



ANNUAL REPORT



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OUR PURPOSE

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

VISION

WHAT WE WILL ACHIEVE
A SUCCESSFUL AND THRIVING GAME
ACROSS ENGLAND

MISSION

HOW WE WILL ACHIEVE IT
BY STRENGTHENING AND UNITING RUGBY UNION IN ENGLAND
AND PRODUCING CONSISTENTLY WINNING ENGLAND TEAMS

Guiding Principles



PLAYER FIRST



OPEN TO ALL



**FINANCIALLY
STRONG**

2020-21

JULY

Bill Sweeney thanks community game for their support and explains the RFU's efforts to stay sustainable during the pandemic, with a video message to the game

SEPTEMBER

New Autumn Nations Cup Announced

NOVEMBER

England Men Win 2020 Guinness Six Nations

Collector's edition of England Rugby 150 Years Announced

DECEMBER

RFU get approval for community rugby to return with adaptations to the 15-a-side contact game

England's Autumn Nations Cup final against France saw 400 free tickets provided to NHS staff, with 50 seated in the Royal Box, as 2,000 supporters returned to Twickenham Stadium for the first time since March.

England Men Win Autumn Nations Cup

MARCH

RFU Council ratified appointments of Tom Ilube CBE to become successor to Chair, Andy Cosslett, and Polly Williams to take over as Independent Non-Executive Director from Helen Weir

Six Nations and CVC Partnership Announced

MAY

Six Nations Rugby announced that BBC and ITV are confirmed as the rights holders to all three Six Nations Championships

Mental health resources shared with the game in Mental Health Awareness Week

JULY

England Men beat USA and Canada in Summer Series

England Men U20 secure U20 Six Nations Grand Slam

AUGUST

RFU Safeguarding Team given the highest possible rating in its annual review by the Child Protection in Sport Unit of the NSPCC

OCTOBER

RFU publishes D&I Research

Former England Captain, Sue Day, Awarded MBE

RFU and Allianz announce landmark partnership for the Premier 15s

O2 sign new five-year deal marking one of the longest shirt sponsorships in sporting history

JANUARY

England Rugby and Umbro Unveil 150th Anniversary Kit

FEBRUARY

England Players take part in virtual school assemblies

APRIL

England won the Women's Six Nations for the third year in a row, cementing place at the top of the World Rugby Women's rankings

RFU Strategy Published

RFU Diversity and Inclusion Advisory Group formed

JUNE

England Women Head Coach Simon Middleton and vice-captain Emily Scarratt awarded MBEs for services to rugby

Community rugby clubs in England allocated £30 million of government funding, the biggest single investment in the community game, after collaboration between the Department for Digital, Culture, Media and Sport, Sport England, the Rugby Football Union and the grassroots game

RFU Council vote in favour of Covid Recovery Plan

RFU D&I Plan published

Law change announced for age grade rugby



JEFF BLACKETT PRESIDENT

When I became President of the RFU in 2020, I didn't anticipate serving a second term. These are, however, unprecedented times and continuing in the role for a second year is a great honour and privilege.

I am recommitting to my aim of visiting every geographical Constituent Body of the Union during my term of office. Throughout the pandemic, I have continued to see and appreciate the outstanding contributions made by current and former Council members, and by many of our 100,000 volunteers nationwide. I have been incredibly impressed by their work to keep the game very much alive and planning for the future, and proud to see how much rugby volunteers have helped their local communities, charities and the NHS.

As a member of the RFU Council for 21 years, I can say with absolute confidence that the Union has never been as collaborative as it is today. As we design the shape of the game through the post-Covid recovery period, we are all pulling in the same direction, which can only be positive for our sport.

As we and the nation fight to recover from the pandemic, we should remember those of the rugby family who have sadly lost their lives, and not just from coronavirus. We created a digital memorial wall, so that those we have lost might be remembered, and this mark of respect will continue. I would like to pay tribute to Matt Ratana who was killed last September while working as a police officer. Dudley Gibbs, a great servant of the game from Northumberland; Malcolm Scott, a former Council member and distinguished member; and Eric Blackman, a distinguished member who was also a former President of the England Rugby Football Schools Union, also passed away during the year. They, and many

others, personified the values of our game: Teamwork, Respect, Enjoyment, Discipline, and Sportsmanship. Those values continue to serve us well in difficult times. They bring youngsters to our sport to enjoy rugby's unique benefits on and off the pitch and the lifelong friendships we have all experienced.

Those friendships have been especially important of late and, as we become more inclusive, we will all gain from wider friendships and a rich diversity in our sport. Rugby can be a force for good in society and help young people to live better and more fulfilling lives. I am sure that we all want our sport to reflect 21st century England both on the pitch and in the committee rooms, and increased diversity will help to grow and enrich the game. Diversity and inclusion have been an important part of my Presidency and will continue to be so.

The pandemic created real challenges for the clients of our official charity, the RFU Injured Players Foundation (IPF). With IPF support they coped amazingly. Virtual interaction and peer support demonstrated the power of sharing experiences and the IPF made direct contact with over 90% of its beneficiaries.

The charity has significantly exceeded its strategic objectives in recent years. The IPF Living Well Programme started in 2017 aiming to review 75 injured players to determine where they could be helped to meet their goals and achieve greater independence. To date the foundation has involved 96 individuals and made a real impact on their quality of life. The IPF Pathways Programme targeted an increase in employment, education or voluntary work for their clients from 54% to 65% but exceeded this with 72%. IPF commissioned research aiming to prevent catastrophic injuries included developing

a computational model to simulate tackle injuries, allowing investigation of ways to reduce injury risk. Research also included projects to help improve clients' wellbeing and independence.

We can all be proud of the IPF and, with my wife Sally, I intend to complete our 150-mile sponsored walk visiting clubs around the country to raise funds for this fantastic charity.

I would like to record my thanks on behalf of the game to those members of Council recently stepping down. We are indebted to the contributions of Council members: Malcom Caird, Surrey; Jim Chapman, Yorkshire; Simon Collyer Bristow, Gloucestershire; David Ewing, Cheshire; Stephen Guy, North Midlands; Danny Hodgson, Northumberland; Mo Jackson, Devon; Ron Jones, Dorset & Wilts; Chris Smith, Buckinghamshire; Rob Udwin, Middlesex; Mike Waplington, Notts, Lincs & Derby; and Malcolm Wharton, England Colleges.

Despite our 150th celebrations necessarily being reduced, we can still look back on both the year and what has been achieved over 150 years, while anticipating a brighter future. I continue to be proud and honoured to be part of this great sport and to continue serving as President in the coming season.

The prime responsibility of the RFU President is to promote and represent the Union's role. In addition to this ambassadorial position, the President chairs Council meetings. The President has included an Assurance Statement in the Governance Section on page 51



TOM ILUBE CHAIR

I would like to thank my predecessor, Andy Cosslett, for his nine years' work with the RFU and especially during the recent most challenging time. He has been a remarkable Chair and most generous with his help in my taking over the role.

My thanks also go to Helen Weir, who comes to the end of her term as Independent Non-Executive Director and Chair of TEL, the RFU Audit and Risk Committee, and the Head Injury Prevention and Management Committee. I am delighted to welcome Polly Williams to the Board as an Independent Non-Executive Director of the RFU, and as our new Chair of TEL and the RFU Audit and Risk Committee.

At the start of the season, the Board welcomed David Roberts as Chair of the Community Game Board and Paula Carter

as Council Elected Director.

As Chair of the RFU from August 2021, I hope to bring to the role what I have learned in a 30-year career in the UK technology sector, serving as Non-Executive Director and Chair of other organisations, and involvement in education and development. Having played rugby when young, and supported my son's rugby career, I have been involved in the community game for some 15 years and have seen rugby's positive contribution to people's lives.

The past year has had such a negative impact on our world and the world of sport, but we will emerge appreciating more than ever the benefits that sport brings to our wellbeing. There are, however, other sports and other choices to make. Most importantly, we will need to re-engage

volunteers and players and bring new people in, to re-energise and not take anything for granted. I am delighted to be a part of planning for the future at the RFU. Openness will be really important, being open to new ideas, new people, new formats, being a truly open sport.

The challenge will also lie in looking for insights in the data we gather and using the power of data to engage with players, fans and volunteers.

My review of the Board's Governance can be found in the Governance Section at page 46.



STRATEGIC REPORT



- **STRATEGIC PRIORITIES**
- **GEO'S REVIEW OF THE YEAR**
- **TWICKENHAM STADIUM HELPS DURING PANDEMIC**
- **LOOKING FORWARD**
- **STAKEHOLDER ENGAGEMENT**
- **KEY DECISIONS MADE BY THE BOARD**
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- **SUSTAINABILITY**
- **ENVIRONMENTAL DISCLOSURES**
- **FINANCIAL REVIEW**



STRATEGIC PRIORITIES

STRATEGY

During the course of the year, we redeveloped the RFU Strategy, which can be found at englandrugby.com/about-rfu/strategy. 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 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 ACTIVITIES

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

STRATEGIC BRIDGING TARGETS

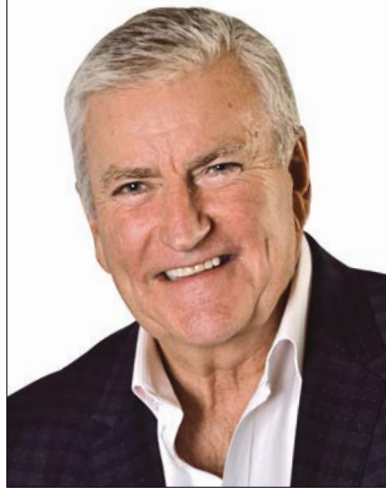
AT THE BEGINNING OF THE YEAR, WE CREATED SOME 'STRATEGIC BRIDGING TARGETS' TO SET OURSELVES UP WELL FOR THE DELIVERY OF THE NEW STRATEGY POST-COVID-19. THOSE TARGETS, AND HOW WELL WE DID AGAINST THEM, ARE SET OUT ACROSS THE NEXT TWO PAGES.

Status	Guiding Principle	Core Measure	Measure	Commentary
	Winning England	Continue to generate winning performances	80% win ratio achieved for Men's & Women's England teams in 20/21 season	Complete. The England Women's Senior Team achieved a win rate of 100% and the Men a win rate of 73%, giving a total blended rate of 81%. (See more on Six Nations Performance at page 14).
	Financially Strong	Achieve financial, operational and rugby stability on and off the field during the COVID-19 pandemic	Financial losses do not exceed £41.5m in FY20/21	Complete. The underlying loss to reserves (excluding the non-cash accounting impact of the Debenture Donation Programme) was £20.5m.
	Financially Strong	Achieve contracted revenue for 2021/22	Contracted revenue target of £26.2m	£25.3m contracted at the year end, with the remaining contracts in place shortly after year-end.

Status	Guiding Principle	Strategic Measure	Commentary
	Player First	Develop an accurate baseline of total number of club players at RFU member clubs	This was unable to be completed as no rugby activity took place through FY2020/21 and so we were unable to measure player base. We have started to baseline numbers through annual player affiliation. By season FY22/23 we aim to have affiliation of all players at all levels. So, by June 2023, we aim to have a complete baseline of a full season of rugby.
	Player First	Create an accurate baseline of player enjoyment through England	This was unable to be completed as no rugby activity took place through FY2020/21 and clubs were focussing on survival through COVID-19. It was not the appropriate time to engage with clubs and players on creating an 'Enjoyment' baseline. We aim to have our first baseline of player enjoyment by Spring 2022.
	Open to all	Delivery of the Women's Strategy and associated baseline measures	This was completed. Each individual target within the strategy was completed, including putting in place the detailed delivery plan to 2027.

Status	Guiding Principle	Strategic Measure	Commentary
	Open to all	Develop an accurate baseline to effectively measure our brand across key target audiences	This was completed. We are now able to track the England Rugby Brand and the brand of both senior teams against key metrics, including reputation and awareness.
	Open to all	Develop baselines to understand the diversity of rugby union in England	This was completed. Through a combination of desktop research and participant surveys, we now have a comprehensive baseline for the diversity of rugby union in England.
	Open to all	Develop baseline around engagement touchpoints	This was completed. We have recorded the total 'interactions' (views, likes, comments, shares) across all England Rugby content on our channels (social, website and email).
	Open to all	Identify and understand our target market for fans and participants of the Women's game, in order to maximise visibility in the future	This was completed. An extensive piece of research was conducted across our fans and players, allowing us to segment our current and future Women's audience.
	Financially Strong	Continue to develop the optimal season structure	This was completed. In June 2021, the RFU Council voted in favour of a range of structural changes, most notably a temporary pause on relegation, to improve the financial stability and sustainability of professional rugby during the next three seasons while also providing benefits for England Rugby and the community game. This followed a detailed consultation that was announced in February after the RFU Council voted in favour of no relegation from the Gallagher Premiership or the Greene King IPA Championship for the 2020/21 Season.
	Financially Strong	Develop a 4 year financial and delivery plan (to support financial recovery and strategic delivery)	This was completed. In the light of COVID-19, we reforecast our four year and one year financials, which necessitated significant reductions in investment and activity. We put in place a long term activity delivery plan to support that financial position, as well as a one year detailed financial and activity delivery plan.
	Winning England	Develop an accurate approach to measure our Performance Pathway (inclusive of coaching and Match Official pathways)	This was completed. We will utilise an Academy Productivity Score to measure the total number of match appearances made by a member of the England Academy in senior elite squads, as well as Pathway Preparation Score, which is a qualitative measure tracking satisfaction and preparation within the pathway.

CEO'S REVIEW OF THE YEAR



BILL SWEENEY CEO

THIS 150TH YEAR OF THE RFU HAS BEEN AN IMMENSELY CHALLENGING ONE FOR THE UNION AND OUR SPORT. IT HAS BEEN AN UNPRECEDENTED TIME GLOBALLY, AFFECTING ELITE ATHLETES, SPORTING EVENTS AND THE ABILITY TO HAVE FANS IN STADIUMS.

As a forward looking sports governing body we were already planning a new strategy, but we began the implementation during one of the toughest periods in rugby union's history. Through this strategy, we aim to enrich lives by introducing more people to rugby union and developing the sport for future generations. We will create a successful and thriving game across the country by strengthening and uniting rugby union in England and producing consistently winning England teams.

Prudent cost control before the pandemic, and significant government

support during COVID-19 lockdowns put the RFU in a good position to weather the initial impact of the crisis. However, we knew that longer term this would not be enough to run a sustainable operation and safeguard our future and investment in the game. We needed to make difficult decisions on continued investment, as well as the appropriate size and shape of our organisation for the future.

Following a capability review and consultation process involving RFU Council (representing our Constituent Bodies and member clubs) and employees at all levels of the business, we completely remodelled our organisation in order to work differently. Good relationships between the RFU and the community game have been further strengthened throughout the pandemic and continue to be supported through our Constituent Bodies. With a new staffing structure in place,

we are focusing on three key areas: helping clubs to be self-sustaining, the development of coaches and match officials, and the competition structure and player experience.

The recovery of rugby is, of course, of fundamental and critical importance. Significant work was and is being carried out in reshaping community game leagues, while reviewing relegation and promotion and minimum operating standards for the Premiership. What the clubs and the game need now is a period of certainty and stability as we emerge from COVID-19, and the RFU takes the leadership role in reshaping and improving the game for the benefit of all involved.

The recruitment process for the new Chair and Independent Non-Executive Director was led by our Senior Independent Director, and Chair of the Board Nominations Committee, Dominic Proctor. Assisted by a specialist search firm, and after members of the Board and Council interviewed a number of exceptional candidates, the recommendation was to appoint Tom Ilube CBE and Polly Williams respectively. Their valuable expertise comes at a critical time in the development of our game.

Our Board, Executive and Council members are due sincere thanks for their continued dedication and support. Good relationships and more frequent communication with our Constituent Bodies saw us weathering this storm, achieved by the combined efforts of all. Throughout this very challenging period not one single club has foundered as a result of COVID-19; that is testament to the strength, commitment, creativity, and resilience of the network of volunteers and administrators across the game.





1. ENJOYMENT

At the start of the season, we organised the Pitch Up for Rugby weekend as a national celebration of rugby for players, coaches, volunteers and members at their local rugby clubs.

Clubs opened adhering to the latest government guidance and enjoyed playing a new Ready4Rugby format. England Rugby's social media channels focused on the community game, sharing pictures and stories from the grassroots game as they navigated the challenges of an ever-changing environment, and slowly made a return to rugby.

READY4RUGBY

Ready4Rugby, a non-contact game enabling two teams of up to 10 players to train and play, allowed the rugby community to continue to organise non-contact fixtures with other clubs or a competitive offer within their club. This also gave players an opportunity to introduce new or retain at-risk players in the early stages of the Return to Rugby Roadmap.

O2 TOUCH

Teams also joined O2 Touch leagues to continue enjoying a form of regular competitive play. The opportunities for competitive or social non-contact rugby saw all ages and genders benefit from a format which builds on rugby's core skills.

O2's 25-year partnership with England Rugby moves into a new phase from the start of the 2021/22 season, following its pledge to equally fund the Men's and Women's game. The revised focus sees O2's title partnership of touch rugby draw to a close after 10 hugely successful

years of growing support for non-contact rugby. England Rugby, O2 and O2 Touch Centres have developed a thriving touch rugby community. Almost 40,000 players have participated nationwide, with 520 registered O2 Touch Centres, over 2,000 O2 Touch ambassadors and over 4,000 O2 Touch app downloads. We look forward to continuing these successes with Touch Centres and players under the new name of The Touch Union from 1 September 2021.

2. WINNING ENGLAND

Creating a high-performance system committed to excellence is a priority in our goal of producing consistently winning England teams through talent identification and development. We will achieve this by developing effective, integrated pathways for players, coaches and match officials, and influencing the shape of the game domestically and internationally.

ENGLAND MEN

Working with the other Unions when Men's Autumn International matches against southern hemisphere teams became less likely, we co-developed the eight nations Autumn Nations Cup tournament between the Six Nations, Fiji and Georgia, played over four weekends in November and December. Unfortunately, a COVID-19 outbreak within the Fijian squad eliminated Fiji from the competition.

England beat Wales, Ireland and Georgia in their pool, securing a 22-19 extra time victory against France in the Twickenham final played in front of 2,000 fans, the first in attendance since the pandemic started, with 500 tickets for NHS workers.

CREATING A HIGH-PERFORMANCE SYSTEM COMMITTED TO EXCELLENCE IS A PRIORITY IN OUR GOAL OF PRODUCING CONSISTENTLY WINNING ENGLAND TEAMS



RESPONSE TO DISAPPOINTING MEN'S SIX NATIONS

The 2021 Guinness Six Nations fifth place finish was tremendously disappointing for everyone and especially for Eddie Jones and the players. Our track record, and 78% win ratio since Eddie took on the role at the end of 2015, saw us go into the tournament with positive expectations but also in the knowledge of specific challenges linked to a period of transition. Sport is about fine margins in both preparation and competition, and we fell short in a number of areas. A thorough debrief took place which included RFU Board members, executives and independent experts, with overall positive and supportive feedback from current and recent players. We also called on past and present coaches and

support staff, as well as having detailed analysis and presentations on future direction from Eddie Jones. Several recommendations were implemented ahead of the Test matches in the Summer Series, which were relocated to England after discussions with USA Rugby and Rugby Canada.

These recommendations included: additional support structures for coaches and players, including enhanced sports psychology and leadership development programmes starting in the pathway; additional refereeing input to provide technique improvement and awareness; ongoing data and analytics in high performance and campaign management working with Premiership Rugby on a common data system across the pathway and the elite performance game.

External rugby experts will be involved in future debriefs to provide additional insight and support for the Head Coach after each campaign in the build up to Rugby World Cup 2023. Eddie already seeks input from a wide range of external sources and this approach formalises the process. Reviews are invaluable in helping us to learn and improve. We have emerged stronger and remain on track for our goals in future competitions and the 2023 Rugby World Cup.

ALIGNMENT BETWEEN ENGLAND RUGBY & MEN'S PROFESSIONAL CLUBS

The RFU will also deepen its alignment between England Rugby performance and professional clubs, and a forthcoming conference will be attended

by representatives from all Premiership clubs, Academies and medics. This will cover some collective challenges: the future shape of the game, decision making, refereeing and player welfare, to find common ground and goals to shape the future of England rugby.

The Professional Game Board has over the past year been working in collaboration to ensure a swift response to the rapidly changing COVID-19 landscape. A fully comprehensive testing programme in the Premiership and for international fixtures enabled rugby to return with a full calendar of fixtures from the 14 August 2020. The work of the PGB members has been instrumental in getting the game back up and running, while responding to challenging and shifting COVID-19 situations with intensive protocols adopted by all clubs and national teams.

Sadly, COVID-19 risk saw the October Barbarians fixture cancelled. After a great deal of effort put into COVID-19 codes of conduct and planning, including cooperation with Premiership clubs to release additional players to fulfil the fixture safely, we were incredibly frustrated and disappointed to have to call the match off. This was due to 13 of the Baa-Baas squad breaching the COVID-19 Code of Conduct. Subsequently, an independent disciplinary panel sanctioned those players under Rule 5.12: conduct prejudicial to the interests of the union or game.

With the British and Irish Lions' tour of South Africa during the summer, 13 England players, the largest contingent, were in the 37-man squad. England's head of strength and conditioning, two physios and other RFU staff were among the tour party.

SUMMER SERIES

With 10,000 fans at Twickenham, England beat the USA 43-29, giving 12 new caps a taste of Test rugby. Then with the emerging young talent well prepared, the squad beat Canada 70-14 a week later, again with 10,000 fans in the stadium.

ENGLAND WOMEN'S OUTSTANDING YEAR

England Women have had an outstanding year, ending with a World Rugby Number 1 ranking. The players, Simon Middleton and his management team, deserve huge congratulations.

With the 2020 Women's Six Nations final round delayed until the end of November, they completed back-to-back Grand Slams, the 2021 Rugby World Cup in New Zealand having been postponed until October and November of 2022. With a separate window for this Six Nations, which is likely to be continued, there was increased positive exposure in both media and broadcast.

An unbeaten year ended with England in a two-Test series against France in



November, England winning in Grenoble and at Twickenham. An adapted 2021 Women's Six Nations, with the top teams in two pools contesting a one-off final, moved from the traditional window to April, a timing favoured to remain. Following wins over Scotland in Doncaster and in Italy, the England v France final at the Twickenham Stoop saw them again claim victory taking Grand Slams to three in a row.

A one-off away Test against France saw England leading 17-15 when the floodlights failed, the result standing as the game passed the 60-minute mark by three minutes. That win confirmed England at the top of World Rugby's Test rankings. They have won 25 of their last 26 outings, with 14 straight Six Nations wins, and haven't lost on English soil since November 2016. A hugely impressive record.

Due to the pandemic, the Women's pathway players had limited time together. The U20s' training days at Pennyhill Park culminated in competitive internal fixtures, while U18s divided into North and South cohorts for 20 days' development. Pathway activity



**ENGLAND WOMEN
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continued thanks to sessions taken by the programme's dedicated staff.

