportunity to question and challenge. In particular, the Chair of the Board reported on the Board's operation at each formal Council meeting, which included details of Board meetings' agendas and narrative reporting of the Board's priorities. Reporting against the RFU's risk register also allowed the Council to understand how the Board categorised risks faced by the RFU and the strategies the Executive has in place to mitigate them. The Council was also consulted on key issues and progress against the Strategic Plan.

The Council continued its practice of having regular briefings in between formal Council meetings, using online sessions for debate on larger topics facing the RFU and the game. These resulted in fuller and wider debates on topics such as:

- The height of the tackle in the community game.
- The Community Game Future project and priorities for future work.
- Digital transformation within the game.
- The scope of a review of the RFU's governance.
- The management and prevention of head injuries.
- Succession planning for England head coaches.
- Club owners' and directors' tests.

These debates also allowed Council to check and challenge work being undertaken, and to proactively shape key decisions for the game, in particular the community game and the challenges that it faces. Two closed sessions of Council, without the Board Chair, Board Independent Non-executive Directors and Executive Staff present, and one session held by the Council Elected Directors with elected Council members, but without the Presidential Team were held before Council meetings. These sessions offered Council an additional avenue to express any views and to consider whether there were sufficient means for Council to discharge its monitoring and oversight responsibilities. In addition, a meeting was held by the Council Elected Directors of elected Council members, but without the Presidential Team present.

At its meeting on 17 July 2023, the Council also discussed lessons learned from the decision-making process around the lowering of the tackle height in the community game. A small review group presented findings that included a need for the Board to be engaged further in regulatory decision-making to allow for further insight into reputational and other risks, and more generally for there to be greater structured planning for the implementation of key decisions facing the community game, including assessment of what the impact would be and how this would be communicated proactively. Another lesson learned was that there should be greater transparency of decision-making and more proactive consultation with the game.

FINANCIAL MONITORING

The Council received a financial report at each formal meeting, enabling members to ask the Board and Executive questions and obtain assurance as to the financial position of the RFU. Quarterly updates against budgets and expected out-turns, as well as cash flow reporting, included clear, narrative reporting of variances to budget. In accordance with the Rules, the Council was also consulted on the RFU's budget and business plan for 2023/24 before formal approval by the Board. This was broken down into each of the RFU's strategic objectives, allowing the Council to track investment according to the objectives.

COUNCIL'S SPECIFIC RESPONSIBILITIES

In July 2023, Council commissioned a review of the RFU's governance structure in accordance with its

powers under RFU Rule 16. This review will report to Council, with a view to final recommendations being put to members, ideally in late 2024.

While the appointment of the Chair of the Board and the majority of Directors (including the Independent Non-executive Directors) is a power of the Board, the Council and the members in general meetings are responsible for reviewing and ratifying those appointments. Council reviewed the

appointments of David Roberts for a second term as Chair of the Community Game Board, and Auriol Stephens as Independent Non-executive Director. After scrutiny of the process and the appointments, it ratified both. Council also has the responsibility to appoint Council Elected Directors. During the season, Council made the appointment of Kirsty Marlor to the Board in that role and renewed the term of Jonathan Webb. All these appointments were subsequently approved at the 2023 AGM.



BOARD NOMINATIONS COMMITTEE REPORT

INTRODUCTORY STATEMENT

On behalf of the Board Nominations Committee, I present a report of the Committee's work over the 2022/23 season. This report sets out the principal activities of the Committee during that season and its priorities for the coming season.

The main focus of work undertaken was to continue the robust and transparent process for the recommendation of the Board of Directors' new Independent Non-Executive Director (INED).

Following the appointment of Yasmin Diamond as Chair of the RFU's Remuneration Committee, I continued to hold the role of Chair of the Board Nominations Committee.

While opportunities for greater face-to-face meetings have occurred, the use of hybrid meetings continued to offer the opportunity for more efficient communications and working, in particular with the Council Nominations Committee. We expect to see more hybrid working during the coming season and beyond, which will enable the Committee to continue to work effectively across its remit.

Tom Ilube
Chair, Board Nominations Committee

MEMBERSHIP OF THE COMMITTEE AT 30 JUNE 2023

Name	Role	Member since	Meetings attended
Tom Ilube CBE	Chair and Chair of the Board	2021	4 out of 4
Yasmin Diamond	INED	2022	4 out of 4
Genevieve Shore *	INED	2017	2 out of 2
Ken Andrews	RFU Council Member (ex officio as Chair of Council Nominations Committee)	2021	4 out of 4

* Genevieve Shore's term on the Board of Directors ended on 1 December 2022; this included stepping down from the Board Nominations Committee.

Note: The maximum number of scheduled meetings (including joint meetings with the Council Nominations Committee) held during the season that each member could attend is shown next to the number attended. Additional meetings and calls were held as required.

MEMBERSHIP, PURPOSE AND RESPONSIBILITIES OF THE COMMITTEE

The Membership, Purpose and Responsibilities of the Committee can be found [here](#).

ACTIVITIES OF THE COMMITTEE

BOARD APPOINTMENTS

A significant piece of work for the Committee

this year was to identify a successor to Dominic Proctor, INED, whose term of office ended on 31 July 2022. The appointment process was led by the Committee and, in addition to public advertisement, the search firm Odgers Berndtson assisted with the search. The Committee ran an open and transparent process, and candidates were interviewed by a range of Board and Council members, with the Committee using its Board skills matrix to identify the skills and experience necessary, with Yasmin Diamond CB being selected

as the preferred candidate.

The Committee also made the following recommendations to the Board:

- David Roberts as Chair of the Community Game Board for a term of 1 August 2023 until 31 July 2026
- Auriol Stevens as Independent Non-Executive Director for a term of 1 August 2023 until 31 July 2026
- Deborah Griffin OBE and Jonathan Webb as World Rugby Representatives for a term of 1 August 2023 until 31 July 2024

These appointments were approved by the Board, and subsequently ratified by the Council and the members at the 2023 AGM.

The Council Nominations Committee also recommended Commander Kirsty Marlor and Jonathan Webb as Council Elected Directors for terms of 1 August 2023 until 31 July 2026, and 1 August 2023 to 31 July 2024 respectively.

INTERNATIONAL REPRESENTATIVES

During the 2022/23 season, the Committee considered the RFU's representatives on international rugby bodies and did not recommend any changes to the RFU's World Rugby Representatives, instead recommending the re-election of both Jonathan Webb and Deborah Griffin OBE. The need for turnover in these roles is balanced by the benefit of individuals in post who are able to develop longstanding relationships at an international level and thereby increase the RFU's influence with stakeholders.

Accordingly, the RFU's World Rugby Representatives remain as Bill Sweeney, Jonathan Webb and Deborah Griffin. Jonathan Webb was elected to World Rugby's Executive Committee in 2021 and Deborah Griffin continues to chair World Rugby's Audit Committee.

The RFU's representatives on the Six Nations Council are Bill Sweeney and Sue Day.

The RFU's representatives on Rugby Europe for 2022/23 remained Rob Udwin and Steve Grainger. With Rob Udwin's appointment as the RFU's Senior Vice-President for 2023/24, the Committee worked with the Council Nominations Committee to identify a replacement for the RFU's representative on Rugby Europe for the 2023/24 season; Dick Tyler (Council Member) was the nominated individual and will be the RFU representative on Rugby Europe alongside Steve Grainger.

INCLUSION AND DIVERSITY

Inclusion and diversity remained an important consideration for the Committee during the season. Recommendations from the Committee and the Council Nominations Committee have now ensured that the Board has achieved gender parity across its membership, and exceeded the Board's objective of having at least two members from ethnically diverse backgrounds, as it now has three such members. This will continue to be an important consideration for the work of the Committee and the Council Nominations Committee in season 2023/24, which will include making recommendations for next steps. This is because the initial terms of the four members co-opted to Council to bring different and more diverse lived experience to the Council come to an end in 2024. Recommendation will be made around further work around the composition of the RFU's committee structure.

JOINT WORKING AND SUCCESSION PLANNING

Both Nominations Committees hold joint meetings at least twice a year, but members also meet and speak on a more regular basis. This ensures the work of the two Committees remains aligned, and that the Council Nomination Committee's knowledge of the skills and experience of the RFU's volunteer resource is understood by the Board Nominations Committee.



AUDIT & RISK COMMITTEE REPORT

INTRODUCTORY STATEMENT

This has been an interesting and challenging year for the Audit and Risk Committee as it oversaw the risk management and control processes across the diverse and complex operations of the RFU. Any Audit and Risk Committee has a very broad remit, particularly so for this Committee given the numerous roles of the RFU as a National Governing Body, as well as its relationship with the community and professional games. The Committee seeks to ensure appropriate focus is given to key financial decisions and processes as well as the broader risk management frameworks and assurance matrices.

I would like to thank Ian Clayden of BDO for his work as our Audit Partner, and I welcome Emma Jarvis who has responsibility for this year end's audit.

I am very grateful for the support I have received from my fellow Committee members, particularly

Stephen Pearson who has stepped down from Council this year. I am delighted that he has agreed to stay on the Audit and Risk Committee as a Co-opted member. I would also like to thank Philip Johnson who was reappointed in the year and agreed to bring his expertise for another term as an independent committee member. I would also like to welcome Brigadier James Cook to the Committee, and I am sure we will benefit from his insight and experience in the future.

Polly Williams
Chair, Audit & Risk Committee

MEMBERSHIP OF THE COMMITTEE

Name	Role	Member since	Meetings attended
Polly Williams	Chair, INED and RFU Board Member	2021	5 out of 5
Philip Johnson	Independent Committee Member	2017	5 out of 5
Tim Miller	RFU Council Member	2019	5 out of 5
Stephen Pearson	RFU Board and Council Member	2020	5 out of 5

Note: The maximum number of scheduled meetings held during the season that each member could attend is shown next to the number attended.

MEMBERSHIP, PURPOSE AND RESPONSIBILITIES OF THE COMMITTEE

The Membership, Purpose and Responsibilities of the Committee can be found here.

ACTIVITIES OF THE COMMITTEE

During the year, the Committee covered regular items typically in relation to risk, internal controls, potential litigation, accounting policies, corporate policies, significant accounting estimates, and judgements and reporting matters, as well as a range of deep-dive topics relevant to the RFU's key

risks, a number of which are set out below.

The Audit Committee received targeted training, focusing on developments in reporting requirements and developments in internal control expectations following the Department of Business, Energy and Industrial Strategy's consultation. The Committee keeps the members and its overall skills under review and organises deep dives or training sessions as appropriate.

The Committee's principal activities were as follows:

FINANCIAL STATEMENTS

The Committee reviewed and approved the Annual Report and Financial Statements, including the accounting policies and significant judgements and estimates, underpinning their preparation as disclosed in notes 2 and 3 on pages 73 to 81, along with the overall basis of preparation of the financial statements.

Particular attention was paid to the following significant areas of judgement and estimation in relation to the financial statements and their disclosure in the financial statements:

- Accounting for the new Premier Women's Rugby Limited company;
- Capitalisation of costs in the Digital Transformation Project.

Other matters of judgement considered were:

- The Group's cash flow forecasts, including downside scenarios and debt facilities to conclude that the Going Concern basis of preparation is appropriate;
- The assessment of the application of the revenue recognition policies;
- Review of the tax position of the RFU including assumptions made in the recognition and valuation of deferred tax assets;
- The assumptions used and the accounting treatment of the defined benefit pension scheme surplus;
- The assessment of the need for a provision for litigation and contingent liabilities.

For each of the above areas, the Committee considered the key facts and judgements outlined by management with relevant individuals attending the meeting to answer questions posed by the Committee. The issues were also discussed with the External Auditors both with and without management present. The Committee was satisfied that there are appropriate accounting policies in place in relation to these significant issues, and management have correctly applied these policies, making appropriate judgements as required.

The Committee also considered whether a fair representation of the key risks and uncertainties to the organisation had been included in the Annual Report.

The Committee recommended the Annual Report to the Board of Directors for its approval.

EXTERNAL AUDITORS

BDO LLP have been auditors of the RFU since 2019, when the last audit tender was undertaken. The Committee reviewed the performance of BDO during the previous year's audits and agreed some areas for improvement in the process. The Committee recommended the re-appointment of BDO as external auditors to the Board. In turn, the Board recommended this to the members, who approved the re-appointment of BDO LLP as the Group's external auditors for 2023 at the AGM on 16 June 2023.