Our overall Government funding package included £1 million of grant funding for professional Women's rugby which included the Allianz Premier 15s and Covid related costs for the Red Roses' Women's Six Nations campaign.

MEN'S U20 GRAND SLAM

In the Men's pathway, the U20s Six Nations tournament was postponed until June and July, and England completed the Grand Slam after bonus-point wins in all five rounds. Competitive internal fixtures had been played in the interim, as well as three fixtures in May against Scotland and Wales. The success of the U20s is a huge encouragement for future success on the world stage.

With significant lost game time as a result of COVID-19, the U18 cohort of players had an Academy League during May and will be helped by a commitment from the Professional Game Board to focus on maximising playing opportunities next season. The U18s' coaching team elected not to formally select a squad, but to expand outreach by inviting greater numbers of players to smaller regional sessions, before holding a final national training session at St George's Park.

OUR OVERALL GOVERNMENT FUNDING PACKAGE INCLUDED £1 MILLION OF GRANT FUNDING FOR PROFESSIONAL WOMEN'S RUGBY WHICH INCLUDED THE ALLIANZ PREMIER 15S AND COVID RELATED COSTS FOR THE RED ROSES' WOMEN'S SIX NATIONS CAMPAIGN.

MEN'S CHAMPIONSHIP SEASON

Up to £5.5 million of government loan funding supported the launch of the Men's Greene King IPA Championship season. A reduced 11-round Championship commenced at the start of March, with London Scottish withdrawing. In June, Saracens defeated Ealing Trailfinders twice to secure promotion into the Premiership. The RFU Championship Live Streams pay to view platform enabled supporters to watch fixtures played behind closed doors, the RFU meeting production costs and all revenue being split across the clubs.

WOMEN'S PREMIERSHIP

The 2020/21 season saw Allianz become title sponsor of the Women's top-flight, with Exeter Chiefs Women and

Sale Sharks Women joining. Despite difficulties starting the season because of COVID-19, the league began at the start of October with a new set of adapted laws. A twice-weekly lateral flow testing programme for club players and staff was also introduced in January.

At least one game from each round has been live streamed across England Rugby and Premier 15s channels, with over one million views during the season. The semi-finals saw the return of fans. The final at Gloucester Rugby's Kingsholm, with 1,652 spectators, was won 25-17 by Harlequins who had reached the final against Saracens for the third time and was broadcast on BT Sport 1 and premier15s.com. The quality of that match was a great advertisement for the Women's game.

GB SEVENS

I am delighted that GB Sevens secured very welcome funding from Camelot/National Lottery for the sevens programme in preparation for this year's postponed Olympics. A successful series of training camps in Loughborough culminated in a three-day International Rugby 7s Tournament at St George's Park, with the men's GB team competing against USA and Ireland, and the women competing against Ireland and France. The tournament provided both teams with valuable preparation ahead of the Olympics. GB Sevens, together with Ireland and France, withdrew from this year's Rugby Europe Sevens series to mitigate COVID-19 risk given the proximity to the Olympic tournament. Unfortunately, both the Men's and Women's squads missed out in the bronze medal matches.





INFLUENCING AND SHAPING THE GAME AT INTERNATIONAL LEVEL

The Strategic Plan requires the RFU to 'influence and shape the game at domestic and international levels to ensure its long-term health and the success of our England teams.'

In May, we helped secure and played a key role in the re-election of Sir Bill Beaumont for a second term as World Rugby Chair. Having him in this position is vital in guiding the post-pandemic recovery of rugby and ensures strong leadership as we look to make changes to the global season to further enhance and protect the international game. Negotiations continue on the shape of the global game post 2023 and we play a leading role in discussions between the northern and southern hemispheres.

We also supported the campaign and subsequent election of Jonathan Webb to the World Rugby Executive Committee, the first time the RFU has been represented on the committee in five years and coming at an important time with the game in a transformational period. We are now well represented on World Rugby with Jonathan on Exco, Deborah Griffin as Chair of Audit and Risk, Eddie Jones on the high-performance rugby committee and the CEO on Council and the Regulations and Professional Game committees. Sue Day also represents us on the Women's Game Advisory Group, and Simon Massie-Taylor on the Sevens Strategy Advisory Group.

This is important as we seek to ensure that the RFU plays a leading and

influential role in the development of the future global game.

3. WELFARE

We take player safety extremely seriously, implementing injury prevention and treatment strategies based on the latest technology, scientific research and evidence while playing an instrumental role in injury monitoring, concussion assessment and supporting law changes to ensure proactive management of player welfare. We continue to work with World Rugby to keep player welfare at the heart of all our decision making and have implemented training and best practice across the game and adopted law changes, as well as introducing new rules, to successfully reduce the risk of injury. Rugby's approach to head injury assessments and concussion protocols has seen many other team sports adopting our guidance. Player welfare is at the heart of our decision-making, with work on monitoring, loading, rest and injuries.

We are committed to being at the forefront of work in this area with full transparency

of information and knowledge.

EDUCATION AND RESEARCH

The RFU has led the way on injury surveillance, research, education and interventions since the early 2000s and we continue to adopt the latest scientific knowledge to reduce head impacts in matches and training at all levels of the game. As well as openly publishing annual injury reporting updates across the game, we continue to collaborate with external academic partners on a range of research projects, most recently the salivary microRNA study. This University of Birmingham-led study of Gallagher Premiership Rugby and Greene King IPA Championship players - carried out in collaboration with the RFU, Premiership Rugby, and Marker Diagnostics - has identified a method of accurately diagnosing concussion using saliva, paving the way for the first non-invasive clinical test for concussion for use in sport and other settings.

The team now aims to collect further samples from players in two elite Men's rugby competitions providing additional data to expand the test and develop its

THE RFU HAS LED THE WAY ON INJURY SURVEILLANCE, RESEARCH, EDUCATION AND INTERVENTIONS SINCE THE EARLY 2000S AND WE CONTINUE TO ADOPT THE LATEST SCIENTIFIC KNOWLEDGE TO REDUCE HEAD IMPACTS IN MATCHES AND TRAINING AT ALL LEVELS OF THE GAME.

use to guide the prognosis and safe return to play after concussion, and to further establish how it will work alongside the HIA process. Marker Diagnostics and the University of Birmingham are also currently carrying out several more studies to further validate and expand the test for use in different groups, including women, young athletes and community sports players.

HEAD IMPACT PREVENTION

This year we renamed the Injury Risk Reduction Sub-committee, which had a focus on concussion prevention, the Head Impact Prevention & Management Group. The shift in focus from concussion prevention to head impact prevention may appear subtle but reflects an important change in our approach. I appeared before a DCMS Select Committee on concussion, and we have regular dialogue with a range of stakeholders inside and outside the game, including our Independent Concussion Expert Panel, to inform our player welfare work at all levels. Finalising plans for the 2021-22 season at all levels of the game, we have lots of important activity and initiatives in the pipeline.

We will continue to integrate robustly validated new technology and will incorporate instrumented mouth guards that record head impacts and accelerations into our data gathering and evaluation studies. A recent discovery research project with Harlequins Men's squad and Bristol Bears women provided valuable initial data which will help inform future activity. It has clearly shown the value a larger scale project could bring to our understanding of risk, for example across a league in matches and training for an entire season.

While rugby is now considered a leader in sport in the important area of concussion, we have been deeply saddened to hear brave and personal accounts from former players about their health and the impact on their families. We all want to support anyone from the rugby community who is suffering – that is one of the sport's unique values. The players telling their stories say they are aiming to help improve player

welfare and we fully support that. We are engaged in productive discussions with The Progressive Rugby Group and working together to find solutions to support the continued safe growth of the game that we all love.

As has been widely reported, the RFU, together with World Rugby and the Wales Rugby Union, received a letter

THE RUGBY FOOTBALL UNION HAS LONG TAKEN ITS ROLE IN SAFEGUARDING ALL INVOLVED IN THE GAME VERY SERIOUSLY

before action from solicitors acting for former players, alleging negligence by those governing bodies resulting in injuries to their clients. No formal claim has been lodged as yet, and while I cannot talk about the specifics of what any claim might be, we will continue to work through the best way of managing this potential claim as it develops.

MENTAL HEALTH AWARENESS

It is very apparent that mental wellbeing is as crucial as physical wellbeing and, as part of the RFU's RugbySafe programme, England Rugby and trusted healthcare partner Simplyhealth developed a dedicated mental health resource for the community game, shared during Mental Health Awareness week in May and available to download on EnglandRugby.com. The resource, researched and prepared by the Mental Health Foundation, provides advice and guidance to help rugby communities recognise symptoms of poor mental health and direct members towards professionals if needed. I have been most impressed to see the support already being offered by our clubs to players and members.

We also provided emergency funding for the Rugby Players Association during

COVID-19 to enable them to continue their mental health support programme through Restart, which currently benefits over 60 players.

SAFEGUARDING

In a year where the safety and security of children in sport remains very high on the agenda, it was most welcome to see our Safeguarding Team given the highest possible rating in its annual review by the Child Protection in Sport Unit of the NSPCC.

The Rugby Football Union has long taken its role in safeguarding all involved in the game very seriously, with measures in place to ensure that everyone can enjoy the sport in an inclusive, safe and enjoyable environment. The Child Protection in Sport Unit report awarded the Union the highest rating of very good in every aspect, which included: policies, procedures and guidance; organisational ownership of safeguarding; case management; safeguarding training and learning, and communicating safeguarding messages and information.

Safeguarding measures are put into practice at every level, from the RFU's Board who receive safeguarding training to the entire sport. This involves 70 Safeguarding Managers and Deputy Managers across all geographical Constituent Bodies of the game nationwide and over 2000 Club Safeguarding Officers and assistants. Under the Union's regulations, every one of its clubs with a mini and junior section must have a Safeguarding Officer, ideally operating at Committee level. This means that a "golden thread" of good practice runs through from grassroots to elite level and from senior management down.

RESTARTING RUGBY UNDER COVID-19 PROTOCOLS

A great deal of ongoing work with the Government secured the return of rugby at every level. We played an instrumental role in securing the fast return of the professional game with elite sport testing and bubble environment protocols.

Restarting rugby and designing, implementing and refining the

THE COMMUNITY GAME IS THE LIFEBLOOD OF OUR SPORT AND NEEDS SIMPLE, FOCUSED SUPPORT THAT DELIVERS REAL BENEFIT

COVID-19 protocols required innovative and co-ordinated work between the Government, sport, the Department of Health, DCMS and Public Health England. We are very grateful for the efforts of many in these organisations especially Dr Jennifer Smith of Public Health England and Professor James Calder who worked with our Medical Director, Dr Simon Kemp, on creating key policies.

I also want to recognise the efforts of the many COVID-19 operational and

medical staff in the RFU and our clubs, who have implemented these protocols, delivering testing on a large scale in the professional game, managing results and carefully working through the contact tracing. They have worked incredibly hard for over a year typically in addition to their normal roles.

4. FLOURISHING RUGBY COMMUNITIES

The community game is the lifeblood

of our sport and needs simple, focused support that delivers real benefit, including support to become commercially innovative and self-sustaining, and campaigns and programmes to attract new audiences to the sport.

Our players and our clubs have shown remarkable resilience throughout the coronavirus pandemic. Not one single rugby club has gone out of business because of COVID-19, which is testament to the stewardship and capabilities of volunteer administrators across the country.

I have an itinerary of clubs to visit nationwide as restrictions ease and, over the past year have been constantly in touch with a number who keep me updated on the grassroots game. I am pleased to say that the game overall is





in good shape and eager to return to normality in strong numbers.

SURVIVAL PACKAGE

Working closely with the Government, we were tremendously grateful to secure significant financial support for the game via the Sport Winter Survival Package. Of a total initial support package of £350m, rugby union received £135m, a much higher amount than other sports, with grants and loans of over £30m going into the community game. This was an unprecedented level of support which recognised the high asset owning nature of rugby clubs and their contributions to local communities. We are extremely grateful to the DCMS, the Government and Sport England for their support throughout the pandemic and their understanding of how the game is structured and managed.

Government regulations precluded contact sport at grassroots level from March 2020 and, in October 2020, we cancelled Adult Competitive Leagues for the 2020/21 season at Level 3 and below for men and Level 2 and below for women. While the Government approved adapted 15-a-side contact rugby to return in December 2020, the January lockdown saw this suspended. Many asset owning community clubs nationwide had

significant overheads but no revenues for over a year.

With RFU revenue streams heavily dependent on generating 85% of income from Twickenham Stadium matches and events, which is reinvested back into the game, we were very glad of an overall funding package of nearly £30m for community rugby clubs. 512 clubs have already benefited from over £18.2m of grants to ensure they survived the winter period and minimised any long-term damage to participation. A further 129 clubs have since applied for loans totalling £11.5m to support the development of essential infrastructure for survival and sustainability, with the creation of facility projects designed to improve their financial resilience through protecting and growing membership and diversifying revenue.

A NEED TO STABILISE AND RECOVER FINANCIALLY AS WE CONTINUE TO INVEST

In the 2017-2020 cycle our total investment into rugby including the professional game was over £400m. The significance of this investment can be seen when it is measured against the total amount invested in Team GB Olympic funding (£224.4m) across 28 sports in a comparable four-year cycle.

From this very high level, because of losses incurred due to COVID-19, we will inevitably need to reduce rugby investment over the next few years while we stabilise and recover our financial position.

5. DIVERSITY AND INCLUSION

During the year, we developed a detailed diversity and inclusion action plan in order to enable delivery of this pillar of the strategy. We undertook research across four key areas of the game: Fans, Followers and Partners, Game Play – Players, Coaches, and Match Officials in the professional and community game, Employees and Board, and Volunteer Leaders within clubs, Constituent Bodies and Council. We then used that insight to build an action oriented plan which we have begun to deliver.

We have launched a Diversity and Inclusion Hub on EnglandRugby.com providing training and education resources, details of the RFU Diversity & Inclusion Action Plan and Policy, and how to report any issues experienced.

The RFU is committed to better understanding where we are today compared to the wider population in terms of demographic, behavioural and

attitudinal data and insight, establishing what we want to change and how to achieve it. Priorities include raising awareness, educating a wide range of stakeholders and delivering critical interventions alongside refreshed policies and guidance, and ultimately monitoring progress, and adapting plans based on outcomes and updated insight. Currently, the priority areas for action are ethnicity, gender, socio-economic status, sexual orientation and age. A second survey across the game will now help measure any progress.

A detailed review of our work on Diversity and Inclusion is included in the Sustainability section at page 34

Following World Rugby's new transgender guidelines published in October 2020, we conducted a review of our transgender policy and eligibility criteria for playing contact rugby. There was an external consultation during April and May of this year, and an online survey shared with the game and available via EnglandRugby.com and various media outlets. Feedback is currently being reviewed and a summary will be presented at a later point.

6. UNDERSTAND

Only by communicating with and listening to all involved in the game can we understand what shape they want the game to take and what they want from the RFU.

COMPETITION STRUCTURE AND PLAYER EXPERIENCE

Council discussed and agreed changes to the adult male competitions structure for the community game at Level 3 and below, from the 2022/23 season, after an intensive 18-month review by the Future Competitions Structure Group, a task group of the Community Game Board. The new structure will cover four core principles: player welfare and needs; a quality player experience; minimising travel; and supporting club sustainability.

We also asked all involved in rugby to have their say on how to shape the future of the County Championship, the

Community Game Board (CGB) having commissioned an independent review across the Senior Men's, Senior Women's and Men's U20 competitions. A survey went to counties, clubs, players, coaches, volunteers and match officials to canvass opinion, with feedback considered by the County Championship Review Working Group formed by County officials, Council members and RFU competition managers, before holding extensive consultation with Constituent Bodies.

The County Championship has remained a hugely important competition in the annual rugby calendar. However, while continually looking to ensure that we are providing a game that players want to be part of for many years to come, we needed to consider the competition's place within the wider game and whether it provides a strong pathway for men and women players into higher levels of the game. Areas under consideration include: the role and purpose of the County Championship; how it supports and extends player performance pathways and the recruitment and retention of players, coaches, match officials and volunteers within the community game; as well as reviewing the financial modelling for the competitions, including both central RFU funding and Constituent Body contributions. After going to the Community Game Board, a report will be shared with Council and any regulation changes required will follow the normal process.

ENGAGING WITH THE GAME

We launched Project Touchstone to help Constituent Bodies and clubs to better understand their playing base to retain more players and ensure a strong rugby return. Accurate data is essential for communicating with players across both age grade and adult rugby.

Clubs have been asked to review their Game Management System (GMS) club profiles to maximise membership revenue, communicate opportunities, reduce admin in the long run, and stay compliant with GDPR. More widely, accurate data will improve our ability to engage with more of the game, to help support their rugby journey and keep more people playing rugby for longer.

Each season, the RFU runs a National Rugby Survey to gain as much insight into what players want. Asked to rank how important certain factors are to their enjoyment of rugby, players' top three were: a good quality referee, a sociable and friendly atmosphere, and to play teams of a similar standard.

A club health check survey to understand how clubs are managing the return of players, preparation for the new season and club finances will inform both Constituent Bodies and the RFU on where to prioritise ongoing support.

7. CONNECT

The level of communication with and support of the community game has been unprecedented during the past year and throughout all of the challenges presented by the pandemic.

Return to Play Protocols have been meticulously created and regularly communicated, with support and advice given as the game adapted to changing government requirements. The Return to Rugby Roadmap helped clubs to understand the evolving landscape, with resources and guidance provided for each stage. These covered from Stage A, running up to 29 March and allowing only individual training with one other person, to Stage F, from 19 July with all restrictions lifted. Guidance was provided for each region during the Tier system and also covered off-field advice.

With face-to-face coaching, safeguarding and first aid courses returning and many attending, it is clear that the intent is to return prepared and emerge in a stronger position.

There has also been a great deal of help with digital engagement in the absence of training, playing and meetings. The Union and our clubs have maintained engagement with the wider game and clubs have seen numbers either stable or even increased, especially with youngsters, thanks to the innovative ideas on maintaining fitness and an element of competition. The commendable work put in by clubs nationwide on behalf of the NHS,

charities and their communities also expanded relationships and created new members of the rugby family.

The success of the Red Roses continues to inspire women and girls nationwide and helps the continuing growth of the Women's game. Whereas in 2017 there were 25,000 women and girls playing rugby union in England, there were 40,000 by 2021, despite the effect of the pandemic. Since lockdowns ended, Allianz Inner Warrior Camps have been run at 162 clubs across the country giving an introduction to rugby for women who either haven't played before or welcoming those who want to return to playing. Over 20,000 women have attended, with many going on to join Women's touch and contact rugby teams. The summer activity framework also saw clubs encouraged to host Inner Warrior camps for the girls' age groups, bringing players back together and welcoming new players to the game.

8. COMMERCIAL AND OPERATIONAL EXCELLENCE

The organisation has reacted remarkably well to the difficulties that COVID-19 created. Having implemented pay cuts throughout and furloughed 60% of staff, regrettably we had to make 119 redundancies and lose many valued colleagues through no fault of their own.

FINANCIALLY STRONG AND RESILIENT

Revenues for the year were over 60% lower than they would have been without the impact of COVID-19. More detail is set out in the Chief Financial Officer's review.

Despite all of the losses, we are a financially strong and resilient organisation, and able to survive this most challenging of times and continue to invest in the game at rates higher than all other Unions.

We have completed a deal between CVC Capital Partners and the Unions making up the Six Nations. The deal involved selling a minority equity stake in a Newco consolidating Men's and Women's Six Nations and autumn internationals broadcast and certain

THE ORGANISATION HAS REACTED REMARKABLY WELL TO THE DIFFICULTIES THAT COVID-19 CREATED

sponsorship rights. The proceeds from the deal will be invested in our revenue generating assets including our digital and data platforms, growing the women's and girls' games and Twickenham Stadium development. We will also be using some of the proceeds to invest in community game assets, as well as paying off debt and improving our reserves position. The intention is not to replace COVID-19 losses or cover our operational costs: we are doing this to drive incremental growth to reinvest back into the game. The CVC partnership will also provide further commercial collaboration opportunities across their other rugby investments. The deal represents a significant step towards future proofing our sport and moving our commercial programme forward.

The Debenture Donation Programme, which allowed the RFU to buy back 75-year debentures at their present-day

value, with debenture holders directing that such amounts be donated to the Rugby Football Foundation, was a great success thanks to our loyal and supportive debenture holders. Further detail and more information on our Profit and Loss reserve and paying down our borrowing appears in the Chief Financial Officer's section and, given the challenges of COVID-19, shows a remarkable achievement.

COMMERCIAL ACTIVITY

In May, we announced a four-year partnership with ITV and BBC for the Six Nations starting in 2022. This deal brings guaranteed free to air coverage for the tournament and an unprecedented level of support from the BBC for the Women's game, a crucial step towards achieving our goals with the Women's and Girls' game. We are also very close to announcing a partner for the combined autumn fixtures, which would mean all home union autumn internationals being on one channel for the first time in the UK. These deals are an early indication of the positive benefits of this arrangement and the combined broadcast approach with the other Six Nations unions.

In what has been a challenging year for us and for our commercial partners, regular communication and very strong relationships have carried us through. Extensions and renewals





with major partners underlined the strong relationships that exist and the continuing commercial value of partnering with England Rugby.

We began measuring feedback in 2016/7 to improve partner servicing across the organisation. The 2021 Partner Survey shows a record high of 9 for the partnership team and an overall RFU rating of 8.1, equalling last year's score and a lot higher than the original 2017 score of 7.5. This has been fundamental in improved long-term renewals with: O2, Guinness and Dove Men+Care; O2 being the largest sponsorship deal ever secured by the RFU. Umbro and Charles Tyrwhitt joined as partners for the first time last September. These renewals, on top of wider renewals during the COVID-19-impacted season amount to some £70m in contracted revenue.

Supporters' continuing appetite for rugby content saw 144m digital interactions with fans over the season, with web sessions, video views, social media, and email opens, as well as 55 live streamed games from the Greene King Championship. We launched the first ever standalone Women's podcast series - in partnership with O2 - and a behind the scenes series for the Red Roses. Our first women's rugby magazine show arrived at the end of May. Continuing and quality content has been more important than ever with players' and fans' inability to be personally engaged with the game.

Despite matches behind closed doors and non-essential stores closure, thanks to online sales and a new Customer Relationship Management approach, Fanatics achieved the Rugby Store's highest ever merchandise retail sales outside a men's Rugby World Cup season. We also brought our licensing function in-house to drive future commercial revenue.

RUGBY ACTIVITY AT TWICKENHAM STADIUM

At Twickenham Stadium, we hosted the 2020 Gallagher Premiership Rugby Final, two Quilter Internationals as part of the Autumn Nations Cup, and three Six Nations matches - all successfully delivered behind closed doors.

On the 21 and 22 May, the EPCR Heineken Champions Cup and Challenge Cup finals at Twickenham welcomed 10,000 fans to each fixture, the highest attendance at a rugby match since the pandemic began.