A key facet of the role of the external auditors is that they are independent of the RFU and hence there are restrictions on non-audit services that the external auditors can perform. During the year, the external auditors did not carry out any non-audit work for the RFU.

BDO also have safeguards in place including requirements for audit partner rotation. Emma Jarvis is the statutory auditor for the year ended 30 June 2023. The Committee reviewed reports on the actions BDO take to comply with the professional and regulatory requirements and best practice designed to ensure their independence from the RFU. The Committee was satisfied with BDO's independence.

AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

The Committee reviewed and agreed the external audit plan and met in a closed session with the BDO during the year. The Committee received the views and conclusions of BDO regarding management's treatment of significant transactions and areas of judgement and estimation during the year, and BDO confirmed that they were satisfied that these had been treated appropriately in the financial statements. BDO reported in depth to the Committee on the scope and outcome of the annual audit. This reporting included their significant findings, internal control recommendations, and summary of adjusted and unadjusted audit differences.

EVALUATION OF THE AUDIT & RISK COMMITTEE

In line with the Committee timetable, the Chairman has conducted an internal evaluation of the Committee's performance and spoken individually to all the members as well as key contributors to identify any areas of improvement. There were no significant issues identified but a detailed report was presented to the Committee.



RISK MANAGEMENT AND INTERNAL CONTROL

The Committee reviewed the RFU's overall approach to risk appetite, risk management and control, and its outcomes.

Sources of assurance to the Audit and Risk Committee of the effectiveness of risk management and internal controls procedures included deep dives with relevant RFU experts on the following topics:

- Safeguarding
- Health and Safety
- Litigation
- Insurance provision
- Discipline processes
- GDPR
- Whistleblowing Process
- Tax matters

INTERNAL AUDIT

Internal audit is an independent and objective assurance function which aims to assess and recommend improvements in the RFU's overall control framework. Internal audit at the RFU is undertaken by RSM, an independent accountancy

firm. The Committee defines the responsibility and scope of the internal audit function and approves its annual plan and budget, which focuses on some of the key risks faced by the RFU.

RSM performed six internal audits during the year, covering:

- Travel management
- Human Resources Operational Controls
- Disciplinary matters
- Commercial subsidiary review
- The Governance framework for the Strategic Growth Fund
- Player Data Management

During the year, the Committee evaluated the performance of the internal auditors using an online questionnaire and was satisfied with their effectiveness. The Committee met with the Internal Auditors without management present during the year.

REMUNERATION COMMITTEE REPORT

INTRODUCTORY STATEMENT

On behalf of the Board, I am pleased to present our 2022/23 Remuneration Report. The Remuneration Report provides a comprehensive picture of the purpose, structure and decisions made by the Committee during the year.

This is my first report as Chair of the Committee, having succeeded Genevieve Shore in December 2022. I would like to place on record my sincere thanks to Genevieve for her considerable contribution to remuneration practices at the RFU. She steered the committee with great skill and determination through a period of significant challenge for the organisation.

Attracting and retaining high calibre executives and the England Teams' coaching talent are essential to the successful delivery of the overall RFU strategy. In determining the remuneration outturns for the year, the Committee maintained a clear focus on aligning pay with performance and has been mindful of the current cost of living challenges and its impact on the financial and emotional wellbeing of our employees. Additionally, the Committee met on several other occasions due to significant recruitment decisions in relation to the England senior coaching teams, for which the Committee needed to consider remuneration matters.

The Committee has followed the main principles of good corporate governance to ensure that senior level pay at the RFU is appropriate and affordable, closely aligned to the organisation's strategy, whilst recognising that the organisation is a membership society with wide-ranging responsibilities to its members.

The performance goals and measures agreed for the Executive Directors flow through to the management team, adjusted as appropriate to reflect individual areas of responsibility. This alignment at senior level is continued with performance goals and measures cascading further through the organisation, providing consistency in approach, supporting the interests of all stakeholders, and aligned to our culture and values. Performance against these goals and targets is linked to performance ratings and variable pay decisions at an individual level, and the business-level assessments are reflected in performance adjustments to the bonus pool.

The Committee has continued to support the



Executive team's commitment to performance and ensuring measures and targets are sufficiently stretching in the short term to drive performance over a sustained period.

I am very grateful for the support I have received from my fellow Committee members and the staff of the RFU, and I would like to thank them for my comprehensive induction and collaboration on managing an important agenda for the RFU.

Yasmin Diamond

Yasmin Diamond
Chair, Remuneration Committee

MEMBERSHIP OF THE COMMITTEE AT 30 JUNE 2023

Name	Role	Member since	Meetings attended
Yasmin Diamond	Chair, INED and RFU Board Member	2022	5 out of 5
Genevieve Shore	Chair, INED and RFU Board Member	2019	3 out of 3
Phil de Glanville	Chair Professional Game Board, RFU Board and Council Member	2020	4 out of 6
Tom Ilube CBE	Chair of the RFU Board	2021	6 out of 6
Naomi Sutcliffe	Independent Committee Member	2018	6 out of 6
Simon Wakefield	RFU Council Member	2021	6 out of 6

Note: The Remuneration Committee held six meetings during the year, which were all run as virtual Teams meetings. The maximum number of scheduled meetings held during the season that each member could attend is shown next to the number attended. Additional meetings were held as required. Phil De Glanville was unable to attend all meetings as some were called at short notice when the men's coaching team changes were made.

After four years on the Remuneration Committee, Genevieve Shore stood down and Yasmin Diamond replaced her as Chair of the Committee. We thank Genevieve for the significant and positive contribution she has made during her time as Chair of the Committee. Also within the year, Simon Wakefield resigned from his position of RFU Council member and Committee Member and has been replaced by Eddie Keal following a process run by the Board Nominations Committee

MEMBERSHIP, PURPOSE AND RESPONSIBILITIES OF THE COMMITTEE

The membership, purpose and responsibilities of the Committee can be found here.

DECISIONS TAKEN BY THE COMMITTEE

MEN'S SENIOR TEAM STRUCTURE

Following the decision of the Board to terminate the contract of the Men's Senior Team Head Coach in December 2022, the Committee approved a contractually pre-agreed termination payment.

As a result of this departure, there were a number of changes to the Men's Senior Team coaching structure. The Committee approved associated termination payments in line with contractual agreements and, as per terms of reference, ensured that contractual terms on termination and payments made were fair.

APPOINTMENTS:

The following appointments fell into the remit of the Committee, and consideration was given and remuneration agreed for the following roles:

- Appointment of England Senior Men's Head Coach
- Appointment of England Senior Men's Defence Coach
- Appointment of England Senior Men's Assistant Coach – Strategy
- Appointment of England Senior Men's Attack Coach
- Appointment of England Senior Men's Strength and Conditioning Lead
- Appointment of England Senior Men's Forward Coach (Scrum)
- Appointment of England Senior Women's Head Coach

EXECUTIVE BONUS STRUCTURE AND KPIS

The Committee reviewed and approved the Executive bonus structure, targets, goals, and measures for 2022/23.

LONG-TERM INCENTIVE PLAN (LTIP)

The Committee reviewed progress against the targets in the LTIP for the Executive Directors.

The LTIP runs for the period FY21/22 to FY23/24. Awards will be vested at the end of the three-year performance period and targets are closely aligned to both the intensive recovery plan required post COVID-19 and the longer-term strategic plan. The total liability for this scheme now totals £1.0m based on best estimates of whether the LTIP targets will be achieved in 23/24. Accordingly, an amount of £0.6m has been accrued under this scheme in year.

LEADERSHIP TEAM BONUS STRUCTURE

The Committee reviewed and approved a new bonus scheme for Leadership Team members.

CEO CONTRACTUAL NOTICE PERIOD

The Committee reviewed and approved a change to increase the CEO contractual notice period.

IMAGE RIGHTS

The Committee approved the introduction of Image Rights payments as part of the remuneration of our Senior Men's Team coaches.

REMUNERATION DECISIONS

The Committee approved the payment of an annual pay award for all employees. In addition, they approved a one-off cost-of-living payment for employees on lower salaries, the payment of an all-employee bonus based on the fulfilment of the organisational KPIs, and payment of Executive bonuses based on fulfilment of organisational and individual KPIs.

Total remuneration (including salary, car allowance, benefits in kind, pension contributions and bonus) paid to the Executive Officers on the Board for the financial year, was:

	2023 £000	2022 £000
Bill Sweeney, Chief Executive Officer	684	668
Simon Massie- Taylor, Chief Commercial Officer*	N/A	150
Sue Day, COO / CFO	509	491
Total	1,193	1,309

* Left December 2021 – 2022 remuneration disclosed on a pro rata basis.

The fee payable to the Chair of Board is £80k per annum and a fee of £25k per annum payable to each of the Non-Executive Directors on the Board. There is an additional £5k fee per annum payable for chairing one of the Audit and Risk, Remuneration or Board Nominations Committees.

As in prior years, some Non-Executive Directors have foregone their Board fees. Total remuneration that each of the Non-Executive Directors on the Board are entitled to in 2022/23 is as follows:

	2023 £000	2022 £000
Paula Carter	25	25
James Cook (joined August 22)	23	-
Chris Cuthbertson (left July 22)	2	25
Phil De Glanville	25	25
Yasmin Diamond (joined August 22)*	26	-
Stephen Pearson	25	25
Dominic Proctor (left July 22)*	3	30
David Roberts	25	25
Genevieve Shore*	13	30
Jonathan Webb	25	25
Tom Ilube (joined August 21)	80	73
Polly Williams (joined August 21)*	30	28
Peter Whiting (left July 22)	2	25
Total	304	336

* Chair of Committee

OTHER ACTIVITIES

Talent and Performance Management

The Committee reviewed the changes made to the performance management process and supported the new employee recognition scheme introduced in September 2022.



The Committee also reviewed the evolving succession plans for both our Executive and Leadership teams, and critical roles across the organisation.

HEAD COACH SUCCESSION PLANNING

The relevant leaders in our performance team continued to consult the Committee on their approach and progress to succession planning for our senior team head coaches. This allowed the Committee to support the appointments and decision-making processes for the new head coaches and their coaching teams.

INCLUSION AND DIVERSITY

The Committee reviewed the Inclusivity and Diversity survey, provided insight, and supported the proposed action plans.

GENDER PAY REPORTING:

The RFU published its latest Gender Pay Reporting Statistics in line with government legislation in

April 2023. Through our Inclusion and Diversity initiatives, we aim to reflect the diversity of society within English Rugby as well as our own workforce. Increasing the number of women in roles across our organisation forms part of our I&D plan and we have established several goals to achieve this. The Gender Pay Report can be found [here](#).

In addition, the Committee covered the following topics:

- Approved the Board and Executive Remuneration policy;
- Approved the Committee's revised Terms of Reference;
- Participated in a review of the Committee's effectiveness and an action plan is being implemented.

FINANCIAL STATEMENTS

- INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RUGBY FOOTBALL UNION
- GROUP PROFIT AND LOSS ACCOUNT
- PARENT PROFIT AND LOSS ACCOUNT
- GROUP AND PARENT STATEMENT OF COMPREHENSIVE INCOME
- BALANCE SHEETS
- GROUP STATEMENT OF CHANGES IN EQUITY
- PARENT STATEMENT OF CHANGES IN EQUITY
- GROUP CASH FLOW STATEMENT
- NOTES TO THE FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RUGBY FOOTBALL UNION

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Entity's affairs as at 30 June 2023 and of the Group's profit and the Parent Entity's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014 and the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969.

We have audited the financial statements of the Rugby Football Union (the 'Parent Entity') and its subsidiaries (the 'Group') for the year ended 30 June 2023 which comprise the Group and Parent profit and loss accounts, the Group and Parent statements of other comprehensive income, the Group and Parent balance sheets, Group and Parent statements of changes in equity, the Group cash flow statement and the notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Entity in accordance with the ethical

requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Entity's ability to continue to adopt the going concern basis of accounting included:

- **Evaluation and challenge of the Directors' key assumptions and judgements made in respect of their going concern assumption.** We did this by considering the reasonableness of the assumptions and judgements made by Directors based on our understanding of the Parent Entity's and Group's business and challenging Directors as to the accuracy of these to those actually achieved and then compared these to the history of the Group. Where appropriate, we vouched assumptions regarding key inflows to supporting documentation.
- **Historical comparisons: Assessing historic cash flow forecasts against actual cash flows achieved in the year and in previous years to assess historical reliability of data.**
- **Sensitivity analysis: Considering key inputs into the cash flow forecasts and assessing the Group's sensitivity to reasonably possible downside scenarios that could arise individually and collectively whilst considering the effect on the level of available financial resources.**
- **Identifying potential unrecorded liabilities that may exist in the Group: procedures included inspection of Director meeting minutes, post year end payments and invoice sampling.**
- **Assessing transparency: Assessing the completeness and accuracy of the going concern disclosures with reference to the directors' going concern assessment.**

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

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

OVERVIEW

Coverage¹	99% (2022: 99%) of Group profit before Rugby Investments 99% (2022: 99%) of Group revenue 98% (2022: 97%) of Group total assets		
Key audit matters	2023	2022	
	Fraud in Revenue recognition	✓	✓
	Accounting for complex transactions*	✗	✓
	* Accounting for complex transactions is no longer considered to be a key audit matter as in the prior year, this principally related to the accounting treatment of the sale of a 1/7th stake in 6 Nations media rights in 2022.		
Materiality	Group financial statements as a whole £3.0m (2022: £2.6m) based on 3% (2022: 3%) of profit before rugby investment after interest.		

1. These are areas which have been subject to a full scope audit by the group engagement team

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The Group comprises the Parent Union and eight components all located in the UK. There are two significant components. All audit work on the significant components was performed by the group audit team. Of the six non-significant components, the Group audit team has audited three components to the lower of statutory materiality and component materiality.

For the remaining three non-significant components with material balances, those material balances have been subject to audit and desk-top

analytical review procedures by the group audit team.

At the Parent Entity level we also tested the consolidation process.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter		How the scope of our audit addressed the matter
<p>Risk of Fraud in Revenue recognition</p> <p>The accounting policy for the recognition of revenue is set out in note 2 (e).</p>	<p>The group's revenue is generated from stadium operations, sponsorship, broadcasting, merchandising, multimedia and other commercial activities.</p> <p>We considered the incentive for management to perpetrate fraud in revenue recognition. Consequently, we considered there to be a risk of material misstatement in relation to revenue.</p> <p>Due to the high volume-low value nature of most of the transactions, we determined that this risk related to the existence of revenue through posting fictitious journals.</p>	<p>To address the risk of fraud in revenue recognition due to fictitious revenue journal posting, we performed the following procedures:</p> <ul style="list-style-type: none"> Performed data analytics procedures to test completeness of the journal entry population and to identify specific journal entries to test to address the risk; Performed detailed testing on any unusual journal combinations (ie credit to revenue and debit to unexpected accounts) and agreed these to underlying supporting documentation; Tested group adjustments to revenue as part of group consolidation adjustments by agreeing these to underlying supporting documentation. Tested the release of deferred income on a sample basis, to ensure that the revenue was recognised when the associated performance obligation was met. <p>Key observations:</p> <p>Based on the work performed we have not identified any inappropriate journal entries to revenue.</p>

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level,

performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2023 £	2022 £	2023 £	2022 £
Materiality	3,000,000	2,600,000	2,700,000	2,300,000
Basis for determining materiality	3% of profit before rugby investment after interest.			
Rationale for the benchmark applied	We consider this to be the principal consideration in assessing the financial performance of the Group as the Group considers profit before rugby investment to be one of their key performance indicators.		We consider this to be the principal consideration in assessing the financial performance of the Parent Entity as the Parent Entity considers profit before rugby investment to be one of their key performance indicators.	
Performance materiality	2,250,000	1,950,000	2,025,000	1,725,000
Basis for determining performance materiality	75% of the above materiality thresholds to adequately address the expected total value of known and likely misstatements, our knowledge of the group's internal controls and management's attitude towards proposed adjustments.		75% of the above materiality thresholds to adequately address the expected total value of known and likely misstatements, our knowledge of the parent entity's internal controls and management's attitude towards proposed adjustments.	

COMPONENT MATERIALITY

For the purposes of our Group audit opinion, we set materiality for each significant component of the Group, apart from the Parent Company whose materiality is set out above, based on the lower of individual statutory materiality and group set component materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £80,000 to £1,190,000 (2022: £50,000 to £863,000). In the audit of each component, we further applied performance materiality levels of 75% (2022: 75%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all identified corrected and uncorrected audit differences in excess of £0.1m (2022: £0.1m) being 3% (2022: 3%) of financial statement materiality together with differences below this threshold that, in our view, warranted reporting on qualitative grounds.

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Parent Entity; or
- a satisfactory system of control over the Parent Entity's transactions have not been maintained in accordance with Section 75 of the Co-operative and Community Benefit Societies Act 2014 ; or
- the Parent Entity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

The Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industries in which it operates;
- Discussion with management and those charged with governance, including internal legal counsel; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations,

we considered the significant laws and regulations to be Companies Act 2006(as applicable to component entities), Co-operative and Community Benefit Societies Act 2014 and the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969 and the financial reporting standard FRS 102.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the Health and Safety at Work act, UK Employment Law, Data protection Act, UK tax law including corporate tax, VAT and PAYE.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred;

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - » Detecting and responding to the risks of fraud; and

- » Internal controls established to mitigate risks related to fraud.

- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be Management override of controls and Fraud in Revenue recognition.

Our procedures in respect of the above included:

- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to actuarial assumptions, useful economic lives of tangible fixed assets, valuation of intangible assets, investment properties, investments, and recoverability of club loans;
- Performing detailed testing on any unusual journal combinations (ie credit to revenue and debit to unexpected accounts) and agreeing to underlying supporting documentation; and
- Identifying and testing a sample of journal entries throughout the year, which met a defined risk criteria, such as material journals and key word searches, by agreeing to supporting documentation.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-

compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

USE OF OUR REPORT

This report is made solely to the Parent Entity's members, as a body, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Parent Entity'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 Parent Entity and the Parent Entity's members as a body for our audit work, for this report, or for the opinions we have formed.

Emma Jarvis

Emma Jarvis (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

21 November 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR TO 30 JUNE 2023

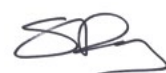
	Notes	Group 2023 £m	Group 2022 £m
Revenue	4	221.4	189.1
Cost of sales		(44.6)	(38.2)
Gross profit		176.8	150.9
Overhead expenses		(73.4)	(58.5)
Profit before rugby investment		103.4	92.4
Rugby investment			
Professional rugby investment		(68.3)	(57.0)
Rugby development investment		(31.1)	(20.4)
Total rugby investment		(99.4)	(77.4)
Operating profit		4.0	15.0
Profit on sale of shares in investment	9	-	87.6
Debenture waiver credit	10	-	2.6
Interest receivable and similar income	10	1.8	0.9
Interest payable and similar charges	11	(2.2)	(3.1)
Loss on fair value adjustments to fixed asset investments	16	(0.2)	(0.5)
Profit on ordinary activities before taxation		3.4	102.5
Tax charge on ordinary activities	12	(2.1)	(0.3)
Profit on ordinary activities after taxation		1.3	102.2
Profit attributable to non-controlling interests		(7.6)	(7.2)
(Loss)/profit to reserves		(6.3)	95.0

All profit and loss items relate to continuing operations.

The notes on pages 72 to 102 form part of these financial statements.



Bill Sweeney
Chief Executive Officer



Sue Day
COO/CFO



Tom Ilube
Chair



Angus Bujalski
Company Secretary

PARENT PROFIT AND LOSS ACCOUNT

FOR THE YEAR TO 30 JUNE 2023

	Notes	Parent 2023 £m	Parent 2022 £m
Revenue	4	168.1	146.9
Cost of sales		(17.0)	(14.2)
Gross profit		151.1	132.7
Overhead expenses		(62.5)	(51.5)
Profit before rugby investment		88.6	81.2
Rugby investment			
Professional rugby investment		(68.8)	(57.3)
Rugby development investment		(24.5)	(20.4)
Total rugby investment		(93.3)	(77.7)
Operating (loss)/profit		(4.7)	3.5
Profit on sale of shares in investment	9	-	87.6
Debenture waiver credit	10	-	2.6
Interest receivable and similar income	10	1.9	0.9
Interest payable and similar charges	11	(0.9)	(1.7)
Loss on fair value adjustments to fixed asset investments	16	(0.8)	(0.9)
(Loss)/profit on ordinary activities before taxation		(4.5)	92.0
Tax credit on ordinary activities	12	3.5	4.1
(Loss)/profit on ordinary activities after taxation		(1.0)	96.1

All profit and loss items relate to continuing operations.

The notes on pages 72 to 102 form part of these financial statements.

GROUP AND PARENT STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR TO 30 JUNE 2023

	Notes	Group 2023 £m	Group 2022 £m	Parent 2023 £m	Parent 2022 £m
Profit/(loss) on ordinary activities after taxation		1.3	102.2	(1.0)	96.1
Actuarial gain on defined benefit pension scheme	28	2.9	7.1	2.9	7.1
Movement on deferred tax relating to actuarial gain	12	(0.8)	(1.8)	(0.8)	(1.8)
Change in value of hedging instrument		0.1	-	0.1	-
Other comprehensive income for the year		2.2	5.3	2.2	5.3
Total comprehensive income for the year		3.5	107.5	1.2	101.4
Total comprehensive income attributable to:					
Non-controlling interests		7.6	7.2	-	-
Owners of the parent		(4.1)	100.3	1.2	101.4
		3.5	107.5	1.2	101.4

All profit and loss items relate to continuing operations.

The notes on pages 72 to 102 form part of these financial statements.

BALANCE SHEETS AT 30 JUNE

FOR THE YEAR TO 30 JUNE 2023

	Notes	Group 2023 £m	Group 2022 £m	Parent 2023 £m	Parent 2022 £m
Fixed assets					
Intangible fixed assets	13	3.8	2.1	3.7	2.0
Tangible fixed assets	14	254.5	267.0	235.5	245.9
Loans to clubs	15	5.1	6.0	0.4	0.5
Investments	16	8.1	7.9	133.9	132.5
Investment property	17	7.1	6.9	7.1	6.9
Debtors and prepayments due after one year	19	37.4	55.4	37.4	55.4
		316.0	345.3	418.0	443.2
Current assets					
Stock	18	0.7	0.3	-	-
Debtors and prepayments due within one year	19	56.7	44.3	75.6	59.5
Cash at bank and in hand	20	24.9	35.2	12.1	19.5
Short-term deposits	21	25.0	-	25.0	-
Deferred tax	12	0.4	0.9	-	-
Pension asset	28	10.0	6.5	10.0	6.5
		117.7	87.2	122.7	85.5
Creditors					
Amounts falling due within one year	22	(61.1)	(54.2)	(73.7)	(62.6)
Net current assets		56.6	33.0	49.0	22.9
Amounts falling due after one year	22	(88.8)	(102.7)	(86.9)	(101.9)
Net assets before debentures		283.8	275.6	380.1	364.2
Debentures (due between 52 and 76 years)	24	(220.7)	(206.0)	(220.7)	(206.0)
Capital and reserves					
Called up share capital	25	-	-	-	-
Debenture reserve	27	38.1	38.1	38.1	38.1
Other reserve	27	(97.1)	(95.7)	-	-
Profit and loss reserve	27	123.3	125.9	121.3	120.1
Equity attributable to owners of the parent		64.3	68.3	159.4	158.2
Non-controlling interests		(1.2)	1.3	-	-
Total equity		63.1	69.6	-	-
Capital employed*		283.8	275.6	380.1	364.2

*Capital employed is defined as total equity and debentures.

The notes on pages 72 to 102 form part of these financial statements.

The financial statements were approved by the Board of Directors on 21 November 2023, and signed on its behalf by:



Bill Sweeney
Chief Executive Officer



Sue Day
COO/CFO



Tom Ilube
Chair



Angus Bujalski
Company Secretary

GROUP STATEMENT OF CHANGE IN EQUITY

FOR THE YEAR TO 30 JUNE 2023

	Called up share capital £m	Other reserve £m	Debenture reserve £m	Profit and loss reserve £m	Total equity funds £m	Non-controlling interests £m	Total equity funds and non-controlling interests £m
At 1 July 2021	-	(94.3)	38.1	24.2	(32.0)	3.1	(28.9)
Profit for the year	-	-	-	95.0	95.0	7.2	102.2
Other comprehensive income	-	-	-	5.3	5.3	-	5.3
Total comprehensive income for the year	-	-	-	100.3	100.3	7.2	107.5
Transfer between reserves	-	(1.4)	-	1.4	-	-	-
Dividends paid	-	-	-	-	-	(9.0)	(9.0)
At 30 June 2022	-	(95.7)	38.1	125.9	68.3	1.3	69.6
Loss for the year	-	-	-	(6.3)	(6.3)	7.6	1.3
Other comprehensive income	-	-	-	2.2	2.2	-	2.2
Total comprehensive income for the year	-	-	-	(4.1)	(4.1)	7.6	3.5
Transfer between reserves	-	(1.4)	-	1.4	-	-	-
Foreign exchange gain	-	-	-	0.1	0.1	-	0.1
Dividends paid	-	-	-	-	-	(10.1)	(10.1)
At 30 June 2023	-	(97.1)	38.1	123.3	64.3	(1.2)	63.1

The notes on pages 72 to 102 form part of these financial statements.