Having earlier marked the Twickenham pitch and England training ground to recognise the immeasurable contribution of the NHS, we provided 500 tickets for key workers among the 2,000 at the Autumn Nations Cup Twickenham final.

FLEXIBLE WORKING FOR COLLEAGUES

The past year taught us that we can work differently, and a survey showed that 93%

would like the option of continuing to balance working from office and home within a high-performance culture. We believe colleagues will be most inspired and work most effectively in a flexible working environment which recognises the needs of the business and the individual. Adapted collaborative office space will allow for this and, led by the Executive, change will evolve as preferences and routines are established.

In closing, I would like to thank my colleagues and the entire game for their resilience and continuing support throughout the past year.



THE BIGGEST VACCINATION VENUE TO DATE, WITH 600 STADIUM AND NHS EMPLOYEES INVOLVED OVER NINE HOURS, AND 119 VACCINATION STATIONS OPERATING ON THE DAY, DELIVERING MORE THAN 11,000 VACCINES.

TWICKENHAM STADIUM HELPS DURING PANDEMIC

With fans absent from our national stadium for much of the year, the Twickenham Stadium drive-through testing centre, which opened on 20 April 2020 in the North Car Park, has served the NHS and the community seven days a week and up to 12 hours a day. Seven mobile Testing Units managed by the RFU were deployed in the greater London area to deal with surge testing, outbreaks and community testing. More than 120 staff and volunteers have operated the site daily. At a recent tally, 400,000 tests had been conducted at Twickenham or via the Mobile Testing Units, with a peak of up to 3,000 tests a day.

We were proud to support the NHS in setting up a mass vaccination facility on Bank Holiday Monday in response to increased cases of COVID-19 in the area. The biggest vaccination venue to date was created in less than a week, with 600 stadium and NHS employees involved over nine hours, and 119 vaccination stations operating on the day, delivering more than 11,000 vaccines. We organised this tremendous push to combat COVID-19 in partnership with the local NHS and Hounslow Council.



LOOKING FORWARD: STRATEGIC TARGETS AND RISK MANAGEMENT

TO MEASURE OUR PROGRESS IN 2021/22 WE HAVE SET 16 STRATEGIC TARGETS. THESE ARE SPLIT BY CORE, GAME OBJECTIVES, AND DRIVING OBJECTIVES AND HAVE BEEN DEVELOPED BY THE LEADERSHIP TEAM AND EXECUTIVE.

The principles we used when developing these targets are: our targets should align to our Core Activity or Strategic Objectives; we must be able to measure the target accurately; and our activity must be able to impact change in the target. Please note that while FY20/21 has provided a great opportunity to baseline a number of our targets, in some areas this has not been possible due to the impact of COVID-19. Where we do not have a baseline, FY21/22 will be used to baseline this activity and longer-term targets will be set following this. Given the challenges the organisation has faced due to COVID-19, a number of the FY21/22 targets are focused on retaining our existing position / sustaining current numbers. More detail on our Strategic Targets for 2021/22 can be found on our website [here](#).

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management is paramount to the ongoing successful operation of the RFU. By considering, monitoring and actively managing risks, we can ensure continued investment into the game at both community and professional levels. The Risk Management Framework is available on our website [here](#).

The significant risk categories, and the specific significant risks within those categories, are:

Ability to operate a profitable and stable commercial business

- Sustained financial impact of COVID-19
- Our ability to operate Twickenham Stadium

Long term performance of the England Men's team

- The quality of the player pathway

Grassroots participation

- The level and quality of grassroots participation

Player welfare

- Head impact prevention
- Safeguarding

Continued integrity of business operations

- Cyber security and data privacy

Due to the ongoing impact of COVID-19, specific COVID-19 related risks and mitigations have been identified in each section if relevant.

We have considered our risks by thinking about how each risk affects our key operations and in turn our strategic targets (where applicable):

SUSTAINED FINANCIAL IMPACT FROM COVID PANDEMIC

Significant financial and business interruption has been experienced during the year due to COVID-19 restrictions including cancelled events, matches, reduced capacity for those held and increased costs of staging matches that could proceed.

The risks of the ever-changing environment have been managed through ongoing engagement with the Government, and ensuring this is a priority matter for Executive and Board discussions to minimise impact. Other mitigations for COVID-19 related risks are identified in other principal risks where relevant.

OPERATING TWICKENHAM STADIUM

Revenues derived from events at Twickenham Stadium are a significant revenue stream for the Group. 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) statutory compliance tracker monitoring by Exec and Board; and
- iii) additional access controls and staff training relating to security are in place and amended as needed in line with additional requirements relating to COVID-19.

LOOKING FORWARD

PLAYER PATHWAY

Lack of quality, effective and integrated player pathway could lead to future England teams performing below expectations. This has a significant impact over the whole game, including grassroots participation, but especially in relation to lower revenues to reinvest into the game. This could impact the ongoing availability of commercial sponsorship agreements.

Continued investment into the pathway programmes, as well as enhancements in sports science planned for 2021/22, will remain a priority to mitigate the risk.

GRASSROOTS PARTICIPATION

The community game, including Men's, Women's and age grade competition, has been significantly impacted by COVID-19 restrictions due to the close contact nature of the sport, and multiple delays of return to play were incurred. There is a continued risk that players will not return to the game for the coming season due to a change in personal or club circumstances.

In addition to this, there is a continued risk of loss of players between 16-24 due to socio-economic reasons which will compromise the continued growth and diversity of the game.

Additional work to monitor and engage clubs has taken place and continues to be developed with items in place such as alternative activities for both adult and age grade, and comprehensive return to play guidance.

There is strong focus on improving player data to ensure engagement opportunities are utilised. Significant investment has been made to ensure that data collection, retention activities and technology are fit for purpose. This investment also ensures that insights are accurate and can provide opportunities to mitigate any risk.

Continuous engagement with RFU Council, National Youth Council and Community Game Board ensures the RFU understands the community game landscape to effectively manage these activities.

PLAYER WELFARE

Player welfare continues to be a high priority for the RFU and for rugby stakeholders across the game, from World Rugby to constituent bodies and clubs throughout the game. This includes injury due to the physical nature of the game, safeguarding for children and vulnerable adults, and other risks associated with return to rugby COVID-19.

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

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. Further work streams for FY21/22 to address continued concerns around head impacts will be rolled out across professional and community rugby to ensure continued enjoyment of a safe game.

Further details on the continued efforts of safeguarding at RFU can be found at <https://www.englandrugby.com/governance/safeguarding>

CYBER SECURITY & DATA PRIVACY

As a recognised brand and governing body, it is acknowledged that there are significant risks relating to cyber security and data privacy.

An increased risk of malicious attacks, including phishing emails, database security, potential business disruption and impact on data protection continues to be a high focus for management.

The technology team continues to implement increased controls to protect the RFU assets and ensure data security. Implementation of additional controls and application frameworks will ensure that all technology platforms have appropriate levels of protection and effective due diligence is in place for all new applications handling personal and/or sensitive data.



STAKEHOLDER ENGAGEMENT

STAKEHOLDER ENGAGEMENT DISCLOSURES

SECTION 172 STATEMENT

Section 172 of the Companies Act 2006 requires that directors of a company must act in the way they consider would be most likely to promote the success of the company, while having regard to the factors set out in that section. The RFU is not a company, but a society registered under the Co-operative and Community Benefit Societies Act 2014. Nevertheless, the Rules (constitution) of the RFU state that the fiduciary duties of members of the Board are to be the same as those of directors of a private limited company. The Council has a number of specific powers, most notably in relation to the setting of regulations to govern the playing of rugby in England. Part of this regulatory power is the setting of the competition structure in the Men's and Women's game.

STAKEHOLDER ENGAGEMENT

The RFU has identified its key stakeholders and considered how they are engaged. Key stakeholders include member clubs, constituent bodies, local and national government, players, the workforce and commercial partners. This year more than ever before we have relied on the support of national government. Therefore, we have chosen our engagement with them as an example of how we engage with key stakeholders. In future annual reports, we envisage describing our engagement with a different stakeholder or group of stakeholders.



The Department of Digital, Culture, Media and Sport (DCMS), other government departments and non-governmental organisations such as Sport England.

WHY ARE THEY IMPORTANT TO THE RFU?

Government decision-making shapes the ability of the RFU to operate, especially during the COVID-19 pandemic.

KEY TOPICS OF INTEREST

During this season, a key topic of interest was the return of sport, and the return of fans to stadia.

A further interest of Government was the survival of sports clubs through and following the COVID-19 pandemic. In November 2020, the Government announced the Sports Winter Survival Package to provide grant and loan funding to clubs across community and professional sport. Sport England are administering the Sports Winter Survival Package on behalf of Government. Grant funding has been paid, and the RFU have been working with both DCMS and Sport England on the mechanism for assessment of applications for loan funding.

Another key topic of interest was the way in which rugby as a whole deal with head injuries.

Further, there was interest in the investment by CVC Capital Partners into the commercial rights of the Six Nations.

Finally, given the events around the European Super League in football, there was interest in the temporary pause on relegation from the Premiership.

HOW THE RFU ENGAGED WITH THOSE STAKEHOLDERS

Senior RFU management and directors have regular dialogue with DCMS and other bodies including a scheduled monthly meeting with Sport England.

The RFU CEO also gave evidence to a DCMS Select Committee on head injuries in sport in May 2020. He also appeared before a Public Administration and Constitutional Affairs Select Committee on data transparency and accountability.

WHAT FEEDBACK WAS HEARD FROM THE ENGAGEMENT

Feedback on the return of sport has been ongoing around the challenges and opportunities for play and training to resume.

In relation to the prevention and management of head injuries, the work undertaken by the RFU and other rugby bodies has been recognised.

In relation to the moratorium on relegation, feedback was that it was important to ensure that the opportunity remained for ambitious clubs to join the Premiership.

WHAT ACTIONS WERE TAKEN AS A RESULT

Feedback from the Government and other bodies has shaped the RFU's return to rugby roadmap.

The interim report of the Select Committee on head injuries in sport was provided in July 2021 and the RFU will continue to work with the Government and other stakeholders.

**THIS YEAR MORE
THAN EVER BEFORE
WE HAVE RELIED
ON THE SUPPORT
OF NATIONAL
GOVERNMENT.**

KEY DECISIONS MADE BY THE BOARD

Key decisions made by the Board are set out below, which illustrates how the Board takes into account factors set out in section 172 of the Companies Act 2006:

Significant events/decisions	Actions and impact
1. The decision to sell a stake in the Six Nations commercial rights (including the Autumn Internationals) to CVC Capital Partners	The RFU and other Six Nations unions agreed to centralise the broadcasting rights and certain other commercial rights for the Autumn Internationals into the joint venture company established by the Six Nations unions to sell and manage the Six Nations central broadcasting and sponsorship rights. Subsequently, those unions have agreed to sell a minority stake in those commercial rights to CVC Capital Partners.
Impact on the long-term sustainable success of the RFU	This does not mark a material change to the RFU's business model.
	The consolidation of those commercial rights reduces risk for the RFU and other unions, as a coherent broadcast proposition can be provided to the market. By aligning the matches during the Autumn Internationals, it is intended that more value can be obtained by the unions from these rights.
	It has been important to emphasise that CVC Capital Partners' rights relate to the commercial, rather than governance, side of the Six Nations. This risk has been mitigated by constructive negotiation and use of external legal advisors during the process. Close collaboration with other unions and consultation with the Council and other stakeholders has minimised negative public reaction.
Stakeholder considerations	CVC Capital Partners already owns a minority stake in Premier Rugby Limited and the United Rugby Championship (formerly the Pro-16 league). This will necessitate even closer relationships with those stakeholders. The Six Nations unions will also be required to work increasingly closely together commercially, particularly on the Autumn International matches. This was demonstrated in 2020 when the inability of southern hemisphere unions to travel north required the unions to stage the Autumn Nations Cup, which provided a new format for those matches. The RFU reinvests its profit back into the game. Therefore, a consolidated structure which provides greater value for unions will benefit other stakeholders within the game in England.

KEY DECISIONS MADE BY THE BOARD

Significant events/decisions	Actions and impact
	<p>A consolidated approach to broadcasting will mean that kick-off times for the Autumn Internationals may change, including to Sundays or different times on a Saturday. The RFU has worked with Richmond-upon-Thames Council to understand what is possible for local stakeholders.</p>
<p>2. The adoption of a head impact prevention and management action plan for the professional game</p>	<p>This action plan includes:</p> <ul style="list-style-type: none"> ▪ Brain Health Clinic: a six year agreement with Premiership Rugby to fund a Brain Health Clinic at the Institute of Sport, Exercise and Health (ISEH); ▪ Head Impact Exposure Measurement: To evaluate the level of head impact exposure in Men's and Women's elite rugby in England, a discovery research project was successfully conducted with Sports & Wellbeing Analytics and Harlequins Men's and Bristol Bears Women's squads. Following this project, the RFU will be offering all Premiership clubs the opportunity to be part of a league wide instrumented mouth guard (iMG) project to take place during the 2021/22 and 2022/23 seasons and the RFU is currently in consultation with all 13 Premiership clubs on this. ▪ Head Injury Assessment: Recognising the value of the Head Injury Assessment Protocol (HIA) in managing head impacts where the diagnosis is not immediately apparent, the RFU will also be introducing the HIA supported by real-time video review provided by Hawkeye in the Allianz Premier 15s for the 2021/22 season. The AP15s will be the first domestic Women's league to introduce the HIA.
<p>Impact on the long-term sustainable success of the RFU</p>	<p>Two of the sub-objectives of the RFU under the Welfare strategic objective are to “reduce the risk of concussion in rugby across England” and to “reduce the risk of injury through appropriate interventions and law changes based on insight from injury surveillance data.”</p> <p>Risks around head injuries to players remain high on the RFU's risk register, and therefore it is right that the RFU continues to take steps to research the incidence and effects of head injuries, and to continually improve the management of head injuries.</p> <p>It is vital that the RFU, together with other stakeholders, continues to work to reduce injuries in the game to ensure that the undoubted benefits of playing the game do not become outweighed by the real or perceived risk of injury.</p>

Significant events/decisions	Actions and impact
<p>Stakeholder considerations</p>	<p>The RFU has consulted with stakeholders in the professional game around this action plan, both through the Professional Game Board and its sub-committees, and directly with clubs and players.</p> <p>The welfare of players is of wider importance, and therefore the RFU is also engaged with the Department of Digital, Culture Media and Sport on its approach. The RFU is also closely engaged with World Rugby both on this action plan and with the work that World Rugby does in order to better understand and manage this area. The RFU is also working closely with the Rugby Players' Association, Premiership Rugby and Premiership rugby clubs to consider what guidance may be given regarding limits to contact training.</p> <p>Close collaboration with World Rugby is designed to mitigate against different approaches being taken relating to the welfare of players.</p>
<p>3. The decision to close the RFU's defined benefit pension scheme for future accruals</p>	<p>The RFU Board agreed to consult with employees around proposals to close the RFU defined benefit pension scheme (the Scheme) to future accruals. Following a consultation process with those employees, the Scheme was closed in April 2021.</p>
<p>Impact on the long-term sustainable success of the RFU</p>	<p>A strategic objective of the RFU to "ensure a sustainable and efficient business model delivered by an inspired workforce." Ceasing this future commitment will provide savings to the RFU, but it must be done in a way that does not negatively impact those who were members of the Scheme.</p>
<p>Stakeholder considerations</p>	<p>The RFU consulted with affected employees. This was a positive process, and agreement was reached with those employees as to closure of the scheme. This consultation process mitigated against negative reactions among those affected employees.</p>

KEY DECISIONS MADE BY THE COUNCIL

Key decisions made by the Council are set out below, which illustrates how the Council takes into account factors set out in section 172 of the Companies Act 2006:

Significant events/decisions	Actions and impact
1. The decision to implement a new competition structure at Levels 3 and below in the Men's game	In June 2021, the Council agreed to implement a new competition structure at Levels 3 and below in the Men's game. This involved a flatter pyramid structure, with more leagues at each level, smaller league sizes and reduced travel for the majority of clubs. This is to take effect from the start of season 2022/23.
Impact on the long-term sustainable success of the RFU	One of the sub-objectives of the RFU under the Enjoyment strategic objective is to "redefine playing opportunities, structures and competitions for current and future players, recognising the strategic importance of the adult male game." This restructure is designed to provide a better competition structure to reflect the needs of players, balanced with the needs of clubs. This aims to ensure that players do not leave the game, so that it remains stable.
Stakeholder considerations	<p>A wide group of stakeholders were considered during this process. The working group which made the recommendations consulted extensively with players, clubs and Constituent Bodies both through surveys and direct consultation meetings.</p> <p>The recommendations balanced the desire of players to play fewer games, and to travel less, with the desire of clubs to have a minimum number of guaranteed fixtures in order to obtain matchday revenues.</p> <p>The consultation process allowed concerns and queries to be raised. In particular, it became apparent that some geographical flexibility would be required. A group reporting to the Governance Standing Committee was established to oversee the implementation of the recommendations, and it will take into account this flexibility.</p>
2. The decision for a temporary pause on relegation from the Premiership	In February 2021, the Council agreed that there would be no relegation from the Premiership in season 2020/21. In June 2021, the Council agreed to extend the temporary pause on relegation until the end of the 2023/24 season when there will be a play-off between the bottom-placed team in the Premiership and the winner of the Championship (provided it meets the Minimum Standards Criteria for promotion).

Significant events/decisions	Actions and impact
<p>Impact on the long-term sustainable success of the RFU</p>	<p>One of the sub-objectives of the RFU under the Winning England strategic objective is “... shape the game at domestic ... level to ensure its long-term health and the success of our England teams.” This moratorium will provide a means of stability and recovery for professional clubs following the Covid pandemic and allow time for the RFU and stakeholders to design the future structure of the professional game following the end of the current Professional Game Agreement in 2024.</p> <p>Careful consideration was given to lessons from the European Super League process, including dialogue with the Department of Digital, Culture Media and Sport. All stakeholders were aligned on the need to retain the ability for ambitious clubs to enter the Premiership, and for there to be an element of jeopardy for Premiership clubs.</p>
<p>Stakeholder considerations</p>	<p>The RFU undertook significant consultation with stakeholders, including regular meetings with Premiership club owners, Premier Rugby Limited management, representatives of Championship clubs, the Rugby Players’ Association and the RFU Council. The needs of stakeholders were carefully considered, including in relation to the sustainability of clubs, the development of players and the long-term success of England teams.</p> <p>The representatives of Premier Rugby, the Championship clubs and the Rugby Players’ association all voted in favour of the proposals at the meeting of the RFU Council.</p> <p>The proposals made clear that this temporary pause on relegation is not in force in perpetuity, and so any concerns that stakeholders have around any unintended consequences of the decision are allayed.</p>

SUSTAINABILITY

DIVERSITY AND INCLUSION

THE RFU WANTS TO DRIVE RUGBY UNION IN ENGLAND TO REFLECT THE DIVERSITY OF SOCIETY. TO IMPROVE ALL FACETS OF OUR GAME AND TO CONTINUE TO CREATE AN INCLUSIVE ENVIRONMENT FOR ALL. WE KNOW THAT THIS WILL HELP US TO DELIVER OUR PURPOSE OF ENRICHING LIVES AND INTRODUCING MORE PEOPLE TO RUGBY UNION.

As noted in the CEO's report, we have

developed a detailed diversity and inclusion plan and undertaken significant research.

In order to bring different perspectives to help us shape our plans, we formed an independent advisory group in April chaired by former England, Lions and Harlequins player, Ugo Monye, alongside vice-chair Giselle Mather, former England player and current Wasps Ladies Director of Rugby. With a wealth of knowledge, experience and expertise, this group will help us to develop our plans, challenge our thinking and advocate for the action that

we are taking in delivering our diversity and inclusion goals.

This group will be invaluable as we embark on plans to increase diversity in our sport and ensure it is open and inclusive to all. Consulting with others outside our organisation will provide different perspectives and help us to ensure that our plans are robust, meaningful, and result in tangible action.

The priority areas for action are ethnicity, gender, socio-economic status, sexual orientation and age.

HEADLINE GOALS WITHIN EACH WORK AREA:

FANS, FOLLOWERS AND PARTNERS

40%
FEMALE INTEREST SHARE

6% ETHNICALLY DIVERSE COMMUNITIES INTEREST SHARE

37% LOWER SOCIO-ECONOMIC GROUPS INTEREST SHARE BY 2025

(compared to 29%, 4% and 33% currently)



INCREASE IN ATTENDANCE OF UNDER-REPRESENTED GROUPS AT TWICKENHAM

EMPLOYEES AND BOARD

BOARD COMPOSITION TO BE: **BY 2022**
15% FROM ETHNICALLY DIVERSE COMMUNITIES
& **30%** WOMEN / NON-BINARY

EXECUTIVE AND LEADERSHIP TEAM **BY 2025**
11% FROM ETHNICALLY DIVERSE COMMUNITIES
& **42%** WOMEN / NON-BINARY

50% EXECUTIVE AND LEADERSHIP TEAM & WORKFORCE TO BE FROM UNDER-REPRESENTED GROUPS BY 2025

The RFU recently announced the appointment of Tom Ilube CBE as the new Chair of the Board as well as Polly Williams as an Independent Non-Executive Director, both from August 2021.

GAME PLAY

60K FEMALE
INTEREST
SHARE

170K PLAYERS FROM LOWER
SOCIO-ECONOMIC
GROUPS BY 2025

EVERY DPP, CB rep team and
AP15s club to have a
female coach / match
official involved by
2025, and increase in
coaches and match officials
from ethnically diverse
communities in those groups

700 COACHES & 150 MATCH OFFICIALS

FROM UNDER-REPRESENTED GROUPS TO BE IDENTIFIED
AND RECEIVE MENTORING BY 2025

GAME LEADERSHIP

OBJECTIVE BUILDING AN
INCLUSIVE AND
SUSTAINABLE
GAME
THROUGH
SKILLED AND
DIVERSE
LEADERSHIP



INCREASE THE NUMBER
OF PEOPLE FROM
UNDER-REPRESENTED
GROUPS ACROSS
ALL COUNCIL AND
VOLUNTEER DECISION-
MAKING GROUPS AND
SUB-COMMITTEES

Introduce training and
education to support
diversity awareness
and codes of conduct
to establish principles,
boundaries, guidelines and
acceptable behaviour

Plans in this area will be delivered by the RFU D&I Implementation Working Group of experienced volunteers, recruited from across England to represent the game. Members were announced in autumn 2020. Its objective is to build an inclusive and sustainable game through skilled and diverse leadership.

The focus of this group is to implement recommendations approved by RFU Council, including:

A training programme for Board and Council, together with all Constituent Bodies in receipt of RFU funding, and composition of RFU committees and working groups to be considered within a D&I context to support achieving a diverse mix of members.