PARENT STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR TO 30 JUNE 2023

	Called up share capital £m	Debenture reserve £m	Profit and loss reserve £m	Total equity funds £m
At 1 July 2021	-	38.1	18.7	56.8
Profit for the year	-	-	96.1	96.1
Other comprehensive income	-	-	5.3	5.3
Total comprehensive income	-	-	101.4	101.4
At 30 June 2022	-	38.1	120.1	158.2
Profit for the year	-	-	(1.0)	(1.0)
Other comprehensive income	-	-	2.2	2.2
Total comprehensive income	-	-	1.2	1.2
At 30 June 2023	-	38.1	121.3	159.4

The notes on pages 72 to 102 form part of these financial statements.

GROUP CASH FLOW STATEMENT

FOR THE YEAR TO 30 JUNE 2023

	Notes	2023 £m	2022 £m
Cash flows from operating activities			
Profit on ordinary activities after taxation		1.3	102.2
Adjustments for:			
Amortisation of intangible assets		0.6	0.5
Depreciation of tangible assets		19.1	18.4
Loss on disposal of tangible fixed assets		0.7	0.2
(Profit) on sale of shares in fixed asset investments	9	-	(87.6)
Gain on fair value of investment properties	17	(0.2)	-
Corporation tax charge		2.1	0.3
Debenture waiver		-	(3.4)
Interest receivable		(1.1)	(0.9)
Interest charge	11	2.2	3.1
Net pension expense	28	(0.8)	(0.7)
Loss/(gain) on fair value of fixed asset investments	16	0.2	0.5
Corporation tax paid		(2.2)	(2.0)
(Increase)/decrease in stock		(0.4)	-
(Increase)/decrease in debtors		(11.9)	(7.5)
Increase/(decrease) in creditors		8.1	14.6
Net cash flows from operating activities		17.7	37.7
Cash flows from investing activities			
Purchase of intangible fixed assets	13	(2.3)	(0.1)
Purchase of tangible fixed assets	14	(7.3)	(6.3)
Loans advanced to clubs	15	(0.1)	(0.3)
Loans repaid by clubs	15	1.0	1.3
Proceeds from sale of fixed asset investments		19.2	14.0
Net movement in fixed asset investments		(0.4)	-
(Increase)/decrease in short term deposits		(25.0)	-
Net cash flow from investing activities		(14.9)	8.6

	Notes	2023 £m	2022 £m
Cash flows from financing activities			
(Repayment)/draw down of bank loans (net of fees)	23	(17.0)	(47.5)
Debentures issued	24	14.7	8.1
Interest paid		(0.7)	(1.7)
Dividends paid to non-controlling interests		(10.1)	(9.0)
Net cash flow from financing activities		(13.1)	(50.1)
Net change in cash and cash equivalents		10.3	(3.8)
Cash and cash equivalents at beginning of year		35.2	39.0
Net change in cash and cash equivalents		(10.3)	(3.8)
Cash and cash equivalents at end of year		24.9	35.2

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Rugby Football Union is a registered society in England. The Registered Office is Rugby House, Twickenham Stadium, 200 Whitton Road, Twickenham, Middlesex, TW2 7BA.

2. ACCOUNTING POLICIES

a. Statement of compliance and basis of preparation

The financial statements have been prepared under the historical cost basis, modified to include certain items at fair value, and in accordance with the Financial Reporting Standard 102 (FRS102), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and the Co-operative and Community Benefit Societies Act 2014.

The Group and Company have determined that they meet the definition to be classified as a public benefit entity under FRS 102 Section 34 and apply the provisions of this section as disclosed below.

The financial statements are prepared in sterling, which is the presentational currency of the Group, and rounded to the nearest £0.1m.

b. Disclosure exemptions

The Parent has taken advantage of the following disclosure exemptions available under FRS 102:

- The requirements of section 7 "Statements of Cash Flows" and section 3 "Financial Statement Presentation" paragraph 3.17 (d).
- The requirements of section 11 paragraphs 11.39 to 11.48A and section 12 paragraphs 12.26 to 12.29.
- The requirement of section 33 "Related Party Disclosures" paragraph 33.7A.

In preparation of the financial statements, the following accounting principles and policies have been applied:

c. Going concern

In adopting the going concern basis for preparing the financial statements, the Directors have considered the business activities set out in the Strategic Report on pages 6 to 37 including the Group's principal risks and uncertainties, together with the Group's short, medium and long term forecasts.

Over a four-year international rugby cycle, the RFU seeks to broadly match its annual investments into rugby to its net operating incomes after debt service and retention of reserves for longer-term investment into rugby infrastructure. Alongside this, the RFU seeks to broadly fund long-term capital investment for the future of rugby from long-term debt, debentures or equity.

The Group has strong visibility of its broadcasting, match day and sponsorship income streams, as well as its principal financial investment commitments and capital funding options. Subject to inherent uncertainties in cash flow forecasts, this business model, and the level of financial flexibility that it affords if necessary, provides an adequate level of assurance over going concern.

In November 2021, the RFU committed to a £90m revolving credit facility split between two banks for a three-year period, with an option of up to two further years. In November 2022, the facility option for 1 year was taken and the total facility reduced to £75m with £70m being the revolving credit facility and £5m overdraft. This facility reduces to £35m in October 2024. This facility is subject to financial covenants and interest and capital repayment terms, which the Board are comfortable will be met based on current forecasts and projected covenant positions.

During the year, £17m of drawn facilities was repaid with none outstanding at year end. The RFU post year end has good liquidity with cash in the bank and a low level of reliance on the facilities with the full £75m currently available.

The Directors have reviewed the financial projections for the Rugby Football Union Group, including various scenarios, for the years 2023/24 and 2024/25, these include sensitivities to the economic climate including increasing energy prices, increasing interest rates, and high levels of inflation.

In all but remote scenarios the Group will be able to operate within the level of, and in compliance with, the terms of its bank facilities and covenants during this period. Based on the Group's cash flow projections, which incorporate reasonable sensitivities and contingencies for a period of not less than 12 months from the date of approval of these financial statements, the Board has concluded that the Group has sufficient financial resources to meet its liabilities as they fall due.

For this reason, the Group continues to adopt the going concern basis in preparing its financial statements.

d. Basis of consolidation

The Group's financial statements consolidate the results of the Company and its subsidiary undertakings up to 30 June each year. Intercompany transactions and balances between Group Companies are therefore eliminated in full. The results of subsidiary undertakings are consolidated from the date control is obtained to the date control ceases.

The Group's interests in subsidiary undertakings are fully consolidated on a line by line basis, with non-controlling interests' share of earnings and retained earnings shown separately.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 July 2014.

The Rugby Football Foundation and RFU Injured Players Foundation charities are consolidated into the Group financial statements on the basis that the RFU has control over these entities through a controlling representation on their Boards of Trustees.

The RFU also has a 25% shareholding in British & Irish Lions Designated Activity Company and a 29% shareholding in Six Nations Rugby Limited. Due to the Group's inability to exercise significant influence over these investee companies, management do not believe that it is appropriate to equity account these investments. The Group's share of net surpluses and net assets after settlement of contractual obligations of British & Irish Lions Designated Activity Company and Six Nations Rugby Limited are not material to the Group. England Rugby Limited (ERL) is a 100% owned subsidiary of the RFU that houses the Winter Sports Survival Programme Loans. In line with FRS 102, it has not been consolidated. Ordinarily a 100% subsidiary would be consolidated in line with the Companies Act 2006 section 405 (3) (a). However FRS 102 requires exclusion from consolidation on the grounds of 'severe long-term restrictions that substantially hinder the exercise of the rights of the parent company over the assets or management of that undertaking'. Having entered into the facility agreement with Sport England and DCMS, ERL is restricted from entering into any other transactions

other than issuing loans to rugby clubs and holding the loan with Sport England. The key operational and financial decisions of ERL are subsequently made by the "Investment Committee" of which representatives of ERL, Sport England and DCMS are all equal members. The RFU holds 1/3 of the voting rights and DCMS has the deciding vote and can also veto any decisions made. This constitutes 'severe restrictions' from RFU exercising dominant control.

The RFU retains significant influence and therefore accounts for England Rugby Limited as an associate.

e. Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised when a) the significant risks and rewards of ownership are transferred, b) revenue can be measured reliably, excluding value added tax, in respect of the sale of goods and services rendered to the extent that it is probable that the economic benefits will be received.

Revenue recognition policies for specific revenue streams are as follows:

- Ticket revenue and the sale of hospitality packages are recognised when the relevant event is staged.
- Revenue determined by commercial contracts, which makes up the majority of broadcasting revenue, sponsorship revenue and the leasing of hospitality boxes, is recognised in accordance with the terms and period of the contract.
- Grant income is recognised when the respective grant conditions have been satisfied and fall within the period to which the grant relates.
- Donation income is recognised at the point the donation cash is received.
- Subscription income is recognised at the point the transaction occurs.
- Travel revenue is recognised on the commencement of the related tour, being the date of travel.
- Hotel revenue is recognised at the point at which rooms are occupied and food and beverage is sold.
- Health club membership revenue is recognised on a straight-line basis over the membership term with joining fees recognised at the date of granting the membership as they are non-refundable.

- Fees from the staging of concerts and after match events at Twickenham Stadium are recognised when the relevant event is staged.
- Revenue from barter transactions are recognised at the gross fair value based on the goods and services provided. The offsetting cost of the goods or services is recognised in cost of goods sold.
- Catering income is recognised as at the date of delivery.

f. Leases

At the inception of a lease the RFU, as lessee, determines whether it is a finance or an operating lease. The criteria for recognition as a finance lease is that substantially all of the risk and rewards of ownership are transferred to the RFU; if this criteria is not met, the lease is classified as an operating lease.

A finance lease is recognised at the inception of the lease at fair value and is depreciated on a straight-line basis over the shorter of the useful economic life and the lease term. Lease payments are split between a finance charge and a reduction of the capital outstanding so that the interest charge for each accounting period is a constant percentage of the capital sum outstanding.

Operating leases are charged on a straight line basis over the term of the lease to the Profit and Loss Account. Any benefit received in the form of a lease incentive is recognised as a reduction to the expense over the lease term on a straight line basis.

g. Taxation and deferred taxation

Tax is recognised in the Profit and Loss Account, except where an item of income or expense has been recognised in other comprehensive income or directly in equity. In such a situation the tax charge or credit is also recognised in other comprehensive income or directly in equity.

The income tax charge for the year is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the Company's subsidiaries operate and generate taxable income.

Deferred tax balances are recognised in respect of all timing differences that have originated but have not been reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures, and the Group can control the reversal of the timing differences. Such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them, and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

h. Intangible fixed assets and amortisation

Intangible assets relate to computer software and software development relating to the Digital Transformation project. They are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

Computer software	3-10 years
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Assets under construction are not amortised until they are brought into use.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Costs associated with maintaining computer software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;

- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

i. Tangible fixed assets and depreciation

Tangible assets are stated at historic cost less accumulated depreciation and any provision for impairment. Such costs include costs directly attributable to bringing the asset into use. Borrowing costs directly attributable to major stadium work are capitalised as part of the asset.

Depreciation commences when the asset is first brought into use and is provided to write off the cost of the assets less any expected residual value on a systematic basis over their estimated useful lives on a straight-line basis as follows:

Buildings	10-75 years
Long-term leasehold property	Over the lease of the property
Fixtures, fittings and equipment	3-40 years

Land is not depreciated. Assets under construction are not depreciated until they are brought into use.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and

maintenance are charged to profit or loss during the period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and, where material, are recognised within 'interest receivable and similar income' in the Profit and Loss Account.

At the end of each reporting period, management consider if impairment indicators exist for all tangible assets. In the instance that impairment indicators are identified, management will compare the carrying value to the higher of recoverable value and value in use. If the carrying amount exceeds these amounts it is reduced and the impairment loss is recognised in the Profit and Loss Account.

Artificial grass pitches

The Rugby Football Development Limited (RFDL) entity developed a national facilities strategy to deliver an AGPs project to the grassroots of the game. The RFU leases the sites from selected clubs for 30 years and RFDL builds and subsequently manages the pitches.

Depreciation is charged from the date the asset is available for use which is deemed to be when a practical completion handover document from the supplier has been signed and handed over to RFDL. The pitch has two layers which are capitalised as separate assets and depreciated using the straight-line method over their respective economic lives:

Base layer	30 years
Top layer	10 to 12 years

Heritage assets

Heritage assets held by the RFU comprise primarily trophies and paintings displayed in the museum. They are recognised in the statement of financial position at historic cost, to the extent that this information is available. There is no depreciation charge against Heritage assets because it is estimated that the assets have an extended and indeterminate useful life such that any depreciation charge would be negligible. The carrying values of Heritage assets are reviewed when there is evidence of impairment, for example, when an asset has suffered physical deterioration or breakage or where doubts arise as to its authenticity.

j. Loans to clubs

Loans to clubs are accounted for as concessionary items in accordance with section 34 of the public benefit entity guidance contained within FRS 102.

All loans to clubs have their own individual terms and conditions and are advanced to member clubs by the Rugby Football Foundation, and by the RFU.

The loan is initially recognised at the amount paid to the club, and is subsequently adjusted for any accrued interest payable. In the instance that the loan in part or full has become irrecoverable an impairment loss is recognised in the Profit and Loss Account.

k. Investment property

Investment property is initially measured at cost, which comprises the purchase price less any directly attributable costs. Subsequently the properties are measured at fair value at each reporting date, determined annually by the Directors or external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Profit and Loss Account.

l. Investments in subsidiary and associate undertakings

Investments in subsidiary and associate undertakings are held as fixed assets and stated at cost, less provision for impairment, in the stand-alone financial statements of the Parent.

m. Other investments

The investments are held for charitable purposes and are initially recognised at fair value. Subsequently the investments are measured at fair value through the Profit and Loss Account.

n. Investments in joint ventures

Material joint venture (JV) operations are accounted for with the investment held at cost, less provision for impairment and amounts due to/ from the JV held on the balance sheet, with a share of the profit/(loss) shown in the Profit and Loss Account.

o. Unlisted investments

Unlisted investments are accounted for at fair value through the Profit and Loss Account.

p. Stock

Stock is held for resale and is initially valued at the lower of cost (first in, first out basis) and net realisable value (price less selling costs). At each reporting date the stock is impaired if its carrying value exceeds its net realisable value, with the loss being recognised in the Profit and Loss Account.

q. Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

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

Financial assets and liabilities are only offset in the balance sheet when, and only when, there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Short-term debtors are recognised at the transaction price, less any provision for impairment.

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are initially recorded at fair value, net of transaction costs, and are subsequently recognised at amortised cost using the effective interest method.

When a financial asset or financial liability is recognised initially, it is measured at the transaction price (adjusted for transaction costs except in the initial measurement of financial assets and liabilities that are subsequently measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction. An arrangement constitutes a financing arrangement if payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate. Where the arrangement constitutes a financing transaction, it is measured at the present value of the future

payments discounted at a market rate of interest for a similar debt instrument as determined at initial recognition adjusted for transactions costs.

r. Cash and cash equivalents

Cash represents cash in hand and deposits with banks and other financial institutions repayable without penalty on notice of not more than 24 hours.

Cash equivalents include short-term deposits with banks and other financial institutions with a maturity date of three months or less from the date of acquisition.

The Group Cash Flow Statement shows the cash and cash equivalents net of bank overdrafts that are repayable on demand and form an integral part of the cash flow management.

s. Short-term deposits

The deposits are with banks and other financial institutions that are repayable within one year of year end and have a penalty charge if the deposit is withdrawn before maturity.

Due to the penalty charge on early redemptions, it could result in the reduction in value of the deposit, and due to this the cash is subject to more than insignificant risk of change to value so they are accounted for as short-term deposits.

t. Pension and other post-retirement benefits

The Rugby Football Union operates a defined contribution pension scheme and a defined benefit pension scheme.

i. Defined contribution pension plan

The defined contribution plan has contributions based on a percentage of salary made to an independently administered plan, the contributions being recognised as an expense when they fall due. There is no legal or constructive obligation to make any further payments to the plans other than contributions due.

ii. Defined benefit scheme

The defined benefit plan determines the pension benefit that the employee will receive on retirement, dependent upon several factors including age, length of service and remuneration.

The defined benefit surplus or deficit recognised

in the balance sheet in respect of the defined benefit plan is the fair value of the plan assets less the present value of the defined benefit obligation at year end.

Annually, the Company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds and that have terms approximating the estimated period of the future payments ('discount rate'). The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy. This includes the use of appropriate valuation techniques.

The full service cost of pension provision for the period, together with the cost of any benefits relating to past service, is charged to the Profit and Loss Account. The expected increase in the present value of scheme liabilities and the long term expected return on assets based on the market value of the scheme assets at the start of the period, are included as a net interest cost in the Profit and Loss Account under interest payable.

Actuarial gains and losses arising from adjustments due to historical performance and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as an actuarial gain or loss on remeasurement of the aligned pension scheme.

The net interest cost is calculated by applying discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

Where a defined benefit plan has been curtailed or settled in the period, the defined benefit obligation is amended accordingly and the resulting gain or loss is recognised in the profit and loss in the period.

A defined benefit pension surplus is recognised to the extent that the entity has an economic right, by reference to the conditions of the plan and relevant statutory requirements, to realise the asset over the course of the expected life of the plan or when the plan is settled.

u. Foreign currency translation of transactions and balances

Foreign currency transactions are translated into the Group entity's presentational 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 Profit and Loss Account. Foreign exchange gains and losses which relate to borrowings, cash and cash equivalents are presented in Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and Loss Account within 'overhead expenses'.

Monetary assets and liabilities denominated in foreign currencies are translated at the rates ruling at the Balance Sheet date.

v. Derivative financial instruments and hedging activities

The Group uses forward exchange contracts to hedge against the foreign currency exchange movements that present a cash flow risk on its future Euro denominated receivables from the Six Nations tournament. To the extent the hedge is effective, movements in fair value are recognised in other comprehensive income and then released on maturity of the contract. Any ineffective portions of those movements are recognised in profit or loss for the period.

w. Debentures

The Group has determined the entity and the debentures meet the criteria set out in Section 34 FRS 102 to be classified as public benefit entity concessionary loans. Initially these are recorded on the Balance Sheet at the value received. Subsequently these values are adjusted for any interest receivable or payable on the balance. It is not anticipated that there will be any change in value.

For debentures redeemed and donated as part of a debenture donation campaign, the liability is removed from the balance sheet in full and the difference between the donated value (redemption amount) and the liability credited to Profit and Loss Account under interest receivable and similar income.

x. Employee benefits and termination benefits

The Group recognises employee benefit liabilities in the period they relate to when it is demonstrated they are committed or a constructive obligation is in place.

The Group recognises termination benefit liabilities only when it is demonstrably committed or has a constructive obligation to either terminate the employment of an employee or group of employees before their normal retirement date, or to provide termination benefits as a result of a general or specific offer made in order to encourage voluntary redundancy.

y. Provision for liabilities and contingent liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

A contingent liability is either a possible but uncertain obligation or a present obligation that is not recognised because a transfer of economic benefits is not probable. A contingent liability also arises if a present obligation exists but the amount required to settle it cannot be reliably estimated, although this is not currently applicable to the Group.

Contingent liabilities are not recognised unless they have arisen in a business combination. They are disclosed unless the possibility of an outflow of resources is remote.

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the Balance Sheet date, and the amounts reported for revenues and expenses during the year. Actual outcomes could differ from the estimates made but management seeks to mitigate this risk by using all available information and experience to make judgements as accurate as possible.

a. Critical judgements

Twickenham Experience Limited (TEL)

TEL is a joint venture between the RFU (owning

60%) and the Compass Group (owning 40%), established to provide catering and hospitality services at Twickenham Stadium. The RFU has granted TEL exclusive hospitality rights at the stadium for a period of 40 years from May 2000.

RFU/Compass Agreement – 2018

In 2018, the RFU and Compass Group entered into new Shareholders' and Share Transfer Agreements, terminating the previous funding arrangements. Under the new agreements, Compass Group's contribution to the development of the East Stand is in the form of an increase in the value of its investment in TEL rather than a loan to the RFU.

This was effected by Compass Group selling its 40% share in TEL to the RFU for £46.5m and immediately repurchasing it for £78.5m. The previous loan of £3m from Compass to the RFU was also settled as part of this transaction.

The transaction generated a gain in 2017/18 after associated costs of £31.6m which, in accordance with FRS 102, was recorded in the Profit and Loss Reserve. Compass was granted the irrevocable right to exercise a put option, at a stated price, on the occurrence of an option event as set out in the contract (for example, the cessation of rugby matches at Twickenham).

According to the original agreement in 2018, if no option event occurred before 30 June 2028, the contract required RFU to repurchase Compass Group's 40% share of TEL for £95.5m. However, due to the impact of the Covid-19 pandemic, this has been extended to 30 June 2029. The likelihood of an option event occurring before 30 June 2029 is considered to be highly unlikely and as such, the RFU has accounted for the obligation to repurchase Compass Group's shares by recording a liability.

Professional Game Agreement

The Professional Game Agreement between the RFU and PRL runs for eight years from the 2016/17 season through to the 2023/24 season.

During the first four years of the Agreement, the RFU invested over £100m in the professional game. From 2021/22 the level of investment for the final four years of the Agreement is wholly linked to the revenue of the RFU. Payments specific to each contractual year of the Agreement are recognised in the period to which they relate, once the agreed conditions have been met rather than the expense being recognised in full at the

signature of the Agreement.

Artificial Grass Pitches (AGP)

The pitches are capitalised and treated as tangible fixed assets, with their component parts depreciated from the date they are available for use.

No provision is recognised for the RFDL's requirement to ensure that each AGP is in such a condition that it has five years playing usage remaining at the end of the lease. It is anticipated that technological advancements in this area mean that no additional costs will be incurred to bring it to that condition.

The pitches are considered to be largely for the provision of social benefits by a public benefit entity and are therefore accounted for as items of property, plant and equipment as required by FRS 102.

Pension asset

A defined benefit pension asset is recognised to the extent that the entity has an economic right, there is a judgement on if an asset should be recognised by reference to the conditions of the plan and the relevant statutory requirements.

Impairment of investments

Investments held are reviewed on an annual basis for indicators of impairment and when an indicator exists an impairment review is performed, these indicators can be judgemental in nature. The requirement for an impairment exists when the carrying amount exceeds the higher of the investment's recoverable amount and value in use. Where an impairment test is carried out, management uses the best information available to assess the likely cash flows available to the relevant asset with sensitivities applied. If the value of the cash flows are lower than the relevant asset these are reviewed by management; if reasonable mitigation cannot be made an impairment is recognised.

b. Areas of estimation of uncertainty

Recoverability of intercompany receivables

Periodically the recoverability of the intercompany receivables are reviewed to ascertain if the Group company has the ability and means to settle the amount as it comes due. If during this review it is deemed that the intercompany receivable is not

recoverable then a provision is taken against it.

Debtor recovery

The recoverability of receivables is assessed to determine the requirement for a provision for doubtful debts. Recoverability is reviewed for known issues e.g. business in administration, legal disputes, payment plans not being met with amounts identified and a provision being taken. An additional review is undertaken of all debts outstanding for 91+ days and a provision taken against those where there is a recoverability issue.

Pension assumptions

The most significant assumptions affecting the valuation of the pension scheme liabilities at year end are those relating to the discount rate applied to scheme liabilities, rate of return on investments, rates of inflation, and the future rates of increases in salaries, pensions and mortality assumptions.

Management make these assumptions using advice from the firm of actuaries who perform the pension calculations and by taking into account all relevant past and present information at their disposal.

The FRS 102 valuation of the defined benefit pension scheme as at 30 June 2023 was conducted by an actuary, using as a basis the most recent actuarial valuation conducted at 30 April 2020, updating the assumptions based on discussions with management.