RFU guidance to Constituent Bodies and clubs to support inclusive practices and showcase best practice. A best practice recruitment toolkit to attract a diverse range of candidates for each appointment; supporting Constituent Bodies to attract and retain a more diverse pool of people. We have launched a Diversity and Inclusion Hub on EnglandRugby.com providing training and education resources, details of the RFU Diversity & Inclusion Action Plan and Policy, and how to report any issues experienced.

ENVIRONMENTAL DISCLOSURES

ENVIRONMENTAL RESPONSIBILITY

THE RFU CONTINUES TO PRIORITISE ENVIRONMENTAL SUSTAINABILITY WITH THE ONGOING THREAT OF MAN-MADE CLIMATE CHANGE. THE LAST YEAR HAS SEEN THE ORGANISATION COMMENCE THE 2050 NET ZERO CORPORATE STRATEGY PLANNING WHICH WILL CONTRIBUTE TO THE REQUIRED GLOBAL CLIMATE ACTION AND ENSURE A CONTINUED SUSTAINABLE PATHWAY FOR THE RFU.

Twickenham Stadium has driven a significant reduction in operational energy consumption through improving system performance, retrofitting energy efficient solutions, shutting down utilities in unoccupied areas and extensive staff and contractor education.

While the COVID-19 pandemic has resulted in a limited number of spectator

events taking place at the stadium, the focus on waste improvements has continued. On an annual basis 21 tonnes of food waste is composted using an anaerobic digestion unit that produces both electricity and fertiliser, and 23.5 tonnes of glass is sent for recycling. Since the introduction of the reusable EcoCup programme, the RFU has saved in excess of 2.2 million single-use plastic cups from entering landfill each year, with an objective that only 5% of plastic waste is single use. 95% of our food is now prepared and cooked onsite and all cooking oil recycled.

In addition, the stadium limits travel impacts with up to 70% of all fruit and vegetables sourced from within the UK throughout the year, and fresh bread comes from less than 12 miles from the venue. We continue to use a fleet of electric single deck shuttle buses for fans and actively promote walking, cycling and public transport as an alternative to private vehicles for match day travel.

Controls implemented in recent years have continued, including meeting the International Standards Organisation ISO 20121 for sustainable event management, the Carbon Reduction Commitment Energy Efficiency Scheme and Energy Saving Opportunity Scheme.

SINCE THE INTRODUCTION OF THE REUSABLE ECOCUP PROGRAMME, THE RFU HAS SAVED IN EXCESS OF 2.2 MILLION SINGLE-USE PLASTIC CUPS FROM ENTERING LANDFILL EACH YEAR

TACKLING THE ENVIRONMENT

- 95%** OF OUR FOOD IS PREPARED AND COOKED ONSITE
- OUR COFFEE, HOT CHOCOLATE, SUGAR AND BANANAS ARE FAIR-TRADE CERTIFIED**
- OUR SHELL EGGS ARE FREE RANGE**
- ISO 14001 ACCREDITED**
- ANNUALLY 23.5 TONNES OF GLASS WASTE IS RECYCLED**
- UP TO 70% OF FRUIT AND VEG IS SOURCED FROM WITHIN THE UK THROUGHOUT THE YEAR**
- OUR FRESH BREAD COMES FROM LESS THAN 12 MILES FROM THE VENUE**
- SINCE THE INTRODUCTION OF THE ECO CUP WE HAVE SAVED AN AVERAGE OF 2.2M SINGLE-USE PLASTIC CUPS FROM LANDFILL EACH YEAR**
- OUR COOKING OIL IS RECYCLED**
- ALL OF OUR FOOD WASTE GOES INTO AN ANAEROBIC DIGESTION UNIT WHICH PRODUCES BOTH ELECTRICITY AND FERTILISER**
- WE USE PAPER STRAWS, NO MORE PLASTIC STRAWS**

ENERGY USAGE

		2021			2020		
		Units	KgCO ₂ e	% of total	Units	KgCO ₂ e	% of total
Gas	kWh	5,534,917	1,290,411	33.80	8,116,567	1,892,303	34.90
Electricity	kWh	9,100,781	2,121,756	55.60	11,571,509	2,697,782	49.70
Cars	miles	588,279	309,034	8.10	1,362,004	495,343	9.10
Water	m ³	23,935	62,425	1.60	81,098	211,511	3.90
Waste	kg	140,715	35,464	0.90	503,868	126,987	2.30
			3,819,090	100.00		5,423,926	100.00

Usage was significantly lower due to COVID-19 and will return to higher levels next year.

TOTAL EXPENDITURE METRIC

Total expenditure	104,700,000
Tonnes KgCO ₂ per £ spent	0.04

Waste is either recycled or energy recovery is performed, which removes the CO₂ emission. The RFU in the past year generated 56.44 MWh of electricity





SUE DAY
COO/CFO

I began this report last year observing that it would be a financial review unlike any that has gone before. At that stage we had lost £23m of revenues due to the pandemic but had managed to out-perform budgeted profit levels through a combination of careful cost management and the fact that all rugby activity ceased in the final three months of the year. The impact of the pandemic on our performance this year has of course been much greater. Most RFU revenue is driven, directly or indirectly, by staging Men’s 15s internationals at Twickenham Stadium and, while we were able to go ahead with all but one of those fixtures in the year, our capacities ranged from 0% to 12% of the usual 82,000 attendance which had a huge impact, particularly on ticketing and hospitality revenues.

IMPACT OF COVID-19

The reported revenues of £97m and profit to reserves of £20.5m benefit from the impact of the Debenture Donation Programme (see below). Compared to pre-pandemic forecasts, our underlying revenues for the year ending 30 June 2021, excluding the Debenture Donation Programme, are £87.6m, 60% lower than our pre-pandemic forecast. We have managed to mitigate these lost revenues to a significant extent but it has been impossible to offset them entirely. This is partly due to our high fixed costs - particularly relating to Twickenham Stadium, partly due to the the costs of staging the professional game (and by

extension safeguarding the revenues that could be generated to invest back into the game), and partly due to the support needed to ensure the survival of the community game. This year’s underlying loss to reserves, excluding the impact of the Debenture Donation Programme, is £21.3m (see table below), which is c.£30m worse than our pre-COVID-19 forecasts. While this presents a challenge to recover from in the next few years, it also illustrates the high level of cost reduction that has been achieved, given that in the same period we lost nearly £130m of revenues.

Item	£m
Underlying Loss to Reserves	(21.3)
Debenture Donation Programme	41.8
Reported Profit to Reserve	20.5

In this most challenging of years, we have worked hard to maintain and secure the financial stability of the organisation and the game through a number of initiatives, including: a full cost reduction programme; the Debenture Donation Programme; and taking advantage of the various COVID-19 emergency schemes available for the RFU and the game as a whole. Given the significance of each of these either on our overall financial position and that of the wider game, I will give a short summary of each before going

into the usual financial review.

COST REDUCTION PROGRAMME

Before the pandemic hit, the cost and investment base of the organisation for the year ended 30 June 2021 was planned to be circa £207m. Some of the cost reduction we have achieved is driven by those costs that vary naturally with revenues. The largest of these are costs of sale (most notably hospitality sales) and our payments to Premiership Rugby Clubs under the Professional Game Agreement (details included later in this report). However, some difficult decisions had to be made to further reduce the cost base. As Bill has set out in his report, 119 valued colleagues were made redundant, resulting in annual ongoing cost base savings of £5.5m. In addition to this we reduced investment in England Sevens and investment in community and participation programmes, as well as mothballing parts of the stadium, including the hotel.

It is important to understand that while some of this investment will resume in the coming years, some of it cannot. It will take us a number of years to recover from the significant underlying losses made in 2021.

DEBENTURE DONATION PROGRAMME

In light of the financial challenges posed by the pandemic, in addition to the cost reductions outlined above, we considered other initiatives to improve the financial position of the union and game. The most significant of these initiatives was (and is) the Debenture Donation Programme. In this programme, we asked our debenture holders to consider selling their debenture loans at present value back to the RFU and donating the proceeds to the Rugby Football Foundation (RFF).

IN THIS MOST CHALLENGING OF YEARS WE HAVE WORKED HARD TO MAINTAIN AND SECURE THE FINANCIAL STABILITY OF THE ORGANISATION AND THE GAME

The dual purpose of the programme was to secure additional cash funding for grassroots rugby programmes and to strengthen the balance sheet by reducing the long-term liability to debenture holders.

As at 30 June 2021, 5,561 debentures had been donated by 1,246 holders. A summary of the impact of this programme on the Profit and Loss Account is set out below.

Item	£m	Reported in the Profit and Loss Account
Present Value of Debenture Donation	7.7m	Revenue
Difference between the historical cost and the present value of the donated debentures	32.4m	Debenture waiver credit
Sub-total	40.1m	
Gift Aid	1.7m	Revenue
Total Impact on Profit and Loss Account	41.8m	

In the near term, the only cash benefit to the Union is the £1.7m Gift Aid cash generated from the programme. This entire amount will be reinvested in grassroots rugby projects. RFF trustees, working closely with RFU Rugby Development staff, have already begun designing the first of those projects.

The £40.1m reduction in the debenture liability will of course benefit the Union in the longer term.

COVID-19 EMERGENCY SCHEMES

Coronavirus Large Business Interruption Loan Scheme (CLBILS)

Between August and December 2020 we put in place £39m of additional banking facilities, taking advantage of the Government CLBILS scheme. This increased our level of committed facilities to £114m, which was the level at the year end. This was also supplemented by a gross uncommitted overdraft facility of £25m (net £5m). We put these facilities in place planning for them not to be used, but understanding the need to have emergency liquidity in case the pandemic led to ongoing cancellation of matches, as opposed to the 'behind closed doors' scenario that ultimately transpired. We did not draw down these additional facilities and, since the year end, have completed a refinancing process to bring our committed facilities back down to £90m, the level required going forward. A committed overdraft facility of £5m is included within this £90m.

Government Sports Winter Survival Package

As Bill has described, by working closely with the Government for many months we, and colleagues at Premiership and Championship clubs, were able to secure significant funding for rugby through the Sports Winter Survival Package. 512 Community clubs from all levels of the game up to National One have received a total of £18.2m in grant funding. A further 129 clubs have applied for loan funding of £11.5m to enable them to put in place asset-based projects to drive revenues that will improve their long term financial position post-Covid. Men's Premiership and Championship clubs received significant loan funding from the Government. Women's Premiership clubs received c.£600k in grant funding and the RFU itself received £600k to cover costs of COVID-19 measures for the England Women's Team and the costs of implementing the club grants scheme.

Other Coronavirus support schemes

Finally, we were also very grateful for the support received from the Coronavirus Job Retention Scheme (CJRS) which totalled £2.3m in the year and was used as intended to preserve jobs, and the business rates relief scheme (£2.25m in year).

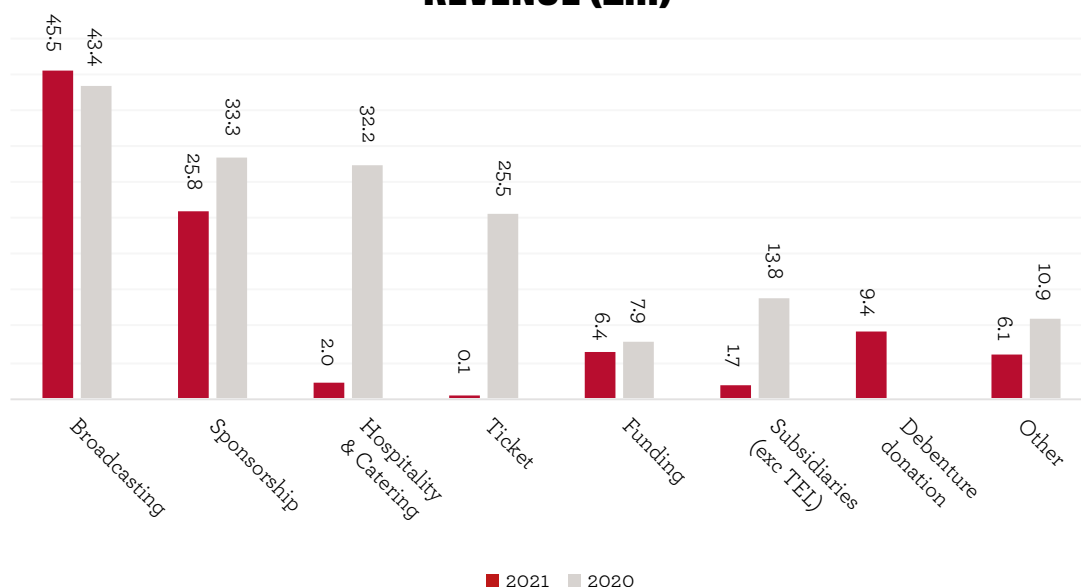
OVERVIEW OF THE YEAR

As is customary I will, in this financial review, compare our results to the prior year, but in so doing it is important to

explain the limitations of that comparison. In ordinary times our revenues and profits vary significantly year on year across a four-year cycle driven, as they are, by the match profile at Twickenham stadium in any given year. But 2020 and 2021 have both been very unusual years, which makes the comparison even more unrepresentative:

- **Last year ended 30 June 2020** was year four of the cycle (Men's Rugby World Cup year) when the match profile always means that we have low revenues and make a loss. In 2020 those results were further depressed by the early impact of the pandemic.
- **This year ended 30 June 2021** is the first year post Men's Rugby World Cup which ordinarily is our highest revenue and profit year, again driven by match profile. Before the pandemic hit we were forecasting retained profits for the year of £8-10m, but the impact of the pandemic has resulted instead in an underlying loss position of £21.3m. This is then more than offset by the impact (£41.8m) of the Debenture Donation Programme, leading to profit to reserves of £20.5m overall (prior year £27.1m loss). In effect, the Debenture Donation Programme 'disguises' the underlying loss position. But it is important to recognise that the underlying position will impact our ability to spend and invest for a number of years to come, and plan on this basis.

REVENUE (£m)



Broadcast revenues (£45.5m vs £43.4m in the prior year) would have been much lower than last year due to the much reduced value of the contract for the 'one-off' northern hemisphere Autumn International competition in 2020. This reduction, however, was offset by £4.3m of revenues from TV partners being captured in broadcast as opposed to sponsorship, as all income from TV partners is now received as a distribution from Six Nations Ltd, a change from the previous arrangement, as well as the inclusion of the final broadcast revenues from the delayed 2020 Six Nations (£6.3m) due to the rescheduling of the final match to October due to COVID-19.

The reduction in sponsorship revenue (£25.8m vs £33.3m in the prior year) is

due to the change in the deal structure described above, as well the loss of some sponsorship revenues due to matches being played behind closed doors or with much reduced capacities. This prevented us from fulfilling some aspects of our sponsorship agreements and as a result, some reductions were negotiated. We are extremely grateful to our sponsors who have remained incredibly supportive throughout the season.

Revenues from Hospitality and Catering and Ticketing were all severely impacted by the restrictions implemented in response to COVID-19. I would like to take this opportunity to thank to our colleagues at Compass, our long-term partner in TEL, for their teamwork and support through such a difficult time. The way that we

were able to work together through such a challenging time is testament to the strong and successful partnership that we have forged together over many years.

Revenues from our other subsidiaries, RFU Hotel Limited, RFU Health and Leisure Limited and England Rugby Travel Limited were also severely impacted by COVID-19 restrictions.

External funding amounted to £6.4m compared to £7.9m in the prior year. This includes pandemic specific funding - CJRS - as well as the usual funding from World Rugby and Sport England. The details of our funding from Sport England are shown below:

	2021 £m	2020 £m
Total Sport England Income	2.9	2.8
Related spend		
Player retention and transition	1.6	0.6
Broadening reach	0.5	0.5
Touch and Sevens	0.1	0.7
Women and Girls/talent development	0.5	1.0
Winter sports survival package administration	0.2	-
Total spend	2.9	2.8

COST OF SALES

Cost of Sales are significantly reduced, £3.6m compared to £26.5m in the prior year, due to COVID-19 restrictions leading to matches being played behind closed doors and curtailed operations for our hospitality subsidiaries.

OVERHEAD EXPENSES

Overhead expenses, which include all administration and non-match day stadium costs, reduced from £56.6m to £43.9m. We have continued to work hard to keep overhead expenses to a minimum. However, there are some fixed costs, particularly relating to business operations and the stadium (including depreciation) that we are not able to impact by reducing activity.

PROFESSIONAL RUGBY INVESTMENT

Professional rugby investment includes the costs of all England representative teams, pathway programmes and the associated support infrastructure, as well as professional club funding. The investment was £40.3m compared to £66.4m in 2020. Professional club funding is linked to revenue so fell with the reduction in revenues. It should also be noted that 2020 figures for 'England' are inflated due to the inclusion of 2019 Men's Rugby World Cup costs in that year.

	2021	2020
	£m	£m
Professional Investment		
Club funding: Men's and Women's Premiership and Men's Championship	12.2	33.0
England: Men's and Women's player fees and contracts, 15s and 7s programmes and pathway	17.9	23.2
Other: Match officials, sports medicine, events and competitions, operations and COVID-19 testing and protocols	10.2	10.2
Total	40.3	66.4

RUGBY DEVELOPMENT INVESTMENT

The reductions in Rugby Development Investment are driven by a combination of headcount reductions and the fact that nearly all of our development programmes simply could not proceed due to restrictions on travel and grass roots sport. Costs were also lower across league funding, club insurance and the IPF due to lower activity in the year, leading to lower insurance costs and fewer new IPF clients.

	2021	2020
	£m	£m
Development Investment		
People and people related operational costs	8.6	9.8
Depreciation (mostly AGPs)	1.4	1.8
Investment in programmes	4.3	10.3
League funding, club insurance and IPF	2.8	6.4
Total	17.1	28.3

OPERATING LOSS

Operating loss was £7.9m, compared to a loss of £10.8m in the prior year.

DEBENTURE WAIVER CREDIT

Debenture waiver credit is £32.4m compared to £nil in the prior year. This relates entirely to the Debenture Donation Programme and represents the difference between the historical cost and the present value of the debentures bought back.

INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable is £5.9m compared to £3.7m in the prior year. This includes charges related to closure of the defined benefit pension scheme to future accruals, interest on drawn down loans, non-utilisation and other fees on bank facilities and implied interest on the future contractual obligation to pay Compass.

As noted in the key decisions of the Board on page 31 the defined benefit pension scheme was closed to future accruals. The difference between the salary growth and inflation assumptions led to a £2.2m loss on pension curtailment.

Bank interest and fees payable at £2.1m was the same as last year. Loan balances were lower and therefore interest was lower, but this is offset by higher fees due to an increase in facilities negotiated to ensure the RFU had suitable funding in place in light of the uncertain economic environment.

The implied interest on the Compass obligation was consistent with the prior year at £1.6m.

TAX

The tax credit on ordinary activities was £0.7m compared to a charge of £7.8m in the prior year. The driver behind this reduction is that in the prior year, the RFU derecognised the majority of its deferred tax asset due to the increased short term and medium term uncertainty that the pandemic has brought to future forecasts. The deferred tax asset increased from £0.6m to £1.5m, due to losses being carried

forward and fixed asset timing differences in the year across three subsidiaries: TEL, RFU Health and Leisure Limited and Rugby Football Development Limited. These usually profitable entities have been impacted by COVID-19. However, the future outlook is far clearer than in the prior year. The full amount was not recognised and this principally reflects the impact of COVID-19 on the forecast utilisation of available losses and other deferred tax assets against reasonably foreseeable future taxable profits.

NET RESULT

After taking account of taxation and adjusting for minority interests, the profit to reserves was £20.5m, compared to a loss of £27.1m in the prior year. This £20.5m is driven by the debenture donation benefit of £41.8m, which offsets an underlying loss of £21.3m.

CASH FLOW

Net cash inflow for the year was £0.6m, compared to an inflow of £9.8m in the prior year. Net cash inflow from operating activities was £5.0m. This is much lower than Operating Profit reflecting the fact that the debenture donation credit is largely non-cash. Total capital cash outflows were £2.3m, including £3.2m of (mainly stadium) capital spend, including work on the roof and fire safety works, which was offset by a net £1.1m of repayments of club loans. Ordinarily, club loan payment receipts would be offset by new club loans but in the context of COVID-19 uncertainty clubs were not generally applying for new capital loans this year. We expect this to pick up now that more certainty (and rugby) is returning. The new debenture issue of £11.6m funded the capital programme and supported the repayment of £10.9m of bank loans. Our cash position at year end was £39.0m compared with £38.4m at the end of the previous year, and our net debt position was £24.9m (prior year £36.4m).

BALANCE SHEET

Consolidated capital decreased by £7.7m from £180.1m to £172.4m. This decrease primarily reflects the underlying loss, excluding the accounting impact of the Debenture Donation Programme, of

£20.2m, offset by new debentures issued of £11.6m.

Although we mothballed the stadium, I would like to be clear that it was nevertheless important to continue with certain capital projects, to maintain the appropriate safety standards and to make sure that the stadium would be in a good operational condition on reopening.

Tangible Fixed Assets reduced from £294.6m to £279.3m principally due to the depreciation of £18.3m exceeding net additions of £3.2m, as no major capital projects were completed in the year.

Debtors and prepayments decreased by £3.9m to £17.7m from £21.6m. Trade debtors declined from £14.2m to £8.2m which is a combination of the prior year balance having amounts owed relating to the Men's Rugby World Cup and the timing of raising year end invoices. This timing difference means that balances that were captured in trade debtors last year are reflected in accrued income this year. The reduction in trade debtors is offset by an increase in other debtors by £1.8m to £2.6m which is driven by the Gift Aid amount from the Debenture Donation Programme of £1.7m being outstanding from HMRC.

Creditors falling due within one year decreased from £41.3m to £40.6m. There was a reduction in other taxes and social security as deferred payments were made in the year, and a reduction in other creditors as ticketing receipts for postponed games were repaid or used for other events. These decreases were offset by an increase of £2.7m in accruals and deferred income driven by an increase in advance ticket sales for the Summer Internationals, which had no equivalent in the prior year due to the 2020 Autumn Internationals being largely behind closed doors.

Creditors due after one year reduced by £9.5m driven mainly by the £11m, being the reduction in bank debt. This is offset by the annual £1.6m increase in the RFU obligation to buy back Compass Group PLC's shares in TEL in 2028.

The pension deficit improved by £0.2m to £1.3m. The change was the net of the improvement of asset values from £46.9m

to £48.3m and the increase in liabilities from £48.4m to £49.6m. The increase in liabilities being the net of the pension curtailment cost, actuarial gains and benefits paid.

Debentures decreased by £28.5m from £229.8m to £201.3m due to the Debenture Donation Programme which reduced the value of the outstanding debentures by £40.1m. This was offset by £11.6m of new Debentures issued.

Profit and loss reserve has increased by £23.5m from £0.7m to £24.2m driven by the profit for the year and the £1.6m reserve transfer from the other reserve, reflecting the RFU's obligation to buy back Compass Group PLC's shares in TEL in 2028.