Deferred taxation asset

There are four principal drivers of the temporary differences that are available for offset against future profits of the Group and which give rise to deferred tax assets. These are : capital allowances on Twickenham Stadium and AGP investments; excess charitable donations; tax losses carried forward; and Pension asset.

Various assumptions have been made in assessing the extent to which deferred tax assets will be recovered. Prior to COVID-19, future profits could be more reliably predicted which meant recognition of a deferred tax asset was appropriate. Due to the uncertainty in the short and medium term, profits cannot be predicted as reliably and as a result, the full deferred tax asset has not been recognised.

Uncertainties, including those pertaining to the current economic climate and relevant market

conditions, are taken into consideration when calculating the level of probable deferred tax utilisation. These uncertainties impact the forecasts and the level of deferred tax asset that is recognised.

Estimated useful economic life of tangible fixed assets

Twice annually, a review is performed of the fixed asset register to consider whether there are any indications of impairment and to determine whether useful economic lives (UELs) and residual values remain appropriate. Management considers the condition of assets in use, as well as latest expectations of useful life and recoverable values at the end of this useful life.

Investment into Six Nations

CVC Capital Partners has invested up to £365m in exchange for a 1/7 share of the profits of New Six Nations Limited and an equal share in governance of the enterprise. CVC's investment will be tranching, with £305m paid to the Unions in five instalments over five financial years in equal 20% tranches, with a further potential £60m paid in years 5-7 contingent on certain EBITDA being achieved in those years.

The RFU has recognised its share of the full non-contingent consideration at the completion date of £87.6m (being £92.3m less £4.7m costs of the transaction). The deferred consideration amount is discounted at a rate of 1.98% which is unwound over the period of the deferred consideration.

The contingent element based on the EBITDA performance of SNRL has been reviewed based on different scenarios with sensitivities applied. At the date of completion, no amount was recognised and this has been reviewed again at year end and there has been no change.

4. REVENUE

Revenue is attributable to the activities as the governing body of rugby in England.

	Group 2023	Group 2022	Parent 2023	Parent 2022
	£m	£m	£m	£m
Ticket	48.4	33.7	53.1	37.5
Broadcasting	40.9	43.6	40.9	43.6
Sponsorship	25.9	24.1	25.9	24.1
Hospitality and Catering	70.8	61.5	9.4	9.7
Merchandising and Licensing	3.9	3.0	4.4	3.4
Hotel	6.7	4.2	-	-
Health and Leisure	2.9	2.5	-	-
Travel	1.1	1.5	-	-
Dividend	-	-	15.2	13.5
Recharges	-	-	8.9	4.6
Event hire fees	4.3	2.9	4.2	2.9
Funding	11.4	6.2	4.0	3.3
Debtore donations and gift aid	-	1.0	-	-
Other	5.1	4.9	2.1	4.3
	221.4	189.1	168.1	146.9

5. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

	Group 2023	Group 2022	Parent 2023	Parent 2022
	£m	£m	£m	£m
Board and Council – RFU Administration costs	0.2	0.5	0.5	0.5
Match related expenses	0.6	0.5	0.5	0.5
Depreciation of tangible fixed assets	19.1	18.4	16.5	15.9
Amortisation of intangible fixed assets	0.6	0.5	0.5	0.5
Loss on disposal of tangible fixed assets	0.7	0.2	0.2	0.2
Gain on investment property	0.2	-	0.2	-
Operating lease rentals	0.5	0.5	0.5	0.5
Auditors' remuneration – audit services	0.3	0.2	0.2	0.1
Foreign exchange loss	0.2	0.1	0.2	0.1

6. BOARD DIRECTORS' REMUNERATION

	2023 £m	2022 £m
Emoluments and benefits in kind	1.2	1.3

The highest paid Director received remuneration of £0.7m (2022: £0.7m) during the year. The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £nil (2022: £nil). There is one Director (2022: one) to whom retirement benefits are accruing under the defined contribution pension scheme.

Directors' bonuses were awarded for the year ended 30 June 2023. The Remuneration Committee report provides greater detail on Directors' pay and can be found on pages 52 and 55.

The above figures are shown on an accruals basis.

7. STAFF COSTS

	2023 £m	2022 £m
Direct employee costs		
Wages and salaries	32.3	27.3
Social security costs	3.9	3.2
Defined benefit pension costs	-	-
Defined contribution pension costs	3.2	3.0
Restructuring costs	0.9	-
	40.3	33.5
Other staff costs		
Temporary staff	3.1	2.5
Individuals employed by third parties at subsidiaries included in overheads	2.2	2.3
	45.6	38.3

The above figures include bonus payments on an accruals basis.

8. STAFF NUMBERS

	2023	2022
Average monthly number of direct employees (full-time equivalent)		
Stadium, Commercial and Administration (including non-executive directors)	261	229
Professional Rugby (including contracted Red Roses players)	160	136
Rugby Development	145	132
	566	497

Staff numbers above include Non-Executive Directors and contracted players.

9. PROFIT ON SALE OF SHARE IN SIX NATIONS LIMITED

	Group 2023 £m	Group 2022 £m	Parent 2023 £m	Parent 2022 £m
Gain from sale of share in Six Nations Limited	-	87.6	-	87.6

In November 2021, CVC Capital Partners became a seventh partner along with the six Unions and will hold a 14.3% stake in the New Six Nations Limited company. The RFU has recognised its share of the profit from the full non-contingent consideration at the completion date of £87.6m. However the cash will be received in five equal tranches over five financial years with the first payment received in November 2021 and the second in July 2022. The balance receivable is split between debtors due within one year and debtors due after one year.

No amount was recognised at the date of the transaction or at year end in respect of contingent consideration which becomes payable from 2026 onwards based on the EBITDA performance. The maximum amount of contingent consideration that could be payable to the RFU is £18.8m. However, based on current forecasts, including reasonable sensitivities thereon, the amounts expected to be receivable is £nil.

10. INTEREST RECEIVABLE AND SIMILAR INCOME

	Group 2023 £m	Group 2022 £m	Parent 2023 £m	Parent 2022 £m
Interest receivable and similar income	1.6	0.9	1.7	0.9
Pension net interest	0.2	-	0.2	-
Debenture waiver credit	-	2.6	-	2.6
	1.8	3.5	1.9	3.5

The debenture waiver credit in the prior year was due to the Debenture Donation Programme. Debenture holders were offered the opportunity to sell some or all of their debenture loans at their present value to the RFU on the basis that any proceeds were directed to the RFF. Debentures are accounted for at historical cost by the RFU and the above waiver credit is the difference between the present value donated (redemption value) of £nil (2022: £0.8m) and the cost value of the redeemed debentures on the balance sheet of £nil (2022: £3.2m). The scheme closed in the prior year.

11. INTEREST PAYABLE AND SIMILAR CHARGES

	Group 2023 £m	Group 2022 £m	Parent 2023 £m	Parent 2022 £m
Bank interest	0.7	1.7	0.7	1.7
Other interest charge	1.4	1.4	0.1	-
Other charges	0.1	-	0.1	-
	2.2	3.1	0.9	1.7

The other interest charge of £1.4m relates to the increase of the liability to repurchase Compass Group's 40% share of TEL for £95.5m in June 2029. The liability currently sits at £86.9m.



12. TAXATION

	Group 2023 £m	Group 2022 £m	Parent 2023 £m	Parent 2022 £m
(a) Corporation tax				
UK corporation tax on profit for the period	2.4	1.5	(2.7)	(2.3)
Total corporation tax	2.4	1.5	(2.7)	(2.3)
(b) Deferred tax				
Origination and reversal of timing differences	(0.2)	(1.3)	(0.7)	(1.8)
Adjustment in respect of previous years	-	-	-	-
Effect of changes in tax rate	(0.1)	0.1	(0.1)	-
Total deferred tax	(0.3)	(1.2)	(0.8)	(1.8)
Taxation on ordinary activities	2.1	0.3	(3.5)	(4.1)
(c) Tax included in group statement of total comprehensive income				
Deferred tax current year charge	0.8	1.8	0.8	1.8
Total tax included in other comprehensive income	0.8	1.8	0.8	1.8
(d) Factors affecting tax charge				
Profit/(loss) on ordinary activities before taxation	3.4	102.5	(4.5)	92.0
Tax on profit/(loss) at standard UK rate of 20.5% (2022: 19%)	0.7	19.5	(0.9)	17.5
Effects of:				
Expenses not deductible for tax purpose	6.2	4.3	2.3	1.6
Income not taxable	(7.0)	(22.3)	(7.0)	(21.7)
Capital gains charge	-	-	(0.1)	-
Tax rate changes	-	0.1	(0.1)	0.3
Other	3.0	0.5	3.1	-
Tax charge/(credit) for the year in profit and loss and other comprehensive income	2.9	2.1	(2.7)	(2.3)

(e) Factors that may affect future tax charges

The substantively enacted tax rate remained at 25% as at the Balance Sheet date of 30 June 2023.

It was announced on 3 March 2021 that the main rate of corporation tax will increase from 19% to 25% from 1 April 2023. For profits up to £50,000, the corporation tax rate will remain at 19% and for profits over £250,000, the corporation tax rate will be 25%. Marginal relief provisions have been introduced for profits between the lower and upper limits.

The Government included the above changes in the Finance Bill 2021 that had its third reading on 24 May 2021 and is now considered substantively enacted.

The closing deferred tax assets and liabilities have therefore been calculated at the substantively enacted rate (25%) the rate expected to apply to the unwinding of the asset as at the balance sheet date. If the unwinding was to occur during or after the tax year commencing 1 April 2023, they would unwind based on the above new rates.

	2023 £m
(f) Deferred tax asset	
Group	
At 1 July 2022	0.9
Deferred tax credit to Profit and Loss account for the year	0.3
Deferred tax charge in Other Comprehensive Income for the year	(0.8)
At 30 June 2023	0.4
Parent	
At 1 July 2022	-
Adjustment from previous periods	-
Deferred tax credit to Profit and Loss account for the year	0.8
Deferred tax charge in Other Comprehensive Income for the year	(0.8)
At 30 June 2023	-

The provision for deferred tax consists of the following deferred tax (assets)/liabilities:

	Group 2023 £m	Group 2022 £m	Parent 2023 £m	Parent 2022 £m
Deferred tax relating to pension scheme	2.6	1.8	2.6	1.8
Deferred tax relating to timing differences	(2.6)	(1.8)	(2.6)	(1.8)
Losses carried forward	(0.3)	(0.8)	0.0	0.0
Capital allowances	(0.1)	(0.1)	0.0	0.0
At 30 June	(0.4)	(0.9)	0.0	0.0

The deferred tax not recognised is £11.0m (2022: £9.1m). This reflects the impact of prevailing economic conditions that are putting pressure on the forecast utilisation of available losses and other deferred tax assets against reasonably foreseeable future taxable profits

13. INTANGIBLE FIXED ASSETS

Group	Software and software development £m	Total £m
Cost		
At 1 July 2022	7.0	7.0
Additions	2.3	2.3
Disposals	(0.5)	(0.5)
At 30 June 2023	8.8	8.8
Amortisation		
At 1 July 2022	(4.9)	(4.9)
Charge for the year	(0.6)	(0.6)
On disposals	0.5	0.5
At 30 June 2023	(5.0)	5.0
Net book value		
At 30 June 2023	3.8	3.8
At 30 June 2022	2.1	2.1
Parent		
Cost		
At 1 July 2022	6.8	6.8
Additions	2.3	2.3
Disposals	(0.5)	(0.5)
At 30 June 2023	8.6	8.6
Amortisation		
At 1 July 2022	(4.8)	(4.8)
Charge for the year	(0.6)	(0.6)
On disposals	0.5	0.5
At 30 June 2023	(4.9)	(4.9)
Net book value		
At 30 June 2023	3.7	3.7
At 30 June 2022	2.0	2.0

14. TANGIBLE FIXED ASSETS

Group	Land and buildings £m	Long-term leasehold property £m	Fixtures, fittings and equipment £m	Assets in the course of construction £m	Total £m
Cost					
At 1 July 2022	244.7	0.4	232.6	-	477.7
Additions	2.0	-	5.2	0.1	7.3
Disposals	(0.5)	-	(4.7)	-	(5.2)
Impairment	-	-	-	-	-
Transfer between asset classes	-	-	-	-	-
At 30 June 2023	246.2	0.4	233.1	0.1	479.8
Depreciation					
At 1 July 2022	(104.5)	(0.3)	(105.9)	-	(210.7)
Charge for the year	(6.3)	-	(12.8)	-	(19.1)
On disposals	0.4	-	4.1	-	4.5
At 30 June 2023	(110.4)	(0.3)	(114.6)	-	(225.3)
Net book value					
At 30 June 2023	135.8	0.1	118.5	0.1	254.5
At 30 June 2022	140.2	0.1	126.7	-	267.0
Parent					
Cost					
At 1 July 2022	221.2	0.4	215.6	-	437.2
Additions	1.9	-	4.3	0.1	6.3
Disposals	(0.4)	-	(3.9)	-	(4.3)
Impairment	-	-	-	-	-
Transfer between asset classes	-	-	-	-	-
At 30 June 2023	222.7	0.4	216.0	0.1	439.2
Depreciation					
At 1 July 2022	(98.7)	(0.3)	(92.3)	-	(191.3)
Charge for the year	(4.8)	-	(11.7)	-	(16.5)
On disposals	0.4	-	3.7	-	4.1
At 30 June 2023	(103.1)	(0.3)	(100.3)	-	(203.7)
Net book value					
At 30 June 2023	119.6	0.1	115.7	0.1	235.5
At 30 June 2022	122.5	0.1	123.3	-	245.9

Assets in the course of construction as at 30 June 2023 and 1st July 2022 include costs in respect of the ongoing stadium works.