LOOKING FORWARD

While traditionally this review looks back, as last year it seems appropriate again to look forward to the years to come and to put this unusual year into its broader context:

SIX NATIONS AGREEMENT WITH CVC

Bill mentioned the recently signed Six Nations Agreement with CVC in his report and that it will have a significant impact on our future finances. That Agreement means that CVC will, in effect, become a seventh partner, along with the Unions, in the Six Nations and will hold a 14.3% stake in the New Six Nations Company. The RFU will receive around £90m in proceeds from that transaction over the next five years.

These are capital proceeds so cannot be used to fill the short-term revenue gap created by COVID-19. That would be unsustainable. The funds must instead be invested in long-term revenue generating projects that will fill the revenue gap, and indeed grow our revenues, for the long term. The Board has identified a small number of those long-term revenue generating projects, including stadium development, digital and data development and the Women's game – all of which will underpin our ability to generate revenues into the future to reinvest back into the community game. Some of the proceeds will also be ring-fenced for direct investment into club facility projects, enabling participating clubs to increase their own ongoing revenues.

We all entered into this agreement in order to optimise the broadcast and commercial value of fixtures of the Unions that form the Six Nations and create greater returns to invest back into rugby. International fixtures and scheduling are to be coordinated centrally, minimising scheduling clashes and creating fixtures designed to maximise viewership and extract greater value from broadcast contracts.

OVERALL

The work that we have done this year to stabilise our finances against the impact of COVID-19 means that we are in a strong financial position entering into this year and beyond. We have refinanced and right-sized (reduced) our banking facilities. We

THE WORK THAT WE HAVE DONE THIS YEAR TO STABILISE OUR FINANCES AGAINST THE IMPACT OF COVID-19 MEANS THAT WE ARE IN A STRONG FINANCIAL POSITION ENTERING INTO THIS YEAR AND BEYOND

have implemented the debenture donation programme, reducing the carrying value of debenture debt and increasing funds to invest in the community game by £1.7m to date. We have worked hard this year to 'rebase' the cost base of the organisation so that we can afford the levels of cost and investment that we are currently carrying. This last point is an important one to understand: we are in a stable position but we have also made a very sizeable underlying loss over the course of the last year. It will take a number of years to recover from that loss and for the next few years our cost base will need to remain at current levels, or thereabouts, while we rebuild our lost reserves, right size our debt and regain certainty over future revenues as the impact of the pandemic subsides.

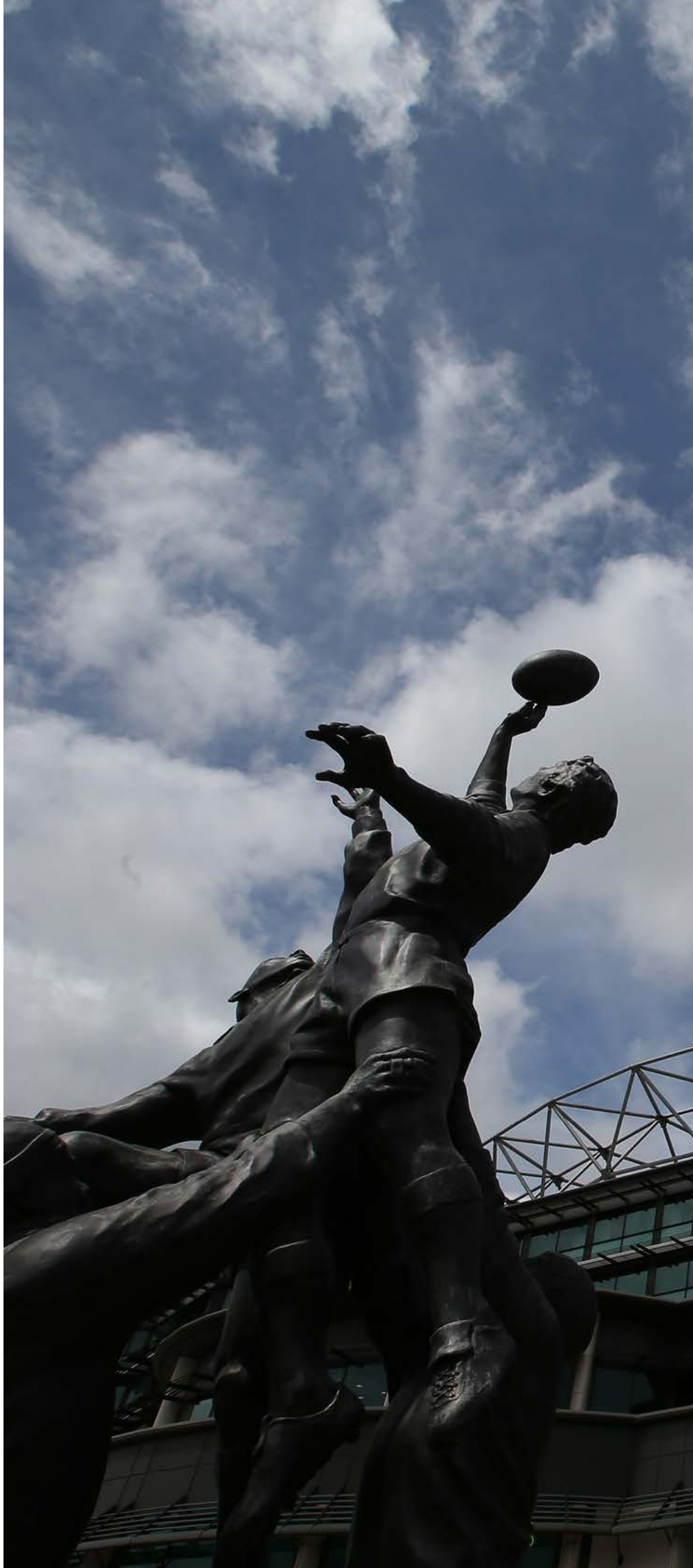
Put simply, we have less money to invest in our great game than in recent years and that means that we must spend the money that we do have wisely, making sure that we invest each pound so that it has the greatest impact on delivering the purpose of our strategy: to enrich lives, to introduce more people to Rugby Union and to develop the sport for future generations.



GOING CONCERN

In adopting the going concern basis for preparing the Financial Statements, the Directors have considered the business activities of the Group as described in the Strategic Report as well as its principal risks and uncertainties, also included in the Strategic Report as set out on pages 6 to 43. Based on the Group's cash flow forecasts and projections, which extended for not less than 12 months from the date of approval of the financial statements, the Board is satisfied that the Group will be able to operate within the level of its facilities for the foreseeable future. For this reason, the Group continues to adopt the Going Concern basis in preparing its Financial Statements. Further details with regard to the Board's consideration of the going concern basis of preparation are given in note 2 on page 77 of the financial statements.

**THE BOARD IS
SATISFIED THAT
THE GROUP WILL BE
ABLE TO OPERATE
WITHIN THE LEVEL OF
ITS FACILITIES FOR
THE FORESEEABLE
FUTURE**



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 2020/21, both the Board and the Council met exclusively by virtual means. This provided significant challenges, but it also demonstrated the robust structures the RFU has in place. During the start of the season, the RFU Board continued to meet on a very regular basis, with a total of 24 formal meetings during the year.

BOARD EFFECTIVENESS REVIEW

In 2019/20 the Board undertook a Board Effectiveness Review, and during 2020/21 a number of the principal actions were taken further:

- A recommendation to reduce the size of the Board was taken forward. While the RFU was due to revisit the size of the Board under the terms of the dispensation given by Sport England, the Board wished to look at this proactively.
- A further recommendation was to better support directors through induction, coaching and mentoring. A new, formal induction process was put in place for new directors coming onto the Board this year, which included a mentoring process and additional training where required. This induction process was also used for members of other committees.
- The relationship with the Council was identified as an area of focus. In this area, the reliance on virtual meetings has also offered a number of opportunities, in particular to develop the relationships that the Board and Executive have with the Council. In addition to formal Council meetings,

regular informal meetings have taken place with the Council, both to debate specific topics and for regular updates on areas such as the Government's Winter Survival Package and the return to play.

- The challenges brought by COVID-19 made a transition from day-to-day issues to more strategic agenda planning more difficult to achieve, and this will be a focus during the coming season.

BOARD SIZE AND COMPOSITION

During the season, the Board debated its future size and composition. Under the Code for Sports Governance, a national governing body must have a maximum board size of 12 unless agreed with Sport England. The RFU reduced the size of its Board to 14 in 2014 but now considered reducing this further to enable better, faster decision-making. The Board considered that 12 was an appropriate number; while this may be large for a corporate organisation, as a members' organisation with a need for wide representation, a slightly larger size was appropriate. Ultimately, the Board recommended, and the Council and members agreed, to reduce the size over time with a reduction of one Council Elected Director in 2022 and one further executive to leave the Board in due course. This has been approved by Sport England, but of course may be reconsidered when the next iteration of the Code for Sports Governance is implemented.

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), 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. Following constructive discussions, Sport England agreed that the RFU could make a small number of derogations from the Code which reflected the needs of the RFU as a National Governing Body.

During 2020/21, BDO, on behalf of Sport England, conducted an audit of the RFU's governance. The audit report was positive, highlighting a number of areas of good practice, in particular around the Board's relationship with the Council. BDO concluded that there was good engagement from the non-executive directors and they scrutinised the Executive well, particularly on financial matters. BDO also noted that the non-executive directors consistently scrutinised the Executive's strategies to ensure that the impact on player welfare was evaluated. They concluded that their review indicated strong governance and that the non-executive directors were undertaking their role effectively. BDO also audited the RFU's financial governance on behalf of Sport England, and it was pleasing to read that BDO concluded that "the RFU have set a benchmark for other funded partners to aspire to."

The audit report gave two recommendations for improvement, firstly around more extensive recording of the decision-making where directors were reappointed, and secondly around more regular review of certain committees' terms of reference. Both of these have been remedied. Further detail on the RFU's compliance with the Code is set out in the compliance statement on the RFU's website.

I have been impressed by the Board's good practice already in place and look forward to working with the Board, Executive and Council in the coming months and years.

BOARD BIOGRAPHIES AND MEETING ATTENDANCE

The Board had six formal meetings scheduled for FY2020/21; however, given the exceptional needs caused by the pandemic, the Board met more frequently for much of this year, returning to its normal schedule of meetings only in May 2021. The number of meetings set out in the table below refers to the total number of meetings held

		FY 2020/21
Andy Cosslett	Chair of Board	24 of 24
Bill Sweeney	Chief Executive	24 of 24
Sue Day	COO / CFO	24 of 24
Simon Massie-Taylor	Chief Commercial and Marketing Officer	24 of 24
Paula Carter	Council Elected Director	19 of 19
Chris Cuthbertson	Chair, Governance Standing Committee	23 of 24
Phil de Glanville	Senior Representative, Professional Game Board	23 of 24
Stephen Pearson	Council Elected Director	22 of 24
Dominic Proctor	Senior Independent Director	23 of 24
David Roberts	Chair, Community Game Board	18 of 19
Genevieve Shore	Independent Non-Executive Director	22 of 24
Jonathan Webb	Council Elected Director and World Rugby Representative	20 of 24
Helen Weir	Independent Non-Executive Director	24 of 24
Peter Whiting	Council Elected Director	23 of 24



TOM ILUBE

CHAIR OF BOARD

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

Subsidiary Directorships:

Twickenham Experience Limited

Rugby Football Development Limited

RFU Hotel Limited

Appointed 1 April 2018

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



SIMON MASSIE-TAYLOR

CHIEF COMMERCIAL AND MARKETING OFFICER

Six Nations Representative

Subsidiary Directorships:

Twickenham Experience Limited

England Rugby Travel Limited

RFU Health & Leisure Limited

RFU Hotel Limited

Appointed 5 September 2016

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



PAULA CARTER

COUNCIL ELECTED DIRECTOR

Council Member for Surrey since 2019

Member, Governance Standing Committee

Chair, Head Injury Prevention and Management Subcommittee

Chair, Club Financial Viability Group

Appointed on 1 August 2020

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



CHRIS CUTHBERTSON

CHAIR, GOVERNANCE STANDING COMMITTEE

Council Member for Middlesex since 2003

Previous RFU roles:

Chair, Laws Subcommittee

Member, Remuneration Committee

Member, Audit and Risk Committee

Appointed 1 August 2014

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



PHIL DE GLANVILLE

SENIOR REPRESENTATIVE, PROFESSIONAL GAME BOARD

Appointed 1 August 2018

Member, Remuneration Committee

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



STEPHEN PEARSON

COUNCIL ELECTED DIRECTOR

Oxford University representative on Council since 2010

Chair of Trustees, RFU Injured Players Foundation

Chair of Trustees, RFU Pension Fund

Member, Audit & Risk Committee

Chair, Future Competitions Structure Working Group

Appointed 1 August 2017

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



DOMINIC PROCTOR

SENIOR INDEPENDENT DIRECTOR

Chair, Board Nominations Committee

Appointed 1 March 2016

Dominic is 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

Former Chair, Club & CB Development Subcommittee

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

Chair, Remuneration Committee

Chair, Fundraising Oversight Board

Member, Board Nominations Committee

Member, Diversity & Inclusion Coordination Group

Appointed 29 September 2017

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



JONATHAN WEBB

WORLD RUGBY REPRESENTATIVE

Chair, RFU Concussion Risk Management Group

Chair, Medical & Sports Science Technical Advisory Group

Member, Governance Standing Committee

Member, Head Injury Prevention and

Management Subcommittee

Appointed 1 August 2016

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

WING COMMANDER
PETER WHITING**COUNCIL ELECTED DIRECTOR**

Council Representative for the RAF since 2007

Director, England Rugby Travel Limited

Appointed 1 August 2019 (having served a previous term on Board)

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



POLLY WILLIAMS

INDEPENDENT NON-EXECUTIVE DIRECTOR

Chair, Twickenham Experience Limited (TEL)

Chair, Audit & Risk Committee

Appointed 1 August 2021

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

Andy Cosslett and Helen Weir also served on the Board as Chair and INED respectively during the year. Their terms ended on 31 July 2021.

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 SEASON 2020/21.

GENERAL MONITORING AND OVERSIGHT

Season 2020/21 saw all of the season's Council meetings held virtually. This both presented challenges and offered an opportunity for the Council to receive more regular updates from the Board and Executive. Regular briefings in between formal Council meetings updated them on topics of particular importance to the community game, most importantly return to play and the government's Winter Sport Survival Package. The Council also had a number of one-off informal meetings to discuss larger topics facing the game. These included: the future competition structure for the Men's adult game, the Women's and Girls' strategy and the moratorium on relegation from the Gallagher Premiership; as well as matters affecting the RFU as an organisation, including the future size and composition of the Board and the role and structure of the RFU as a national governing body. These debates allowed Council to check and challenge and proactively shape key decisions for the game.

The RFU Chair 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 and other work, including Board committees.

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 regularly updated on the work of the Head Injury Prevention and Management Sub-committee which draws together the work of the RFU to monitor and manage

head injuries within the game.

The Council was also consulted on key strategic issues. Most notably, there were regular updates on the proposal that CVC Capital Partners invest in a minority stake in the Six Nations commercial rights. While this was a Board decision, the Council's updates meant they could fulfil their role of monitoring and oversight.

FINANCIAL MONITORING

The Council received a financial report at each formal meeting, enabling members to ask questions of the Board and Executive 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 2021/22. For the first time, this was broken down by each of the RFU's strategic objectives, allowing the Council to track investment according to the objectives.

COUNCIL'S SPECIFIC RESPONSIBILITIES

Under the Rules, the Council has a specific power to determine the allocation of Twickenham match tickets. As government guidance and requirements changed throughout the year, the Council were required to balance providing tickets to member clubs with the need to obtain revenue for investment back into the game. Apart from a very small crowd for England

v France in the Autumn Nations Cup and for the summer Tests against the USA and Canada, matches were behind closed doors and therefore ticketing policies were not enacted during 2020/21.

While the appointment of the Chair and the majority of directors (including the Independent Non-Executive Directors) is a power of the Board, the Council, and the members in general meeting, have the responsibility of reviewing and approving those appointments. A special meeting of Council reviewed the appointments of Tom Ilube and Polly Williams and, after scrutiny of the process and the appointments, approved both, with subsequent approval at the 2021 AGM.

SEASON 2020/21 SAW ALL OF THE SEASON'S COUNCIL MEETINGS HELD VIRTUALLY. THIS BOTH PRESENTED CHALLENGES AND OFFERED AN OPPORTUNITY FOR THE COUNCIL TO RECEIVE MORE REGULAR UPDATES FROM THE BOARD AND EXECUTIVE

BOARD NOMINATIONS COMMITTEE REPORT

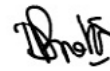
INTRODUCTORY STATEMENT

On behalf of the Board Nominations Committee, I present a report of that Committee's work over the 2020/21 season. This report sets out the principal activities of the Committee during that season, and its priorities for the coming season.

As highlighted in last year's report, the most significant work undertaken was to devise and implement a robust and transparent process for the

recommendation of the new Chair of the Board of Directors and an Independent Non-Executive Director who would chair the Audit and Risk Committee and the Board of Directors of Twickenham Experience Limited. While a limited opportunity for face-to-face meetings made interview and assessment of candidates more challenging, the COVID-19 restrictions offered the opportunity for more efficient regular virtual communications and working, in particular with the Council Nominations Committee.

We expect to see more virtual working during the coming season and beyond, which will enable the Committee to continue to work effectively across its remit.



Dominic Proctor
(Chair, Board Nominations Committee)

MEMBERSHIP OF THE COMMITTEE

Name	Role	Member since	Meetings attended
Dominic Proctor	Chair, Senior INED	2017	6 out of 6
Andy Cosslett	Chair of the Board	2017	6 out of 6
Genevieve Shore	INED	2017	5 out of 6
Mike Waplington	RFU Council Member (ex officio as Chair of Council Nominations Committee)	2018	6 out of 6

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.

At the end of the 2020/21 season, Mike Waplington stood down as chair of the Council Nominations Committee, and accordingly from his ex officio position on the Board Nominations Committee after three years' service. He was replaced by Ken Andrews who was appointed as chair of the Council Nominations Committee by the Council in June 2021. As Andy Cosslett leaves his role as Chair of the Board, Tom Ilube will also take his place on the Committee ex officio.

The RFU has in place two nominations committees: the Board Nominations Committee, which reports to the Board, works alongside the Council Nominations Committee (Council NomCom) which reports to the Council; each committee has specific responsibilities set out in its terms of reference, but the two work closely together.

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 successors to Andy Cosslett as Chair of the Board and Helen Weir as INED and chair of the Audit and Risk Committee whose terms of office came to an end on 31 July 2021. The appointment process was led by Dominic Proctor, and in addition to public advertisement, the

search firm Perrett Laver assisted with the search. The Committee ran an open and transparent process, and candidates were interviewed by a range of Board and Council members. The Committee used its Board skills matrix to identify the skills and experience necessary.

The Committee made the following recommendations to the Board:

- Tom Ilube as Chair of the Board for a three-year term until 31 July 2024; and
- Polly Williams as INED and chair of the Audit and Risk Committee for a three-year term until 31 July 2024.

Both of these appointments were approved by the Board, and subsequently ratified by the Council and the members at the 2021 AGM.

INTERNATIONAL REPRESENTATIVES

During the 2020/21 season, the Committee considered the RFU’s representatives on international rugby bodies and did not recommend any changes. 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. Deborah Griffin also chairs World Rugby’s Audit Committee.

The RFU’s representatives on the Six Nations Council remain Bill Sweeney and Simon Massie-Taylor. Once the proposed investment by CVC Capital Partners in the Six Nations is completed, the governance structure of the Six Nations may change and therefore the most appropriate representation will be considered.

The RFU’s representatives on Rugby Europe remain Rob Udwin and Steve Grainger. In 2020, Rob Udwin was appointed to Rugby Europe’s Board of Directors until 2024.

CHARITY TRUSTEES

The Committee also worked with the Rugby Football Foundation and the RFU Injured Players Foundation, both charities within the RFU’s group, to recommend appointments as trustees of those charities and to work on longer term succession planning. The Chair of the Rugby Football Foundation, Malcolm Wharton, retired on 31 July 2021 and the Committee recommended that Kirsty Marlor, the Council Member for the Royal Navy, replace him as Chair. This was approved by the trustees of the Rugby Football Foundation.

DIVERSITY AND INCLUSION

During the season, the Committee has considered diversity and inclusion relating to its work both as a specific agenda item in meetings and as part of its day-to-day work. In particular, it has considered



the Board’s stated ambition to have two members from ethnically diverse communities by 2022.

BOARD SIZE

This season, the Committee also considered the size and composition of the Board. When the Code for Sports Governance came into force, Sport England had provided the RFU a dispensation for a larger Board size, provided that this was reviewed. The Committee considered a number of options for a smaller Board, and for it to be composed in different ways. Following this consideration, at the 2021 AGM the members agreed that the Board would transition to a size of 12 over time, with a reduction in the number of Council Elected Directors and the number of executives on the Board. This was agreed with Sport England. Further details are set out in the introduction to the Governance section of this Annual Report.

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 that the work of the two Committees is aligned, and that the Council NomCom’s knowledge of the skills and experience of the RFU’s volunteer resource is understood by the Board Nominations Committee.

At the end of the 2021/22 season, five directors come to the end of their terms of appointment, with three able to stand for a further term (of whom one has confirmed he does not wish to stand for a further term). Therefore, a significant piece of work for the Committee and the Council NomCom will be to find successors for those leaving the Board. As agreed with Sport England and approved by the members at the 2021 AGM, from 2021/22 the number of Council Elected Directors on the Board will reduce from four to three.

In the coming season, the Committee will also work with the Council NomCom to identify successors for Council Members who are directors of subsidiary companies within the RFU group.

**DURING THE SEASON,
THE COMMITTEE
HAS CONSIDERED
DIVERSITY AND
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TO ITS WORK BOTH
AS A SPECIFIC
AGENDA ITEM IN
MEETINGS AND AS
PART OF ITS DAY-TO-
DAY WORK**

AUDIT & RISK COMMITTEE REPORT

INTRODUCTORY STATEMENT

I am delighted to be appointed as the Chair of the RFU Audit and Risk Committee and I take over a Committee which has been very well chaired by Helen Weir. I would like to thank Helen and Deborah Griffin for their significant contribution to the Committee over many years.

Clearly this has been an incredibly challenging year for everyone as a result of the global pandemic and much busier than any normal year. I have set out in this report the key areas of focus during 2021,

particularly as a result of COVID-19, as well as those of a more regular nature.

As a result of COVID-19, the Committee provided check and challenge to the detailed scenario modelling developed by management to support the going concern assessment and the assessment of cash resources available to the RFU. They also used their expertise to support the executive with the planning and implementation of the refinancing of the RFU's debt facilities.

The unplanned move to home working when the first lockdown was introduced

required changes to ways of working. The Committee reviewed the internal control arrangements in place for homeworkers and provided feedback on the processes implemented.



Polly Williams
(Chair, Audit & Risk Committee)

MEMBERSHIP OF THE COMMITTEE

Name	Role	Member since	Meetings attended in year
Helen Weir	Chair, INED & RFU Board Member	2015	5 out of 5
Deborah Griffin	RFU Council Member	2012	5 out of 5
Philip Johnson	Independent Committee Member	2017	5 out of 5
Stephen Pearson	Council-elected RFU Board Member	2020	3 out of 5
Tim Miller	RFU Council Member	2019	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.

Polly Williams, INED and RFU Board Member, was appointed as Chair of the Audit & Risk Committee effective 1 August 2021, replacing Helen Weir, who reached the end of her term limit on the RFU Board of Directors on 31 July 2021. Deborah Griffin completed her term on the Audit & Risk Committee and stepped down on 31 July 2021.

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 cyber security.

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 77 to 82 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:

- 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, particularly in light of the impact of COVID-19 on broadcast, sponsorship and other income;
- The estimate of bad debt provisions based on prior repayment performance and liquidity of the debtors;
- The assumptions made in the recognition and valuation of deferred tax assets;
- The assumptions used and the accounting treatment of the defined benefit pension scheme deficit;
- Accounting for the Debenture Donation Programme;
- Accounting for Project Light; and

▪ Review of Post Balance Sheet Events.

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 business 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 recommended the re-appointment of BDO as external auditors to the Board. In turn the Board recommended this to the member who approved the re-appointment of BDO LLP as the Group’s external auditors for 2021 at the AGM on 11 June.

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. Ian Clayden is the statutory auditor for the year ended 30 June 2021. 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, an internal high level assessment of its overall effectiveness in the year was performed. The assessment concluded that the Committee continues to perform effectively. The improvements from the detailed assessment in the prior year have been implemented during the year. These include the formalisation of the induction programme for Audit Committee members, and an update by the Chair to the Committee on the discussion and decisions of Board and Council.

RISK MANAGEMENT AND INTERNAL CONTROL

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

Sources of assurance to the ARC of the effectiveness of risk management and internal controls procedures included a number of deep dives with relevant RFU experts on the following topics:

- The approach to supporting staff wellbeing during the pandemic, including adapting to homeworking, resources provided to staff to support

them during this time and the remote communications plan;

- The risk management process and reporting, including the roles and responsibilities across the organisation and proposed enhancements;
- Fraud prevention controls;
- The application of the two policies in place to provide channels to raise concerns in a confidential manner. These are the Whistleblowing Policy for employees and the Speak Up Policy for both the Professional and Community Game;
- The actions undertaken and the future plans related to GDPR risks and mitigations;
- Safeguarding provision, including safeguarding training, the progress of the Club Safeguarding Audit and safeguarding support provided by our Constituent Bodies;
- The progress made on diversity and inclusion within the RFU; and
- The operation and oversight of our commercial subsidiaries.

Internal audit provides useful independent insight on the key controls and framework of risk management.

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 a number of the key risks faced by the RFU. RSM performed seven internal audits during the year, covering:

- Board reporting for decision making;
- IT Security Framework;
- Critical Relationship and Contract management;
- GDPR;
- Fraud and Whistleblowing;
- Diversity and Inclusion; and
- Safeguarding.

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.

THE ASSESSMENT CONCLUDED THAT THE COMMITTEE CONTINUES TO PERFORM EFFECTIVELY. THE IMPROVEMENTS FROM THE DETAILED ASSESSMENT IN THE PRIOR YEAR HAVE BEEN IMPLEMENTED DURING THE YEAR

REMUNERATION COMMITTEE REPORT

INTRODUCTORY STATEMENT

On behalf of the Board, I am pleased to present our 2020/21 Remuneration Report.

The Remuneration Report provides a comprehensive picture of the purpose, structure and decisions made by the Committee during the year.

As highlighted in last year's report, the Committee applied robust and proactive discretion in 2020/21. This included balancing the rewards

available in a challenging and uncertain financial environment with the need to retain and support our leadership and talent. Understanding the impact of the pandemic, including changeable working conditions, the very real effects of furlough and ensuring our colleagues were treated fairly and equitably was a key part of the agenda this year.

The Committee also worked hard, with the Board and leadership team, to build an even tighter alignment between remuneration, financial targets, the delivery of our agreed business strategy,

the growth and health of our game and the work and performance of our colleagues.

We expect to see this progress continue over the longer term in tandem with the Union's strategy and our recovery and resurgence from this difficult period.



Genevieve Shore
(Chair, Remuneration Committee)

MEMBERSHIP OF THE COMMITTEE

Name	Role	Member since	Meetings attended in year
Genevieve Shore	Chair - Independent Non-Executive Board Member	2019	6 out of 7
Andy Cosslett	Chair of the Board	2016	7 out of 7
Malcolm Caird	RFU Council Member	2016	6 out of 7
Chris Cuthbertson	RFU Council Member and Non-Executive Board Member	2014	3 out of 3
Naomi Sutcliffe	Independent	2018	7 out of 7
Phil De Glanville	RFU Council Member and Non-Executive Board Member	2020	5 out of 6

Note: 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.

After six years on the Remuneration Committee, Chris Cuthbertson reached the end of his permitted term and Phil De Glanville replaced him on the Committee as the nominated Board member. At the end of season 20/21, Malcolm Caird reached the end of his final term on Council and will be replaced at the start of season 21/22 by Simon Wakefield as the nominated Council member. Naomi Sutcliffe was reappointed to a second term as our independent member. As Andy Cosslett leaves his role as Chair of

the Board, Tom Ilube will also take up his place on the Committee. We thank Andy, Chris and Malcolm for their long service and wise counsel, Naomi for her ongoing commitment to the RFU and we welcome Tom to his new role.

MEMBERSHIP, PURPOSE AND RESPONSIBILITIES OF THE COMMITTEE

The Membership, Purpose and Responsibilities of the Committee can be

found [here](#).

ACTIVITIES OF THE COMMITTEE

The Remuneration Committee held seven meetings during the year which, given the ongoing COVID-19 lockdowns, were all run as conference calls. This significantly increased activity was a direct result of the extensive consideration given by the Committee to the impact of the COVID-19 crisis and subsequent decisions made around pay reductions, furlough, salary

sacrifice, and variable pay structures.

For the year 2020/2021 considering the ongoing pandemic, the financial uncertainty of the Union and large-scale changes to staffing and structures, the Committee agreed that there should be no companywide pay increases. The Committee was satisfied by the process undertaken to ensure changes in role or benchmarking were fairly captured.

The CEO, Executive Team and England Coach continued to make salary sacrifices until the end of September, a six-month period in total.

In the light of significant changes in the external market, the Committee used external reports and engaged with the specialist advisors to complete a whole market review and benchmarking for the senior leadership team. The subsequent changes to the remuneration for the CEO and COO/CFO are reflected in the table below.

Executive and staff bonus structures for 2020/21 including quantum, targets and KPIs were also reviewed and agreed for all staff and sales teams. The Committee reviewed the structure, measures and performance throughout the year and approved the payments for the all-staff award and senior leadership team in line with the targets set.

The CEO proposed a series of common goals across his Executive team, designed to ensure absolute focus in this most challenging of years. The revised financial plan included critical metrics and targets agreed by the Board. Despite the challenging environment, specific focus was also given to plans for Women & Girls growth, Diversity and Inclusion, our organisational culture and player welfare.

The Committee approved the structure, targets, goals and measures. However, the annual bonus award made available to the CEO and Executive team for season 2020/21 was reduced by 50% to reflect the ongoing uncertainty and financial challenges. The Committee monitored progress across the financial and non-financial targets and agreed the outcomes which can be seen in the tables below.

The England Men's coaching team waived their bonus schemes for the Autumn Internationals.

The Committee has regularly reviewed the controls, decision-making, and impact of furlough and ongoing salary sacrifice and commends the Executive team, management, and People team for their exemplary work, supporting and communicating to all our colleagues over this challenging period.

The table shows the COVID-19 impact on salaries and bonuses over the two-year period.

	2021 £000	2020 £000
Salary sacrifices		
Executive Members of the Board	49	49
Employees	388	454
	437	503
Unpaid bonuses		
Executive Members of the Board	204**	366*
Employees	118***	844*
	323	1,210
Total	907	1,896

* 2020 unpaid bonuses based on budget

** 2021 Executive Members of the Board based on budget less amounts paid

*** In 2021, the all staff bonus was replaced with a recognition award paid in September 2021. The unpaid bonuses relate to members of the Executive Team who are not Board members.

The Committee completed its annual review of pension provision and supported the process for the closure of the DC legacy pension scheme and the ceasing of future contributions to the DB pension scheme.



The following appointments also fell into the remit of the Committee and due consideration was given and awards agreed for the following roles:

- Appointment of Director of Legal & Governance to the Executive Team
- Recruitment of England Senior Team Attack Coach
- Recruitment of the Head of Performance Team Development
- Recruitment of England Senior Team Manager & Player Pathway Liaison

REMUNERATION DECISIONS

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:

	2021 £000	2020 £000
Bill Sweeney, Chief Executive Officer** (joined May 2019)	540	430
Simon Massie-Taylor, Chief Commercial Officer	334	274
Sue Day, COO / CFO***	368	294
Total	1,242*	998*

* This includes six months of pay reductions due to COVID-19, the Executive Directors took salary reductions of 20% from April to September inclusive in 2020. The total voluntary salary reductions amount to £98,000 for the six-month period.

** This includes the consolidation of a pension payment into base salary for CEO.

*** This includes a 9% base pay increase in March 2021 based on the review described above and a broadening of the responsibilities of the role.

Total remuneration for the full Senior Management team was £2.63m (2020: £2.23m). The main drivers for the movement compared to the prior year were the level of bonus sacrifice in each year, as set out in the tables above, and an addition to the team during the year.

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. During the season as a response to Covid, further members of the Board agreed to reduce their fees.

Given these deductions, the total amounts paid out in 2020/2021 were:

	£000s
Total fee entitlement	£345
Total fees paid following reductions	£204
% Reduction	41%

Total remuneration that each of the Non-Executive Directors on the Board are entitled to be paid as follows:

	2021 £000	2020 £000
Robert Briers	2	25
Paula Carter	23	0
Andy Cosslett	80	80
Chris Cuthbertson	25	25
Phil De Glanville	25	25
Deborah Griffin	2	25
Stephen Pearson	25	25
Dominic Proctor	30	30
David Roberts	23	0
Genevieve Shore	30	30
Jonathan Webb	25	25
Helen Weir	30	30
Malcolm Wharton	0	2
Peter Whiting	25	23
Total	345	345



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

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Entity affairs as at 30 June 2021 and of the Group's profit and the Parent Entity's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 2021 which comprise the Group and Parent profit and loss accounts, the Group and Parent statements of 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.

Independence

We are 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the 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:

- Evaluating the directors' intent: Through enquiry and review of minutes, evaluating the intentions of the directors and the timing and achievability of funding options, significant commercial transaction income and cost saving actions they consider would improve the liquidity position should downside uncertainties such as the further suspension of rugby materialise.
- 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.
- Assumptions applied to forecast models: Assessing the appropriateness of the assumptions applied by applying our knowledge of the organisation, as well as, where appropriate, vouching to supporting documentation
- Sensitivity analysis: Considering key inputs into the cash flow forecasts and assessing the Group's sensitivity analysis on reasonably possible downside scenarios that could arise

individually and collectively whilst considering the effect on the level of available financial resources. Challenging the directors on the appropriateness of expected revenue volumes, timing, growth rates, and expected costs by comparing to historical trends and our knowledge of the business and sector it operates in, adjusting our expectations for our understanding of the impact of COVID-19 where relevant.

- Reviewing refinancing documentation and testing forecast covenant compliance based on these new financial covenants, assessing the sensitivity and headroom as above.
- Identifying any unrecorded liabilities that may exist in the Group: procedures included inspection of Director meeting minutes, post year end payments and invoice sampling, inspection of correspondence with the in-house legal team including obtaining confirmation of no material claims or litigations to which the audit team were not previously aware of, as well as challenging new contracts taken out in the year in order to identify any unrecorded liabilities or conditions not otherwise met by the Group.
- 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	100% (2020: 100%) of Group profit before tax 100% (2020: 100%) of Group revenue 100% (2020: 100%) of Group total assets	
Key audit matters	2021	2020
	√	X
Revenue recognition		
Impact of COVID-19 on revenue recognition and recoverability of debts	x	√
No longer a key audit matter due to the fact that the recognition complexities derived from the impacts of COVID-19 on revenue and trade debtors have been less significant. The impacts are less dispersed and the material impacts are subsumed within revenue and going concern.		
Recognition and valuation of deferred tax assets	x	√
No longer a key audit matter due to a reduction in the 'measurement' risk in light of the restriction on deferred tax asset recognised on account of ongoing tax losses. This is no longer the first year in which the Group has derecognised the majority of its deferred tax asset, and the mechanics of management's model has been reviewed previously and remains unchanged.		
Materiality	Group financial statements as a whole <i>£2.3m (2020: £2.4m) based on 3% (2020: 3%) of profit before rugby investment over a 3 year average (2020: current year figure).</i>	

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 Parent Entity and all significant components are located in the UK. All audit work on the significant components was performed by the group audit team. Audit work on Rugby Football Foundation and RFU Injured Players Foundation (both non-significant components with material balances) was performed by a BDO component auditor also based in the UK. The Group team instructed the component auditor as to the significant areas to be covered, including the relevant risks detailed above and the information to be reported back. The Group team approved

the component materiality for these entities having regard to the combination of size and risk profile of the Group.

For non-significant components with material balances, those material balances have been subject to audit and otherwise we have performed desk-top analytical review procedures on those components. Non-significant components with no material balances have been subject to desk-top analytical review procedures performed 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.

Revenue recognition

The accounting policy for the recognition of revenue is set out in note 2 (e) on page 76. The group's revenue is generated from stadium operations, sponsorship, merchandising, multimedia and other commercial activities.

Each revenue stream has different characteristics and is derived from different, sometimes individual, commercial contract terms. Some include areas of judgement such as when to recognise the right to revenue arising from participation in particular competitions or accounting adjustments such as the deferral of revenue for future ticket sales.

Given the nature and complexity of revenue we considered there to be a significant risk arising in respect of the completeness and existence of revenue in all revenue streams.

The impact and timing of the COVID-19 pandemic led to management needing to apply a deeper level of scrutiny over the terms of the contract in order to assess the timing and quantum of revenue to be recognised in the period.

As a result of the aggregate of these judgements, we considered this to be a key audit matter.

How we addressed the matter in our audit

Our audit procedures over the recognition of revenue included, but were not limited to:

- Testing a sample of sponsorship contracts to invoice or agreement and to bank to gain assurance over completeness and existence of revenues recognised
- Reviewing external correspondence with counterparties in order to determine the extent to which contract rights had been fulfilled and amounts were recoverable
- Testing on a sample basis management's approach to the apportionment of contract values through review of the contract and management's workings and rationale for assigning certain values to particular events
- Reviewing broadcasting contracts, vouching amounts to bank and observing third party correspondence with broadcasters (which stated the amounts due) to assess management's recognition of broadcasting income
- Reviewing the timing of completion of matches, along with correspondence and other evidence from broadcasters, to confirm the timing of recognition of broadcasting revenues, in particular with regard to competitions spanning accounting periods
- Reviewing correspondence with funders to determine the timing of recognising grant income and checking that it was recognised in the correct period
- Testing on a sample basis the appropriateness of management's deferral of ticketing income through vouching to invoice and, in the case of events postponed into the following financial year, to subsequent customer agreement that the box / ticket sale can be carried forward to when the match would be rescheduled, rather than refunded.

- Testing on a sample basis management's deferral of seasonal box income based on the delivery of box rights against future events

KEY OBSERVATIONS

As a result of our procedures we did not identify anything to suggest that management's judgements over revenue recognition is inappropriate.

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	
	2021 £	2020 £	2021 £	2020 £
Materiality	2,300,000	2,400,000	2,000,000	1,900,000
Basis for determining materiality	3% of normalised profit before rugby investment averaged over a three year period	3% of profit before rugby investment	3% of normalised profit before rugby investment averaged over a three year period	3% of profit before rugby investment
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 indicator.	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 indicator.	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 indicator.	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 indicator.
Performance materiality	1,725,000	1,800,000	1,500,000	1,400,000
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 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 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 group's internal controls and management's attitude towards proposed adjustments.

Component materiality

Component materiality ranged from £21,000 to £501,000. In the audit of each component, we further applied performance materiality levels of 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 (2019: £0.1m) (being 4 (2019: 3) per cent 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.

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

Based on our understanding and accumulated knowledge of the Group and its subsidiaries and the sector in which it operates we considered the risk of acts by the Group and its subsidiaries which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. These included but were not limited to those that relate to the form and content of the financial statements, such as the Group accounting policies, UK accounting standards; those that relate to the payment of employees; and industry related such as regulations impacting sports governing bodies.

The engagement team was deemed to collectively have the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and component auditors and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks

were related to posting inappropriate journal entries, management bias in accounting estimates and improper revenue recognition associated with year end cut-off. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to accrued income and deferred income, actuarial assumptions, useful economic lives of tangible fixed assets, valuation of intangible assets, investment properties, investments, club loans, insurance receivables and relevant provisions thereto such as impairment;
- Focus was made on revenue year end cut-off procedures and the inclusion of revenue in the correct accounting periods;
- Identifying and testing journal entries, in particular any journal entries posted with specific keywords, manual debit entries to revenue and journals posted at weekends;
- Discussions with management, the Audit Committee and Directors, including consideration of known or

suspected instances of non-compliance with laws and regulation and fraud

- Review of minutes of Board meetings throughout the period;
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations; and
- Targeted testing of payroll in order to identify potential fraudulent or tax evasive payments.

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.

BDO LLP

IAN CLAYDEN

(Senior Statutory Auditor)

For and on behalf of
BDO LLP,
Statutory Auditor,
London

Date: 17 November 2021

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



FINANCIAL STATEMENTS

GROUP PROFIT AND LOSS ACCOUNT
FOR THE YEAR TO 30 JUNE 2021

	Notes	Group 2021 £m	Group 2020 £m
Revenue	4	97.0	167.0
Cost of sales		(3.6)	(26.5)
Gross profit		93.4	140.5
Overhead expenses		(43.9)	(56.6)
Profit before rugby investment		49.5	83.9
Rugby investment			
Professional rugby investment		(40.3)	(66.4)
Rugby development investment		(17.1)	(28.3)
Total rugby investment		(57.4)	(94.7)
Operating loss	5	(7.9)	(10.8)
Debenture waiver credit	9	32.4	-
Interest receivable and similar income	10	-	-
Interest payable and similar charges	11	(5.9)	(3.7)
Gain/(loss) on fair value adjustments to fixed asset investments	16	0.8	(0.2)
Profit/(loss) on ordinary activities before taxation		19.4	(14.7)
Tax credit/(charge) on ordinary activities	12	0.7	(7.8)
Profit/(loss) on ordinary activities after taxation		20.1	(22.5)
Profit attributable to non-controlling interests		0.4	(4.6)
Profit/(loss) to reserves		20.5	(27.1)

All profit and loss items relate to continuing operations.

The notes on pages 76 to 103 form part of these financial statements.

FINANCIAL STATEMENTS
PARENT PROFIT AND LOSS ACCOUNT
FOR THE YEAR TO 30 JUNE 2021

	Notes	Parent 2021 £m	Parent 2020 £m
Revenue	4	84.3	126.3
Cost of sales		(2.6)	(14.2)
Gross profit		81.7	112.1
Overhead expenses		(39.7)	(44.1)
Profit before rugby investment		42.0	68.0
Rugby investment			
Professional rugby investment		(40.4)	(66.4)
Rugby development investment		(14.2)	(24.4)
Total rugby investment		(54.6)	(90.8)
Operating loss	5	(12.6)	(22.8)
Debenture waiver credit	9	32.4	-
Interest receivable and similar income	10	-	0.1
Interest payable and similar charges	11	(4.4)	(2.2)
Gain/(loss) on fair value adjustments to fixed asset investments	16	(1.9)	(2.8)
Profit/(loss) on ordinary activities before taxation		13.5	(27.7)
Tax credit/(charge) on ordinary activities	12	0.1	(4.4)
Profit/(loss) on ordinary activities after taxation		13.6	(32.1)

All profit and loss items relate to continuing operations.

The notes on pages 76 to 103 form part of these financial statements.

FINANCIAL STATEMENTS

GROUP AND PARENT STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR TO 30 JUNE 2021

	Group 2021 £m	Group 2020 £m	Parent 2021 £m	Parent 2020 £m
Profit/(loss) on ordinary activities after taxation	20.1	(22.5)	13.6	(32.1)
Actuarial gain/(loss) on defined benefit pension scheme	1.4	(2.6)	1.4	(2.6)
Movement on deferred tax relating to actuarial loss	-	0.2	-	0.2
Other comprehensive income for the year	1.4	(2.4)	1.4	(2.4)
Total comprehensive income for the year	21.5	(24.9)	15.0	(34.5)
Total comprehensive income attributable to:				
Non-controlling interests	(0.4)	4.6	-	-
Owners of the Parent	21.9	(29.5)	15.0	(34.5)
	21.5	(24.9)	15.0	(34.5)

All profit and loss items relate to continuing operations.

The notes on pages 76 to 103 form part of these financial statements.

	Notes	Group 2021 £m	Group 2020 £m	Parent 2021 £m	Parent 2020 £m
Fixed assets					
Intangible fixed assets	13	2.5	2.9	2.5	2.9
Tangible fixed assets	14	279.3	294.6	256.8	269.9
Loans to clubs	15	7.0	8.1	0.5	0.6
Investments	16	8.4	7.6	132.7	131.2
Investment property	17	6.9	6.5	6.9	6.5
		304.1	319.7	399.4	411.1
Current assets					
Stock	18	0.3	0.4	-	-
Debtors and prepayments due within one year	19	17.5	21.4	33.0	60.8
Debtors and prepayments due after one year	19	0.2	0.2	0.2	0.2
Cash at bank and in hand	20	39.0	38.4	25.0	18.9
Deferred tax	12	1.5	0.6	-	-
		58.5	61.0	58.2	79.9
Creditors					
Amounts falling due within one year	21	(40.6)	(41.3)	(50.2)	(60.7)
Net current assets		17.9	19.7	8.0	19.2
Creditors					
Amounts falling due after one year	21	(148.3)	(157.8)	(148.0)	(157.2)
Net assets excluding pension liability		173.7	181.6	259.4	273.1
Pension Liability	27	(1.3)	(1.5)	(1.3)	(1.5)
		172.4	180.1	258.1	271.6
Debentures	23	201.3	229.8	201.3	229.8
Capital and reserves					
Called up share capital	24	-	-	-	-
Debenture reserve	26	38.1	38.1	38.1	38.1
Other reserve	26	(94.3)	(92.7)	-	-
Profit and loss reserve	26	24.2	0.7	18.7	3.7
Total equity funds		(32.0)	(53.9)	56.8	41.8
Non-controlling interests		3.1	4.2	-	-
Capital employed		172.4	180.1	258.1	271.6

The notes on pages 76 to 103 form part of these financial statements.