Land and buildings of the Group and Parent includes freehold land and works of art of £4.5m (2022: £4.5m). The amount of interest capitalised during the year was £nil (2022: £nil). The total amount of interest capitalised to date is £13.7m (2022: £13.7m). The interest rate was 2.3% (2022: 2.3%). Heritage assets are recognised in investments under Other Fixed Asset Investments at a value of £0.1m (2022: £0.1m).

15. LOANS TO CLUBS

	Group 2023 £m	Group 2022 £m	Parent 2023 £m	Parent 2022 £m
At 1 July	6.0	7.0	0.5	0.5
Advances during the year	0.1	0.3	0.1	0.4
Repayments during the year	(1.0)	(1.3)	(0.2)	(0.4)
At 30 June	5.1	6.0	0.4	0.5

16. INVESTMENTS

Group Cost or valuation	Unlisted investments £m	Other fixed asset investments £m	Total £m
At 1 July 2022	-	7.9	7.9
Additions	-	1.0	1.0
Disposals	-	(0.6)	(0.6)
Gain/(loss) on fair value of fixed asset investments	-	(0.2)	(0.2)
At 30 June 2023	-	8.1	8.1

Included in other fixed asset investments are investments held by RFU Injured Players Foundation of £8.1m (2022: £7.9m). The investment portfolio is in the following proportions: equities 92% and cash 8% (2022: equities 92% and cash 8%).

Parent Cost or valuation	Subsidiary undertakings £m	Capitalised loans to Group undertakings £m	Other fixed asset investments £m	Total £m
At 1 July 2022	127.3	5.1	0.1	132.5
Additions	2.2	0.8	-	3.0
Disposals	-	(0.8)	-	(0.8)
Impairment	-	(0.8)	-	(0.8)
At 30 June 2023	129.5	4.3	0.1	133.9

The impairment of capitalised loan to Group relates to the amount owed by RFU Hotel Ltd which, due to the uncertainty created by COVID-19, has been fully impaired.

Details of the investments in which the Parent company hold 17% or more of the nominal value of any class of share capital are as follows:

	Country of incorporation	% holding of shares	Status	Year end	Principal activities
Rugby House, 200 Whitton Road, Twickenham, TW2 7BA					
Twickenham Experience Limited	Great Britain	60%	Subsidiary	30 June	Hospitality services
England Rugby Limited	Great Britain	100%*	Associate	30 June	Community Rugby
England Rugby Travel Limited	Great Britain	51%	Subsidiary	30 June	Sports travel agency
Rugby ReLink Limited	Great Britain	60%	Subsidiary	30 June	Radio equipment
Rugby Football Foundation	Great Britain	n/a**	Quasi-subsubsidiary	30 June	Community Rugby
Rugby Football Development Limited	Great Britain	100%	Subsidiary	30 June	Community Rugby
RFU Hotel Limited	Great Britain	100%	Subsidiary	30 June	Hospitality services
RFU Health and Leisure Limited	Great Britain	100%	Subsidiary	30 June	Health club
RFU Injured Players Foundation	Great Britain	n/a**	Quasi-subsubsidiary	30 June	Player welfare
IPF Trading Limited^	Great Britain	100%	Subsidiary	30 June	Player welfare
RFF Trading Limited^	Great Britain	100%	Subsidiary	30 June	Community Rugby
Yorkshire Rugby Academy	Great Britain	100%	Subsidiary	30 June	Community Rugby
Premier Women's Rugby Limited	Great Britain	100%	Subsidiary	30 June	Women's Premiership competition
Great Britain Rugby Sevens Limited	Great Britain	33%	Joint venture	30 June	Olympic Games Sevens rugby team
1st Floor, Simmonscourt House, Simmonscourt Road, Ballsbridge, Dublin 4, Ireland					
British & Irish Lions DAC	Rep of Ireland	25%***	Associate	30 June	Overseas rugby tours
New Six Nations Rugby Limited	Rep of Ireland	31.3%****	Investment	31 August	Competition management

In addition to the shareholding above, the Parent company is one of nine members of European Professional Club Rugby, a Swiss association whose principal activity is managing the relevant European club competitions.

During the year, Rugby Football Union USA was dissolved. The company was a holding company for an investment held in the USA (Rugby International Marketing LLP) that was dissolved in the year.

*England Rugby Limited is not consolidated due to Companies Act 2006 Section 405 (3) (A) due to long term restrictions being in place due to the entity and its purpose to facilitate the Winter Sports Survival Programme in collaboration with DCMS and Sport England.

**As charities, neither Rugby Football Foundation nor RFU Injured Players Foundation have share capital. The Rugby Football Union has control of these entities through representation on their Board of Trustees and they are therefore considered to be quasi-subsubsidiaries and consolidated.

***Due to the Group's inability to exercise significant influence over the investee and the immateriality of its net surplus and net assets after the settlement of its contractual obligations, this investment has not been equity accounted.

****Six Nations Rugby Limited's share capital is beneficially owned by Six Nations Council. Six Nations Council is an unincorporated members' association formed by The Rugby Football Union, the Irish Rugby Football Union Limited, the Welsh Rugby Football Union Limited, the Scottish Rugby Union plc, La Federation Francaise de Rugby and La Federazione Italiana Rugby. The Company operates as an agent on behalf of the Council and the Member Unions.

^Entities are dormant and exempt from audit under section 477 of the Companies Act 2006.

17. INVESTMENT PROPERTY

Group and Parent Valuation	Freehold investment property £m
At 1 July 2022	6.9
Fair value adjustments	0.2
At 30 June 2023	7.1

If investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2023 £m	2022 £m
Cost	1.4	1.4
Depreciation	(0.5)	(0.4)
	0.9	1.0

18. STOCK

	Group 2023 £m	Group 2022 £m	Parent 2023 £m	Parent 2022 £m
Goods for resale	0.7	0.3	-	-

19. DEBTORS AND PREPAYMENTS

	Group 2023 £m	Group 2022 £m	Parent 2023 £m	Parent 2022 £m
Amounts falling due within one year				
Trade debtors	16.4	14.9	9.9	8.4
Amounts owed from Group undertakings	-	-	29.3	24.3
Other debtors	3.0	3.3	2.7	1.7
Prepayments and accrued income	18.1	6.8	14.5	5.9
Deferred consideration	19.2	19.3	19.2	19.2
	56.7	44.3	75.6	59.5

Amounts owed by Group undertakings relate to short-term funding provided to subsidiaries for cash flow management. They are interest free, unsecured and repayable on demand.

	Group 2023 £m	Group 2022 £m	Parent 2023 £m	Parent 2022 £m
Amounts falling due after one year				
Deferred consideration	37.2	55.2	37.2	55.2
Other debtors	0.2	0.2	0.2	0.2

Based on a review of the age and nature of debtors and prior experience, a bad debt provision of £0.6m (2022: £0.1m) has been recognised.

The deferred consideration relates to the amount due from the sale of the investment in the Six Nations with amounts due annually until 2025.

20. CASH AT BANK AND IN HAND

Cash at bank and in hand includes £2.9m (2022: £2.7m) held in restricted funds by the Group's two charities, the RFU Injured Players Foundation and Rugby Football Foundation.

21. SHORT TERM DEPOSITS

The RFU currently has £25.0m on short-term deposits, the money is not accessible until maturity of the fixed term without penalty. The term of the deposits can range up to 12 months in duration.

22. CREDITORS

	Group 2023 £m	Group 2022 £m	Parent 2023 £m	Parent 2022 £m
Amounts falling due within one year				
Trade creditors	12.4	8.9	10.4	6.2
Amounts owed to Group undertakings	-	-	31.8	26.5
Corporation tax	0.2	-	-	-
Other taxes and social security	1.9	2.2	1.0	1.2
Other creditors	0.7	0.4	0.2	-
Accruals and deferred income	45.9	42.7	30.3	28.7
	61.1	54.2	73.7	62.6

Amounts owed to Group undertakings relate to short-term funding provided to subsidiaries for cash flow management. The majority are interest free, unsecured and repayable on demand. The balance with TEL incurs interest at 1% in year and 1.9% post year end.

	Group 2023 £m	Group 2022 £m	Parent 2023 £m	Parent 2022 £m
Amounts falling due after one year				
Bank loans (see note 23)	-	16.4	-	16.4
Other creditors	86.9	85.5	86.9	85.5
Accruals and deferred income	1.9	0.8	-	-
	88.8	102.7	86.9	101.9

Other creditors falling due after one year represents the current value of the RFU obligation to repurchase the Compass Group's 40% shareholding in TEL in 2029.

23. BANK LOANS

	Group 2023 £m	Group 2022 £m	Parent 2023 £m	Parent 2022 £m
Amounts falling due within one and two years	-	16.4	-	16.4

At the start of the year the RFU had an unsecured £90m committed revolving credit facility with two banks, Nat West and Santander. The facility was for three years with an option for two further years. The facility was extended in the year for one year and the total available facility was reduced to £75m. The facility reduces to £35m in October 2024. At the start of the year £17m of the loan was drawn down and that amount was fully repaid in the year. The £16.4m comprises of £17m of facility offset by £0.6m of prepaid arrangement fees. Interest is payable at 1.75% above SONIA on drawn down funds and 0.70% on the available commitment not drawn down.

24. DEBENTURES

During the year, 1,477 debentures of the same class (2022: 793) were issued for a total consideration of £14.7m (2022: £8.1m).

The debenture donation scheme finished in March 2022. A total of 6,014 debentures were donated with a present value of £8.3m to the RFF, with gift aid reclaimed of £1.8m. The debenture liability was reduced by £40.1m in total as debentures are held on a historical cost basis with the difference between the historical cost and the redemption value (the present value of the outstanding liability) credited to the Profit and Loss under debenture waiver credit.

	Group & Parent 2023 £m	Group & Parent 2022 £m
Analysis of maturity		
Debentures 2075	8.8	8.8
Debentures 2076	6.3	6.3
Debentures 2077	3.4	3.4
Debentures 2078	17.0	17.0
Debentures 2079	4.4	4.4
Debentures 2080	11.0	11.0
Debentures 2081	22.1	22.1
Debentures 2083	6.4	6.4
Debentures 2085	12.8	12.8
Debentures 2086	8.9	8.9
Debentures 2087	3.1	3.1
Debentures 2088	23.5	23.5
Debentures 2089	4.9	4.9
Debentures 2090	0.1	0.1
Debentures 2091	31.8	31.8
Debentures 2092	9.0	9.0
Debentures 2093	5.1	5.1
Debentures 2095	8.1	8.1
Debentures 2096	11.2	11.2
Debentures 2098	8.0	8.1
Debentures 2099	14.8	-
	220.7	206.0

25. SHARE CAPITAL

	2023 £m	2022 £m
Allotted, called up and fully paid		
2,000 allotted, called up and fully paid shares of £1 each	-	-

There is a total of 2,000 allotted, issued and fully paid up ordinary shares of £1 each as at 30 June 2023. Each member of the Rugby Football Union must hold one share which is subject to forfeiture upon ceasing to be a member.

26. OPERATING LEASE AND OTHER COMMITMENTS

Future minimum rentals payable under non-cancellable operating leases are as follows:

	2023 £m	2022 £m
Lease arrangements where Group and Parent are lessees		
Motor vehicles		
Within one year	0.5	0.5
Between two and five years	0.4	0.9
	0.9	1.4

The RFU has capital commitments at the 30th June of £2.3m due for payment within one year of year end relating to technology assets. No amounts are due in greater than one year.

Professional Game Agreement

Under the Professional Game Agreement, which is an eight-year agreement and has run from the 2016/17 season, the RFU has invested over £100m across the first seven years. The 2022/23 season is the third season where the level of investment is wholly linked to the revenue of the RFU and this will be the case for the remaining year of the agreement. Further details on this agreement are found on page 80.

27. RESERVES**Debenture reserve**

The debenture reserve comprises the accumulated gains on the sale of debentures issued prior to 2000.

Other reserve

The other reserve records the impact of transactions in the minority interest in Twickenham Experience Limited. It primarily comprises the amount to acquire the Compass Group's 40% shareholding in TEL in 2029. The reserve is increasing on a straight-line basis of £1.4m per year which is charged to the Profit and Loss Account as an interest expense.

Profit and loss reserve

The Profit and Loss reserve records the accumulated gains and losses to date through the Statement of Comprehensive Income.

28. DEFINED BENEFIT PENSION SCHEME

The RFU operates a defined benefit pension scheme in the UK, which is now closed to new entrants and future accruals. There is a separate trustee administered fund which holds the pension scheme assets to meet long term pension liabilities. The most recent full actuarial valuation was carried out at 30 April 2020 with the assumptions updated to 30 June 2023 in the most recent FRS 102 valuation by a qualified actuary, independent of the scheme's sponsoring employer. The valuation shows a £10.0m asset as at 30 June 2023 compared with a £6.5m asset as at 30 June 2022. The major assumptions used by the actuary are shown below.

The most recent completed triennial valuation as at 30 April 2020 showed a deficit of £10.7m. At the time of signing of these accounts the 30 April 2023 valuation had not been completed. Since 2021, the trustees and RFU had agreed a Recovery Plan to restore the Scheme to full funding with additional contributions made. Subsequent to these contributions, the funding position has improved significantly such that the Scheme actuary estimates that the solvency funding level is greater than 100% and as such the Trustees and RFU have agreed no further deficit correction contributions will be paid following 31 May 2023. The trustees are in the process of looking at the de-risking of the pension scheme and this continues at the time of signing.

In 2021, the scheme was closed for future benefits. This change meant that the members changed from active members to deferred members. The loss/gain is calculated as the difference between estimated liabilities for the Group as active members allowing for benefits to increase in line with salary increases (using the accounting assumption of 1.5% p.a.) and the estimated liabilities for the group as deferred members. This allows for their benefit being revalued in line with Scheme Rules. This means all benefits (excluding Guaranteed Minimum Pension) accrued prior to 30 June 2002 increase at 5% p.a. fixed and benefits accrued after 30 June 2002 increase with inflation, assumed to be 3.3% p.a.

Present value of defined benefit obligation, fair value of assets and defined pension liability:

	2023 £m	2022 £m
Balance sheet impact		
Fair value of plan assets	40.9	42.9
Present value of defined obligations	(30.9)	(36.4)
Defined pension asset/(liability)	10.0	6.5
Reconciliation of the opening and closing balances of the defined benefit obligation		
Defined benefit obligation at start of period	36.4	49.6
Current service cost	-	-
Interest expense	1.4	0.9
Contributions by plan participants	-	-
Actuarial gain	(5.9)	(12.6)
Benefits paid	(1.0)	(1.5)
Defined benefit obligation at end of period	30.9	36.4

	2023 £m	2022 £m
Reconciliation of the opening and closing balances of the fair value of scheme assets		
Fair value of plan assets at start of period	42.9	48.3
Interest income	1.6	0.9
Return on plan assets	(3.2)	(5.5)
Contributions by the RFU	0.6	0.7
Contributions by plan participants	-	-
Benefits paid	(1.0)	(1.5)
Fair value of plan assets at end of period	40.9	42.9

The actual return on the plan assets over the period ended 30 June 2023 was a loss £1.6m (2022: £4.6m).

	2023 £m	2022 £m
Defined benefit costs recognised in the profit and loss account		
Current service cost	-	-
Net interest income	0.2	-
Loss (gains) on curtailments	-	-
Defined benefit income recognised in profit and loss account	0.2	-
Defined benefit costs recognised in other comprehensive income		
Return on plan assets (excluding amounts included in net interest cost) – gain	(3.2)	(5.5)
Experience gain and losses arising on the plan liabilities - gain (loss)	(1.3)	(2.0)
Effects of changes in the demographic and financial assumptions underlying the present value of the plan liabilities- gain (loss)	7.4	14.6
Total amount recognised in other comprehensive income - gain/ (loss)	2.9	7.1

	2023 £m	2022 £m
Assets		
Cash and cash equivalents	0.8	2.7
Equity instruments	-	14.0
Debt instruments	14.4	9.5
Real estate	-	1.5
Other - including diversified growth funds and indexed linked bonds	25.7	15.2
	40.9	42.9

None of the fair values of the assets shown above include any direct investments in the Company's own financial instruments or any property occupied by, or other assets used by, the Company.

Assumptions	2023 % per annum	2022 % per annum
Discount rate	5.12	3.8
Inflation (RPI)	3.4	3.2
Inflation (CPI)	3.1	2.8
Salary Growth	n/a	n/a
Allowance for revaluation of deferred pensions (RPI or 5% p.a. if less)	3.4	3.2
Allowance for pension in payment increases (RPI or 5% p.a. if less)	3.1	3.0
Allowance for pension in payment increases (CPI or 3% p.a. if less)	2.2	2.1
Allowance for commutation of pension for cash at retirement	75% of Post A Day	75% of Post A Day
Life expectancy at age 60		
The mortality assumptions adopted at 30 June 2021 imply the following life expectancies:		
	2023	2022
Male retiring in 2023	26.7	27.0
Female retiring in 2023	28.7	28.9
Male retiring in 2043	28.3	28.5
Female retiring in 2043	30.3	30.5

The best estimate of contributions to be paid by the Company to the scheme for the period commencing 1 July 2023 is £nil.

29. RELATED PARTIES

Under FRS 102 section 33, the Group is exempt from disclosing related party transactions with entities which are wholly owned by the Rugby Football Union. All transactions with entities owned by the Group are eliminated on consolidation.

In the year, the RFU was paid £1.5m (2022: £0.6m) by TEL in respect of shared services and lease of catering facilities. During the year, the RFU received £5.1m (2022: £4.8m) from TEL in respect of ticket revenue and royalties, and paid £1.9m (2022: £1.7m) to TEL in respect of catering services. The Group paid £15.2m (2022: £14.5m) to the Compass Group in respect of staff costs, royalties and other services. At 30 June 2023 £0.9m (2022: £5.4m) was owed by the RFU to TEL and is shown in amounts owed to Group undertakings in the Parent balance sheet.

During the year, the RFU generated income of £0.1m (2022: £nil) from its subsidiary company England Rugby Travel Limited.

Key management personnel include all Directors and a number of senior managers across the Group who together have authority and responsibility for planning, directing and controlling the activities of the Group. The total compensation (inclusive of social security costs) paid to key management personnel for services provided to the Group was £2.8m (2022: £2.5m).

30. FINANCIAL INSTRUMENTS

Financial risk factors

The Group is exposed to various financial risks relating to its interest-bearing assets and liabilities. The financial risks include foreign exchange risk, interest rate risk, credit risk and liquidity risk.

Foreign exchange risk

The Group is exposed to foreign exchange risk due to the income from the Six Nations Tournament being denominated in Euros. This risk is mitigated through the use of forward contracts which fix the exchange rate up to a year in advance.

Interest rate risk

The Group has interest bearing liabilities on which interest is payable at a variable rate. The relevant rate is based on a percentage above the LIBOR.

Credit risk

The Group has no significant concentration of credit risk. It also has implemented policies that ensure that appropriate credit checks are carried out before sales to new customers commence. Interest bearing assets are only invested with financial institutions that have a minimum A credit rating.

Liquidity risk

The Group invests surplus cash in interest bearing assets for various terms. Not more than 80% of available cash is generally invested in fixed term assets at any one time. Investments are not made for periods exceeding three months.

31. BORROWING FACILITIES

At 30 June the Group has the following undrawn committed facilities available for which all conditions precedent have been met:

	2023 £m	2022 £m
Expiring between one and two years	-	-
Expiring between two and five years	75.0	73.0

Details of the financing are given in Note 23.

32. FINANCIAL INSTRUMENTS

	Group 2023 £m	Group 2022 £m	Parent 2023 £m	Parent 2022 £m
Financial assets measured at fair value through profit or loss				
Investment at fair value	8.1	7.9	-	-
Financial assets that are debt instruments measured at amortised cost				
Trade debtors	16.4	14.9	9.9	8.4
Amounts owed by group undertakings	-	-	29.3	24.3
Bank accounts	24.9	35.2	12.1	19.5
Short-term deposits	25.0	-	25.0	-
Other debtors (including non-current)	59.6	78.0	59.3	93.7
Loans to club	5.1	6.0	0.4	0.5
	139.1	142.0	136.0	146.4
Financial liabilities measured at amortised cost				
Trade creditors	12.4	8.9	10.4	6.2
Amounts owed to group undertakings	-	-	31.8	26.5
Debentures	220.7	206.0	220.7	206.0
Other creditors	87.6	85.9	87.1	85.5
Bank loans	-	16.4	-	16.4
Accruals	24.6	19.2	12.4	12.8
	345.3	336.4	362.4	353.4

Gains and losses on the re-measurement of assets and liabilities held at fair value through the profit and loss account at the Balance Sheet date are determined from available market data, including appropriate assumptions about credit losses, interest rates and discount rates.

Loans to clubs and debentures are within the scope of concessionary loans and are recognised at face value.

33. ANALYSIS OF GROUP CHANGES IN NET DEBT/NET CASH

Group	At 1 July 2022	Cash flows	Other non-cash changes	At 30 June 2023
Cash and cash equivalents	£m	£m	£m	£m
Cash	35.2	(10.3)	-	24.9
Short term deposits	-	25.0	-	25.0
Borrowings				
Debt due within one year	-	-	-	-
Debt due after one year	(16.4)	16.4	-	-
	(16.4)	16.4	-	-
Total	18.8	31.1	-	49.9

34. CONTINGENT LIABILITY*Potential litigation*

In December 2020, the RFU, WRU and World Rugby received a letter from solicitors acting for former rugby players, alleging breaches of duty which caused injury to those players. The RFU continues to work with its insurers and brokers, and with the WRU and World Rugby to respond to the claim. The legal process has begun, with an initial case management hearing having taken place in June 2023. The Board have decided with input from external experts that no provision needs to be recognised.

Summary of Group Profit and Loss Account	2023 £m	2022 £m	2021 £m	2020 £m
Revenue	221.4	189.1	97.0	167.0
Costs	(118.0)	(96.7)	(47.5)	(83.1)
Profit before rugby investment	103.4	92.4	49.5	83.9
Professional rugby investment	(68.3)	(57.0)	(40.3)	(66.4)
Rugby development investment	(31.1)	(20.4)	(17.1)	(28.3)
Operating profit/(loss)	4.0	15.0	(7.9)	(10.8)
Net finance (cost)/income and gains on sales	(0.6)	87.5	27.3	(3.9)
Profit/(loss) on ordinary activities before taxation	3.4	102.5	19.4	(14.7)
Tax (charge)/credit/ on ordinary activities	(2.1)	(0.3)	0.7	(7.8)
Attributable to non-controlling interests	(7.6)	(7.2)	0.4	(4.6)
(Loss)/profit for the year	(6.3)	95.0	20.5	(27.1)

Summary of Group Balance Sheet	2023 £m	2022 £m	2021 £m	2020 £m
Fixed assets	316.0	345.3	304.1	319.7
Other net current (liabilities)/assets	(3.3)	(8.7)	(21.1)	(18.7)
Net debt (bank loan less cash and short deposits)	49.9	18.8	(24.9)	(36.4)
Creditors amounts falling due after one year	(88.8)	(86.3)	(84.4)	(83.0)
Pension asset/ (liability)	10.0	6.5	(1.3)	(1.5)
Profit and loss reserve	123.3	125.9	24.2	0.7





RFU