The financial statements were approved by the Board of Directors on 17 November 2021, and signed on its behalf by:



Bill Sweeney
Chief Executive Officer



Sue Day
COO/CFO



Tom Ilube
Chair

FINANCIAL STATEMENTS

GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR TO 30 JUNE 2021

	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 2019	-	(91.1)	38.1	28.6	(24.4)	1.4	(23.0)
Profit for the year	-	-	-	(27.1)	(27.1)	4.6	(22.5)
Other comprehensive income	-	-	-	(2.4)	(2.4)	-	(2.4)
Total comprehensive income for the year	-	-	-	(29.5)	(29.5)	4.6	(24.9)
Transfer between reserves	-	(1.6)	-	1.6	-	-	-
Dividends paid	-	-	-	-	-	(1.8)	(1.8)
At 30 June 2020	-	(92.7)	38.1	0.7	(53.9)	4.2	(49.7)
Profit for the year	-	-	-	20.5	20.5	(0.4)	20.1
Other comprehensive income	-	-	-	1.4	1.4	-	1.4
Total comprehensive income for the year	-	-	-	21.9	21.9	(0.4)	21.5
Transfer between reserves	-	(1.6)	-	1.6	-	-	-
Dividends paid	-	-	-	-	-	(0.7)	(0.7)
At 30 June 2021	-	(94.3)	38.1	24.2	(32.0)	3.1	(28.9)

The notes on pages 76 to 103 form part of these financial statements.

PARENT STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR TO 30 JUNE 2021

	Called up share capital £m	Debenture reserve £m	Profit and loss reserve £m	Total equity funds £m
At 1 July 2019	-	38.1	38.2	76.3
Loss for the year	-	-	(32.1)	(32.1)
Other comprehensive income	-	-	(2.4)	(2.4)
Total comprehensive income	-	-	(34.5)	(34.5)
Foreign exchange loss on fair value of hedges	-	-	-	-
At 30 June 2020	-	38.1	3.7	41.8
Profit for the year	-	-	13.6	13.6
Other comprehensive income	-	-	1.4	1.4
Total comprehensive income	-	-	15.0	15.0
Foreign exchange loss on fair value of hedges	-	-	-	-
At 30 June 2021	-	38.1	18.7	56.8

The notes on pages 76 to 103 form part of these financial statements.

FINANCIAL STATEMENTS**GROUP CASH FLOW STATEMENT
FOR THE YEAR TO 30 JUNE 2021**

	2021 £m	2020 £m
Cash flows from operating activities		
Profit/(loss) on ordinary activities after taxation	20.1	(22.5)
Adjustments for:		
Amortisation of intangible assets	0.6	1.1
Depreciation of tangible assets	18.3	19.4
Loss on disposal of tangible fixed assets	0.1	0.1
Impairment of tangible fixed assets	-	0.3
Gain on fair value of investment properties	(0.4)	-
Corporation tax charge	(0.7)	7.8
Debenture waiver	(40.1)	-
Interest charge	3.8	3.7
Net pension expense	0.9	-
(Gain)/loss on fair value of fixed asset investments	(0.8)	0.2
Corporation tax paid	(0.5)	(1.2)
Decrease in stock	0.1	0.2
Decrease in debtors	3.9	3.6
Decrease in creditors	(0.3)	(15.4)
Net cash flows from operating activities	5.0	(2.7)
Cash flows from investing activities		
Purchase of intangible fixed assets	(0.2)	(0.4)
Purchase of tangible fixed assets	(3.2)	(8.8)
Loans advanced to clubs	(0.1)	(1.1)
Loans repaid by clubs	1.2	0.9
Purchase of fixed asset investments	-	(0.6)
Sale of fixed asset investments	-	0.7
Net cash flows from investing activities	(2.3)	(9.3)
Cash flows from financing activities		
(Repayment)/ draw down of bank loans (net of fees)	(10.9)	15.3
Debentures issued	11.6	10.4
Interest paid	(2.1)	(2.1)
Dividends paid to non-controlling interests	(0.7)	(1.8)
Net cash flows from financing activities	(2.1)	21.8
Net change in cash and cash equivalents	0.6	9.8
Cash and cash equivalents at beginning of year	38.4	28.6
Net change in cash and cash equivalents	0.6	9.8
Cash and cash equivalents at end of year	39.0	38.4

	2021 £m	2020 £m
Cash and cash equivalents comprise:		
Restricted cash	2.0	1.6
Non-restricted cash	37.0	36.8
	39.0	38.4



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 functional 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 33.7.

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 44 including the Group’s principal risks and uncertainties, together with the Group’s short, medium and long term cash flow forecasts. In particular the Directors have considered the impacts of the coronavirus pandemic (COVID-19).

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.

In normal circumstances, 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. However, the Company and Group’s revenue streams have been profoundly impacted by the temporary cessation of international rugby with full capacity crowds at Twickenham from March 2020. There have been limited crowds since, with a maximum of 10,000 during FY21 and post year end, however it is hoped full capacity crowds will return from November 2021. If restrictions are imposed that limit the ability to have full capacity crowds, similar to those previously, this has, and potentially will have a material impact on profits generated by the RFU for investment into rugby.

Through the COVID-19 period, from lockdown and subsequently during the period of phased reintroduction, we have been unable to raise revenue from many of our main revenue streams, including ticketing, hospitality, boxes and conferences and events. It was possible to significantly reduce a number of operational costs, with a high proportion of staff temporarily furloughed through the Coronavirus Job Retention Scheme, as well as stopping all non-essential activity. Notwithstanding this, the RFU is currently forecasting losses

for Financial Year 21/22 excluding one off transactions, rather than the profits normally generated in a non-World Cup year. Financial Year 22/23 remains uncertain and will inherently depend on the future course of the pandemic.

It remains important to consider that, so long as rugby remains a sport within England, there will be a requirement for a governing and regulatory body, and so in all scenarios we anticipate the Union will, in all likelihood, adapt its cost base to fit with a revised structure of the sport until such time as things can return to normal.

Since year end the RFU has completed a refinancing with its bankers, reducing the total committed facility from £114m which was made up of £50m term loan, £14m revolving credit facility and £50m CLBILS revolving credit facility to a £90m revolving credit facility split between two banks for a three year period, with an option of up to two further years. This facility is subject to financial covenants and interest and capital repayment terms, which the Board are comfortable will be met.

The Directors have reviewed financial projections for the Rugby Football Union Group, including various COVID-19 scenarios, for the years 2021/22 and 2022/23, and have concluded that 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 during this period.

It is only in the case of prolonged further cessation of international rugby, including both the Autumn Internationals and Six Nations, that additional facilities may be required. The Directors consider that this eventuality is remote and even if realised then the RFU would be able to secure further public or private funding.

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. Due to the Group's inability to exercise significant influence over this investee company, management do not believe that it is appropriate to equity account this investment. The Group's share of net surpluses and net assets after settlement of contractual obligations of British & Irish Lions Designated Activity Company are not material to the Group.

(e) Revenue

Revenue represents amounts invoiced, 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 over the period to which the grant relates.
- Government grants for revenue are accounted for under the performance model and credited to the Profit and Loss Account as revenue in line with satisfaction of the relevant performance condition or conditions. The Coronavirus Job Retention Scheme is accounted for under the performance model with the income recognised in the month of the corresponding payroll expense.
- 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.
- 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 credit 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, which are initially recognised at cost. Following initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and impairment losses. Amortisation is charged on a straight line basis over the estimated useful life as follows:

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

At the end of each reporting period the intangible assets are assessed for indication of impairment. If there is an indicator, an impairment test is performed comparing the carrying value with the higher of the recoverable amount or value in use with any excess in the carrying amount being charged to the Profit and Loss Account.

(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 'other operating 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 (AGPs)

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 will be 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 statement of financial position 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.

(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) Pension and other postretirement 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.

(t) Foreign currency translation of transactions and balances

Foreign currency transactions are translated into the Group entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the 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 'other operating income or expense'.

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

Exchange gains and losses, arising on unsettled foreign currency transactions, are recognised in equity. Once settled, they are included in the Profit and Loss Account.

(u) 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 presented in a separate cash flow hedge reserve and then released on maturity of the contract. Any ineffective portions of those movements are recognised in profit or loss for the period.

(v) 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, 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 under interest receivable and similar income.

(w) Employee termination benefits

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.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported 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) Judgments

Twickenham Experience Ltd (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).

If no option event occurs before 30 June 2028, the contract requires the RFU to repurchase Compass Group's 40% share of TEL for £95.5m. The likelihood of Compass exercising an option event before 30 June 2028 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. The level of investment for 20/21 and the next three 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.

Artificial Grass Pitches (AGPs)

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.

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.

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. 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 and if reasonable mitigation cannot be made an impairment is recognised.

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.

b) Areas of estimation uncertainty

Pension assumptions

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

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 2021 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 three 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.

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.

4. REVENUE

Revenue is attributable to the activities as the governing body of rugby in England	Group 2021	Group 2020	Parent 2021	Parent 2020
	£m	£m	£m	£m
Ticket	0.1	25.5	0.1	25.5
Broadcasting	45.5	43.4	45.5	43.4
Sponsorship	25.8	33.3	25.8	33.3
Hospitality and Catering	2.0	32.2	-	5.0
Merchandising and Licensing	2.5	2.7	2.6	3.1
Hotel	0.2	4.3	-	-
Health and Leisure	1.3	2.8	-	-
Travel	0.3	6.7	-	-
Dividend	-	-	0.8	2.7
Recharges	-	-	4.4	3.8
Event hire fees	0.8	1.2	0.8	1.2
Funding	4.1	6.1	0.3	3.2
Coronavirus Job Retention Scheme	2.3	1.8	0.9	0.9
Insurance proceeds	0.4	2.3	-	-
Debenture donations and gift aid	9.4	-	-	-
Other	2.3	4.7	3.1	4.2
	97.0	167.0	84.3	126.3

5. OPERATING LOSS

Operating loss is stated after charging:	Group 2021	Group 2020	Parent 2021	Parent 2020
	£m	£m	£m	£m
Board and Council – RFU administration costs	0.3	0.4	0.3	0.4
Match related expenses	-	0.4	-	0.4
Depreciation of tangible fixed assets	18.3	19.4	15.9	16.4
Amortisation of intangible fixed assets	0.6	1.1	0.6	1.0
Loss on disposal of tangible fixed assets	0.2	0.1	-	0.1
Loss on impairment of tangible fixed assets	-	0.3	-	-
Gain on investment property	(0.4)	-	(0.4)	-
Operating lease rentals	0.3	0.6	0.2	0.3
Auditors' remuneration – audit services	0.2	0.2	0.1	0.1

6. BOARD DIRECTORS' REMUNERATION

	2021	2020
	£m	£m
Emoluments and benefits in kind	1.4	1.1

The highest paid Director received remuneration of £0.5m (2020: £0.4m) 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 (2020: £nil). There are two Directors (2020: two) to whom retirement benefits are accruing under the defined contribution pension scheme.

Directors' bonuses were awarded for the year ended 30 June 2021. The Remuneration Committee report provides greater detail on Directors' pay and can be found on pages 57 to 59.

The above figures are shown on an accruals basis.

7. STAFF COSTS

	2021	2020
	£m	£m
Direct employee costs		
Wages and salaries	24.3	25.6
Social security costs	2.8	2.8
Defined benefit pension costs	0.2	0.2
Defined contribution pension costs	2.6	2.5
Restructuring costs	2.0	-
	31.9	31.1
Other staff costs		
Temporary staff	2.3	2.3
Individuals employed by third parties	1.2	2.5
Total staff costs	35.4	35.9

The above figures include bonus payments on an accruals basis.

8. STAFF NUMBERS

	2021	2020
Average monthly number of direct employees (full-time equivalent)		
Stadium, Commercial and Administration	197	203
Professional Rugby	114	133
Rugby Development	158	229
	469	565

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

9. DEBENTURE WAIVER CREDIT

	Group 2021	Group 2020	Parent 2021	Parent 2020
	£m	£m	£m	£m
Debenture waiver credit	32.4	-	32.4	-

The above debenture waiver credit is due to the Debenture Donation Programme. The objective of this programme was to support the work of the RFU in a time of COVID-19 and going forward. 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 £7.7m and the cost value of the redeemed debentures on the balance sheet of £40.1m.

10. INTEREST RECEIVABLE AND SIMILAR INCOME

	Group 2021	Group 2020	Parent 2021	Parent 2020
	£m	£m	£m	£m
Interest receivable and similar income	-	-	-	0.1

11. INTEREST PAYABLE AND SIMILAR CHARGES

	Group 2021	Group 2020	Parent 2021	Parent 2020
	£m	£m	£m	£m
Bank interest	2.1	2.1	2.1	2.1
Other interest charge	1.6	1.6	0.1	0.1
Defined benefit pension curtailment	2.2	-	2.2	-
	5.9	3.7	4.4	2.2

12. TAXATION

	Group 2021 £m	Group 2020 £m	Parent 2021 £m	Parent 2020 £m
(a) Current corporation tax				
UK corporation tax on profit for the period	-	1.2	(0.1)	(2.0)
Total current corporation tax	-	1.2	(0.1)	(2.0)
(b) Deferred tax				
Origination and reversal of timing differences	(0.3)	5.9	-	5.9
Adjustment in respect of previous years	-	1.4	-	1.1
Effect of changes in tax rate	(0.4)	(0.7)	-	(0.6)
Total deferred tax	(0.7)	6.6	-	6.4
Taxation on ordinary activities	(0.7)	7.8	(0.1)	4.4
(c) Tax included in group statement of total comprehensive income				
Deferred tax current year credit	-	(0.2)	-	(0.2)
Total tax included in total comprehensive income	-	(0.2)	-	(0.2)

	Group 2021 £m	Group 2020 £m	Parent 2021 £m	Parent 2020 £m
(d) Factors affecting tax charge				
Profit/(loss) on ordinary activities before taxation	19.4	(14.7)	13.5	(27.7)
Tax on profit/(loss) at standard UK rate of 19% (2020: 19%)	3.7	(2.8)	2.6	(5.3)
Effects of:				
Expenses not deductible for tax purpose	2.4	5.2	1.5	4.5
Income not taxable	(2.7)	(2.3)	(0.2)	(2.3)
Capital gains charge	(0.1)	1.3	-	1.4
Tax rate changes	(0.3)	(0.7)	-	(0.6)
Deferred tax asset (not recognised)/derecognised	(3.7)	7.1	(4.0)	6.7
Tax charge/(credit) for the year	(0.7)	7.8	(0.1)	4.4

(e) Factors that may affect future tax charges

The substantively enacted tax rate remained at 19% as at the Balance Sheet date of 30 June 2021.

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 will also be introduced for profits between the lower and upper limits.

12. TAXATION CONTINUED

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 (19%), 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.

(f) Deferred tax asset	2021
	£m
Group	
At 1 July 2020	0.6
Adjustment from previous periods	0.2
Deferred tax credit to Profit and Loss account for the year	0.7
Deferred tax charge in Other Comprehensive Income for the year	-
At 30 June 2021	1.5
Parent	
At 1 July 2020	-
Adjustment from previous periods	-
Deferred tax credit to Profit and Loss account for the year	-
Deferred tax charge in Other Comprehensive Income for the year	-
At 30 June 2021	-

	Group	Group	Parent	Parent
	2021	2020	2021	2020
	£m	£m	£m	£m
The deferred tax asset comprises:				
Fixed asset timing differences	5.6	9.4	4.9	8.4
Short term timing differences	4.2	5.8	4.2	5.8
Losses	1.8	0.1	-	-
	11.6	15.3	9.1	14.2
Deferred tax not recognised	(5.1)	(8.9)	(4.9)	(8.4)
Timing differences - trading	(4.2)	(5.8)	(4.2)	(5.8)
Losses	(0.8)	-	-	-
	1.5	0.6	-	-

The increase in deferred tax asset not recognised principally reflects the impact of COVID-19 on the forecast utilisation of available losses and other deferred tax assets against reasonably foreseeable future taxable profits.

13. INTANGIBLE FIXED ASSETS

Group	Software	Total
Cost	£m	£m
At 1 July 2020	6.9	6.9
Additions	0.2	0.2
Disposals	(0.2)	(0.2)
At 30 June 2021	6.9	6.9
Amortisation		
At 1 July 2020	(4.0)	(4.0)
Charge for the year	(0.6)	(0.6)
On disposals	0.2	0.2
At 30 June 2021	(4.4)	(4.4)
Net book value		
At 30 June 2021	2.5	2.5
At 30 June 2020	2.9	2.9
Parent		
Cost		
At 1 July 2020	6.6	6.6
Additions	0.2	0.2
Disposals	-	-
At 30 June 2021	6.8	6.8
Amortisation		
At 1 July 2020	(3.7)	(3.7)
Charge for the year	(0.6)	(0.6)
On disposals	-	-
At 30 June 2021	(4.3)	(4.3)
Net book value		
At 30 June 2021	2.5	2.5
At 30 June 2020	2.9	2.9

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 2020	244.6	0.4	219.7	4.0	468.7
Additions	-	-	2.1	1.1	3.2
Disposals	(0.1)	-	(0.1)	-	(0.2)
Impairment	-	-	-	-	-
Transfer between asset classes	-	-	4.7	(4.7)	-
At 30 June 2021	244.5	0.4	226.4	0.4	471.7
Depreciation					
At 1 July 2020	(91.7)	(0.2)	(82.2)	-	(174.1)
Charge for the year	(6.5)	(0.1)	(11.7)	-	(18.3)
On disposals	-	-	-	-	-
At 30 June 2021	(98.2)	(0.3)	(93.9)	-	(192.4)
Net book value					
At 30 June 2021	146.3	0.1	132.5	0.4	279.3
At 30 June 2020	152.9	0.2	137.5	4.0	294.6
Parent					
Cost					
At 1 July 2020	221.0	0.4	204.1	4.0	429.5
Additions	-	-	1.7	1.1	2.8
Disposals	-	-	-	-	-
Transfer between asset classes	-	-	4.7	(4.7)	-
At 30 June 2021	221.0	0.4	210.5	0.4	432.3
Depreciation					
At 1 July 2020	(88.8)	(0.2)	(70.6)	-	(159.6)
Charge for the year	(5.0)	(0.1)	(10.8)	-	(15.9)
On disposals	-	-	-	-	-
At 30 June 2021	(93.8)	(0.3)	(81.4)	-	(175.5)
Net book value					
At 30 June 2021	127.2	0.1	129.1	0.4	256.8
At 30 June 2020	132.2	0.2	133.5	4.0	269.9

14. TANGIBLE FIXED ASSETS CONTINUED

Assets in the course of construction as at 30 June 2021 and 1st July 2020 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 (2020: £4.5m). The amount of interest capitalised during the year was £nil (2020: £nil). The total amount of interest capitalised to date is £13.7m (2020: £13.7m). The interest rate was 2.3% (2020: 2.3%).

15. LOANS TO CLUBS

	Group 2021	Group 2020	Parent 2021	Parent 2020
	£m	£m	£m	£m
At 1 July	8.1	7.9	0.6	-
Advances during the year	0.1	1.1	0.1	0.6
Repayments during the year	(1.2)	(0.9)	(0.2)	-
At 30 June	7.0	8.1	0.5	0.6

16. INVESTMENTS

Group	Unlisted investments	Other fixed asset investments	Total
Cost or valuation	£m	£m	£m
At 1 July 2020	-	7.6	7.6
Additions	-	-	-
Disposals	-	-	-
Gain on fair value of fixed asset investments	-	0.8	0.8
At 30 June 2021	-	8.4	8.4

Included in other fixed asset investments are investments held by RFU Injured Players Foundation of £8.3m (2020: £7.5m). The investment portfolio is in the following proportions: equities 92% and cash 8% (2020: equities 91% and cash 9%).

Parent	Subsidiary undertakings	Capitalised loans to Group undertakings	Other fixed asset investments	Total
Cost or valuation	£m	£m	£m	£m
At 1 July 2020	124.2	6.9	0.1	131.2
Additions	1.7	1.9	-	3.6
Disposals	-	(0.2)	-	(0.2)
Impairment	-	(1.9)	-	(1.9)
At 30 June 2021	125.9	6.7	0.1	132.7

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.

16. INVESTMENTS CONTINUED

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%	Subsidiary	30 June	Elite rugby
England Rugby Travel Limited	Great Britain	51%	Subsidiary	30 June	Sports travel agency
Rugby Reflink 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-Subsidiary	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
Great Britain Rugby Sevens Limited	Great Britain	33%	Joint Venture	30 June	Operation of 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
Six Nations Rugby Limited	Rep of Ireland	31%***	Investment	31 August	Competition management
The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle, Delaware, 19801, USA					
Rugby Football Union USA	USA	100%	Subsidiary	30 June	Holding company

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.

^{*}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.

^{**}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	Freehold investment property
Valuation	£m
At 1 July 2020	6.5
Fair value adjustments	0.4
At 30 June 2021	6.9

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

	2021	2020
	£m	£m
Cost	1.4	1.4
Depreciation	(0.3)	(0.2)
Net book value	1.1	1.2

18. STOCK

	Group	Group	Parent	Parent
	2021	2020	2021	2020
Goods held for resale	0.3	0.4	-	-

19. DEBTORS AND PREPAYMENTS

	Group	Group	Parent	Parent
	2021	2020	2021	2020
	£m	£m	£m	£m
Amounts falling due within one year				
Trade debtors	8.2	14.2	4.3	8.2
Amounts owed by Group undertakings	-	-	21.6	48.5
Other debtors	2.6	0.8	2.4	0.8
Prepayments and accrued income	6.7	6.4	4.7	3.3
	17.5	21.4	33.0	60.8

19. DEBTORS AND PREPAYMENTS CONTINUED

	Group 2021 £m	Group 2020 £m	Parent 2021 £m	Parent 2020 £m
Amounts falling due in one year				
Other debtors and accrued income	0.2	0.2	0.2	0.2
	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 £0.4m (2020: £1.7m) has been recognised.

20. CASH AT BANK AND IN HAND

Cash at bank and in hand includes £2.0m (2020: £1.6m) held in restricted funds by the Group's two charities, the RFU Injured Players Foundation and Rugby Football Foundation.

21. CREDITORS

	Group 2021 £m	Group 2020 £m	Parent 2021 £m	Parent 2020 £m
Amounts falling due within one year				
Trade creditors	3.4	2.7	3.0	2.1
Amounts owed Group undertakings	-	-	24.9	29.8
Corporation tax	0.5	1.0	-	-
Other taxes and social security	2.0	3.9	0.8	3.0
Other creditors	0.7	2.4	0.5	2.1
Accruals and deferred income	34.0	31.3	21.0	23.7
	40.6	41.3	50.2	60.7

	Group 2021 £m	Group 2020 £m	Parent 2021 £m	Parent 2020 £m
Amounts falling due after one year				
Bank loans (see note 22)	63.9	74.8	63.9	74.7
Other creditors	84.1	82.5	84.1	82.5
Accruals and deferred income	0.3	0.5	-	-
	148.3	157.8	148.0	157.2

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 2028.

22. BANK LOANS

	Group	Group	Parent	Parent
	2021	2020	2021	2020
Amounts falling due within one and two years	63.9	74.8	63.9	74.7

In December 2017 the RFU replaced its previous five year unsecured revolving credit facility with two new facilities: a committed term loan and a committed revolving credit facility with a combined value of £75m. The term loan of £50m has interest payable at 2.25% above LIBOR on drawn down funds, while the £25m revolving credit facility has interest payable at 1.75% above LIBOR on drawn down funds. In addition the revolving credit facility has a non-utilisation fee of 0.70% on the available commitment not drawn down. The RFU also has an overdraft facility of £25m that has interest payable at 1.75% above base rate.

During this financial year the RFU added to and replaced the facilities available utilising the government backed Coronavirus Large Business Interruption Loans Scheme (CLBILS) twice. First, in August 2020 the RFU added a £19m revolving credit facility with interest payable at 1.38% above LIBOR on drawn down funds and 40% of the margin on the available commitment not drawn down. Secondly, in January 2021 the RFU increased the amount borrowed under the CLBILS by £31m with an additional revolving credit facility. The £31m was a £20m additional facility and £11m replacing the previous revolving credit facility taken out in 2017.

Post year end, in October 2021, the RFU refinanced all its borrowings and entered into a two bank £90m committed revolving credit unsecured facility for three years with an extension option available for up to two further years. Interest is payable at 1.75% above SONIA on drawn down funds and 0.70% on the available commitment not drawn down.

23. DEBENTURES

All debentures are interest free, unsecured and repayable at par.

	Group & Parent	Group & Parent
	2021	2020
Analysis of maturity	£m	£m
Debentures 2075	8.8	9.8
Debentures 2076	6.4	6.7
Debentures 2077	3.4	4.0
Debentures 2078	17.1	19.1
Debentures 2079	4.6	5.2
Debentures 2080	11.1	12.6
Debentures 2081	22.1	26.8
Debentures 2083	6.4	7.6
Debentures 2085	13.0	15.7
Debentures 2086	9.1	10.2
Debentures 2087	3.3	4.2
Debentures 2088	23.7	28.3
Debentures 2089	6.0	7.4
Debentures 2090	0.1	0.1
Debentures 2091	32.2	40.8
Debentures 2092	9.3	11.3
Debentures 2093	5.2	9.7
Debentures 2095	8.5	10.3
Debentures 2096	11.0	-
	201.3	229.8

During the year, 1,141 debentures of the same class (2020: 1,092) were issued for a total consideration of £11.6m (2020: £10.4m).

In December 2020, the RFU approached existing debenture holders offering them the opportunity to sell some or all of their debenture loans at their present value to the RFU on the basis that the RFU direct any proceeds due to them to the Rugby Football Foundation (RFF). The purpose of the campaign is to secure funding of grassroots rugby close to pre-COVID-19 levels in future years. The campaign has seen the redemption value of 5,561 debentures donated by 1,246 holders with donations to the RFF totalling £7.7m and gift aid claimed of £1.7m which are captured within revenue (note 4) in the Profit and Loss Account on account of this being deemed third party donations to RFF. The debenture liability has reduced by £40.1m as debentures are held on the balance sheet at historical cost with the difference between the historical cost and the redemption value (the present value of the outstanding liability) of £32.4m being credited to Profit and Loss Account under Debenture waiver credit (Note 9).

24. SHARE CAPITAL

	2021	2020
	£m	£m
Allotted, called up and fully paid		
2,000 allotted, called up and fully paid shares of £1 each	-	-

There were a total of 2,000 allotted, issued and fully paid up ordinary shares of £1 each as at 30 June 2021 and 2020. Each member of the Rugby Football Union must hold one share which is subject to forfeiture upon ceasing to be a member.

25. OPERATING LEASE AND OTHER COMMITMENTS

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

	2021	2020
	£m	£m
Lease arrangements where Group and Parent are lessees		
Motor vehicles		
Within one year	0.1	0.1
Between two and five years	-	0.1
	0.1	0.2

Professional Game Agreement

Under the Professional Game Agreement, which has run from the 2016/17 season, the RFU has invested over £100m across the first four years. The 2020/21 season is the first season where the level of investment is wholly linked to the revenue of the RFU and this will be the case for the remaining three years of the agreement.

26. 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 2028. The reserve is increasing on a straight line basis of £1.6m per year which is charged to the Profit and Loss Account as an interest expense. Due to the impact of the pandemic on TEL's profits the agreement is in the process of being extended by one year to 2029 and is expected to be signed in the near future.

Profit and loss reserve

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

27. 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 2021 in the most recent FRS102 valuation by a qualified actuary, independent of the scheme's sponsoring employer. The valuation shows a £1.3m liability as at 30 June 2021 compared with a £1.5m liability as at 30 June 2020. The major assumptions used by the actuary are shown below.

The most recent triennial actuarial valuation as at 30 April 2020 showed a deficit of £10.7m. The RFU has agreed with the Trustees that it will contribute £162,500 per quarter from 1 August 2021 until 31 July 2024, followed by payments of £250,000 per quarter from 1 August 2024 until 31 July 2028. In addition, the employer made payments of £500,000 on 31 July 2000 and 30 June 2021. The RFU separately meets the expenses of the scheme and levies to the Pension Protection Fund.

A curtailment expense was incurred during the year as 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:

	2021	2020
	£m	£m
Balance sheet impact		
Fair value of plan assets	48.3	46.9
Present value of defined benefit obligation	(49.6)	(48.4)
Defined pension asset/(liability)	(1.3)	(1.5)
Reconciliation of the opening and closing balances of the defined benefit obligation		
Defined benefit obligation at start of period	48.4	44.3
Current service cost	0.1	0.2
Interest expense	0.9	1.0
Contributions by plan participants	-	-
Actuarial (gain)/loss	(1.1)	4.4
Benefits paid	(0.9)	(1.5)
Loss on curtailment	2.2	-
Defined benefit obligation at end of period	49.6	48.4
Reconciliation of the opening and closing balances of the fair value of scheme assets		
Fair value of plan assets at start of period	46.9	44.8
Interest income	0.9	1.0
Actuarial gains	0.3	1.8
Contributions by the RFU	1.2	0.8
Contributions by plan participants	-	-
Benefits paid	(1.0)	(1.5)
Fair value of plan assets at end of period	48.3	46.9

The actual return on the plan assets over the period ended 30 June 2021 was £1.1m (2020: £2.8m).

	2021	2020
	£m	£m
Defined benefit costs recognised in the profit and loss account		
Current service cost	0.1	0.2
Net interest cost	-	-
Loss on curtailment	2.2	-
Defined benefit costs recognised in profit and loss account	2.3	0.2

	2021	2020
	£m	£m
Actuarial gain/(loss) on defined pension scheme recognised in other comprehensive income		
Return on plan assets (excluding amounts included in net interest cost) - gain	0.3	1.8
Experience gains and losses arising on the plan liabilities - gain	0.7	0.1
Effects of changes in the demographic and financial assumptions underlying the present value of the plan liabilities - loss on total	0.4	(4.5)
Actuarial gain/(loss) on defined pension scheme recognised in other comprehensive income	1.4	(2.6)

	2021	2020
	£m	£m
Assets		
UK equities	0.7	0.6
Overseas equities	13.7	11.9
Corporate bonds	10.2	8.7
Insured Assets	17.4	20.7
Property	1.5	1.3
Cash	3.0	2.3
Other	1.8	1.4
Total assets	48.3	46.9

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.

	2021	2020
	% per annum	% per annum
Assumptions		
Discount Rate	1.9	1.6
Inflation (RPI)	3.3	3.0
Inflation (CPI)	2.9	2.6
Salary Growth	n/a	1.5
Allowance for revaluation of deferred pensions	3.3	3.0
Allowance for pension in payment increases	3.1	2.9
Allowance for pension in payment increases	2.3	2.1
Allowance for commutation of pension for cash at retirement	75% of Post A Day	90% of Post A Day

Life expectancy at age 60

The mortality assumptions adopted at 30 June 2021 imply the following life expectancies:

	2021	2020
Male retiring in 2021	26.9	26.4
Female retiring in 2021	28.8	28.5
Male retiring in 2041	28.4	27.9
Female retiring in 2041	30.4	30.1

The best estimate of contributions to be paid by the Company to the scheme for the period commencing 1 July 2021 is £650,000.

28. 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 £0.3m (2020: £0.6m) by TEL in respect of shared services and lease of catering facilities. During the year the RFU received £0.1m (2020: £2.4m) from TEL in respect of ticket revenue and royalties, and paid £0.1m (2020: £0.9m) to TEL in respect of catering services. The Group paid £2.0m (2020: £10.0m) to the Compass Group in respect of staff costs, royalties and other services. At 30 June 2021 £6.3m (2020: £6.3m) 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 £nil (2020: £0.1m) 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 £2.6m (2020: £2.4m).

29. 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.

29. FINANCIAL INSTRUMENTS CONTINUED

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.

Borrowing facilities

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

	2021 £m	2020 £m
Expiring between one and two years	19.0	-
Expiring between two and five years	31.0	-

The Company has an uncommitted overdraft facility of £25.0m. Details of refinancing agreed post year end are given in Note 22.

Financial instruments

The carrying value of the Group's financial assets and liabilities are summarised by category below:

	Group 2021 £m	Group 2020 £m	Parent 2021 £m	Parent 2020 £m
Financial assets measured at fair value through profit or loss				
Investment at fair value	8.4	7.5	-	-
Financial assets that are debt instruments measured at amortised cost				
Trade debtors	8.2	14.2	4.3	8.2
Amounts owed by group undertakings	-	-	21.6	48.5
Bank accounts	39.0	38.4	25.0	18.9
Other debtors (including non-current)	2.8	1.0	2.6	1.0
Loans to club	7.0	8.1	0.5	0.6
	65.4	69.2	54.0	77.2
Financial liabilities measured at amortised cost				
Trade creditors	3.4	2.7	3.0	2.1
Amounts owed to group undertakings	-	-	24.9	29.8
Debentures	201.3	229.8	201.3	229.8
Other creditors (including non-current)	84.8	84.9	84.6	84.6
Bank loans	63.9	74.8	63.9	74.7
Accruals	13.2	13.9	7.8	8.3
	366.6	406.1	385.5	429.3

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.

30. ANALYSIS OF GROUP CHANGES IN NET DEBT

Group	At 1 July 2020 £m	Cash flows £m	Other non-cash changes £m	At 30 June 2021 £m
Cash and cash equivalents				
Cash	38.4	0.6	-	39.0
	38.4	0.6	-	39.0
Borrowings				
Debt due within one year	-	-	-	-
Debt due after one year	(74.8)	10.9	-	(63.9)
	(74.8)	10.9	-	(63.9)
Total	(36.4)	11.5	-	(24.9)

31. POST BALANCE SHEET EVENT

In November 2021, the Six Nations Limited entered into an agreement with CVC that will have a significant impact on our future finances. That Agreement means that CVC will, in effect, become a seventh partner, along with the Unions, in the Six Nations and will hold a 14.3% stake in the New Six Nations Company. The RFU will receive around £90m in proceeds from that transaction over the next five years, plus any contingent consideration that becomes due. This will give RFU much needed funds to invest in long-term revenue generating projects – such as stadium development, digital and data development and the Women’s game – all of which will underpin the ability of the RFU to generate revenues in the future to reinvest back into the community game. Some of the proceeds will also be ring-fenced for direct investment into club facility projects, enabling participating clubs to increase their own ongoing revenues.

This agreement was entered into in order to optimise the broadcast and commercial value of fixtures of the Unions that form the Six Nations and create greater returns to invest back into rugby. While, short-term, RFU share of broadcast and some commercial revenues will be reduced as a result of the sale of those rights to CVC, it is expected that the reduction to be more than offset by the growth achieved through the six unions working more closely together. International fixtures and scheduling are to be coordinated centrally, minimising scheduling clashes and creating fixtures designed to maximise viewership and extract greater value from broadcast contracts.

In October 2021 a new financing arrangement was entered into with NatWest and Santander. This gives the RFU access to £90m of revolving credit.

32. CONTINGENT LIABILITY**Potential litigation**

In December 2020, the RFU, WRU and World Rugby received a letter from solicitors acting for nine former rugby players, alleging breaches of duty which caused injury to those players. No proceedings have been launched as yet, and no contingent liability has been recognised. The RFU continues to work with its insurers and brokers, and with the WRU and World Rugby to address that potential claim.

The RFU continues to engage with a wide spectrum of stakeholders in the game, such as the Rugby Players’ Association, Premier Rugby Limited, clubs, players and World Rugby, and with Government, to monitor the safety risks associated with head contacts to ensure the game remains safe and enjoyable for all involved.

33. RUGBY FOOTBALL FOUNDATION

The financial results and position of the Rugby Football Foundation (RFF), which are included in the Group financial statements, are provided below on the grounds that its funds may only be utilised in the pursuit of its charitable objectives. The objectives are: to promote community participation in healthy recreation, provide and assist in providing facilities for sport, recreation and leisure time, and to advance the education of children and young people.

Statement of financial activities	2021	2020
	£m	£m
Donations received	23.5	24.5
Direct charitable activities	(14.4)	(24.7)
Grants to clubs	-	(0.3)
Surplus/(deficit) for the year	9.1	(0.5)
Balance sheet	2021	2020
	£m	£m
Loans due from clubs	6.5	7.5
Debtors	14.3	19.7
Cash at bank and in hand	1.9	0.8
Loans due to Group undertakings	(6.7)	(6.7)
Creditors falling due within one year	(6.1)	(20.5)
	9.9	0.8
Represented by:		
Unrestricted funds	9.7	0.3
Restricted funds	0.2	0.5
	9.9	0.8

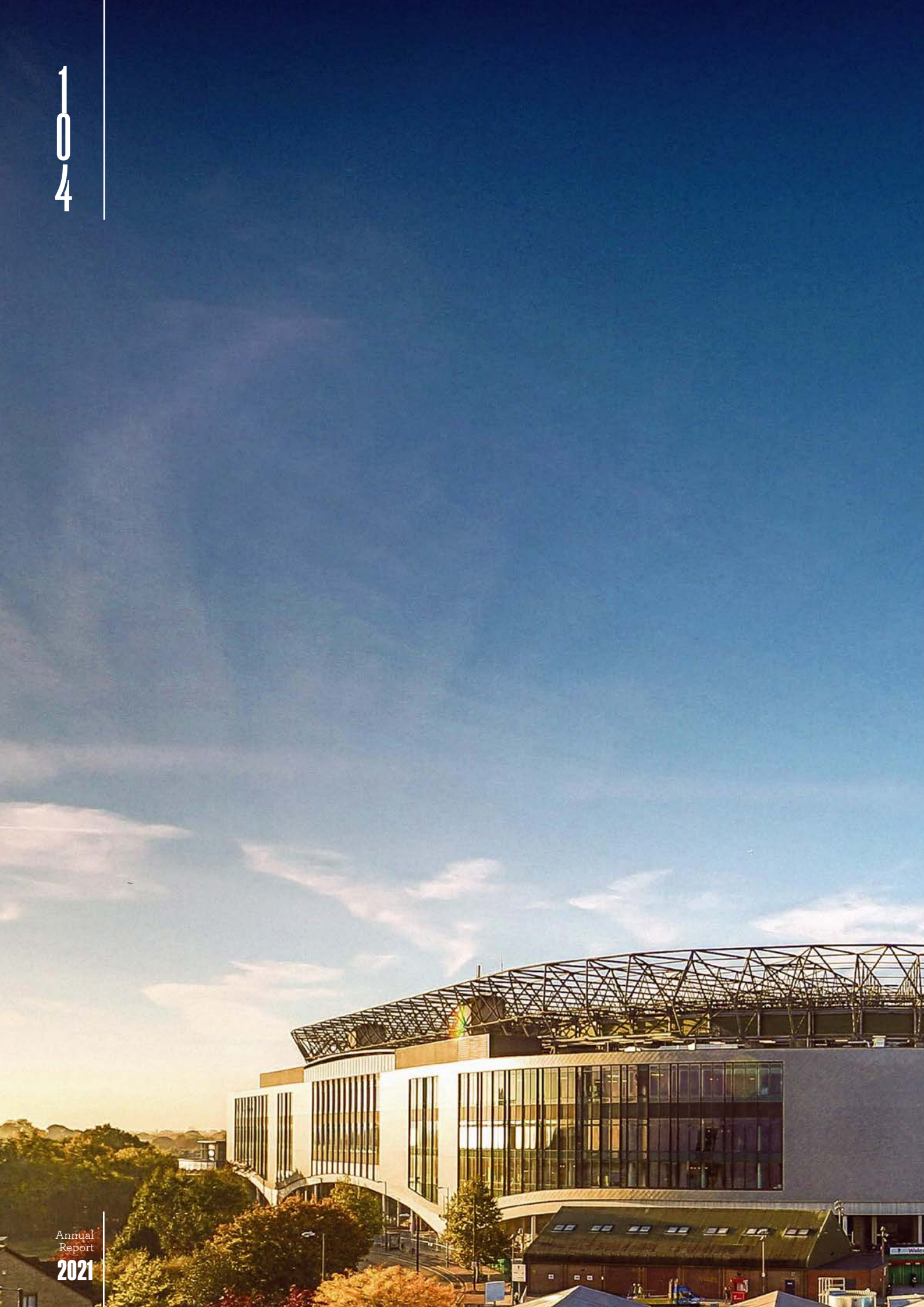
34. RFU INJURED PLAYERS FOUNDATION

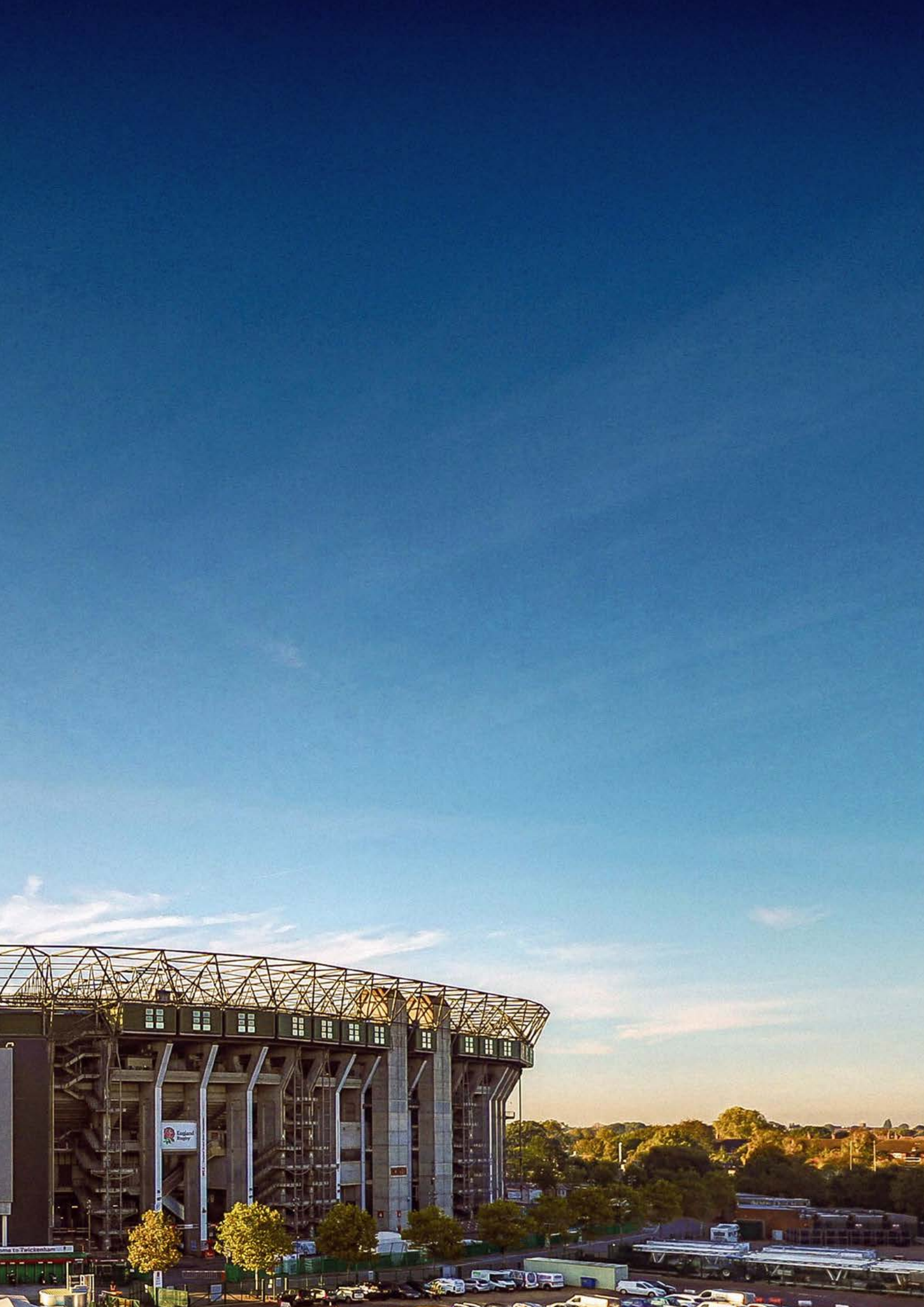
The financial results and position of the RFU Injured Players Foundation (IPF), which are included in the Group financial statements, are provided on the grounds that its funds may only be utilised in the pursuit of achieving its charitable objective. The primary objective is the provision of financial assistance to rugby players who have suffered catastrophic injuries.

Statement of financial activities	2021	2020
	£m	£m
Donations received	0.1	0.7
Direct charitable activities	(0.5)	(1.1)
Operating loss	(0.4)	(0.4)
Investment income	0.1	0.3
Investment gain/(loss)	0.9	(0.2)
Surplus/(deficit) for the year	0.6	(0.3)
Balance sheet	2021	2020
	£m	£m
Investments	8.3	7.4
Debtors	2.1	2.5
Cash at bank and in hand	0.1	0.8
Creditors	(2.7)	(3.6)
	7.8	7.1
Represented by:		
Unrestricted funds	1.0	1.6
Restricted funds	6.8	5.5
	7.8	7.1

Four Year Summary	2021	2020	2019	2018
	£m	£m	£m	£m
Revenue	97.0	167.0	213.2	172.4
Costs	(47.5)	(83.1)	(97.8)	(89.1)
Profit before rugby investment	49.5	83.9	115.4	83.3
Professional rugby investment	(40.3)	(66.4)	(65.6)	(70.7)
Rugby development investment	(17.1)	(28.3)	(34.9)	(37.0)
Operating (loss)/profit	(7.9)	(10.8)	14.9	(24.4)
Net finance income/(cost)	27.3	(3.9)	(3.0)	(3.4)
Profit/ (loss) on ordinary activities before taxation	19.4	(14.7)	11.9	(27.8)
Tax credit/(charge) on ordinary activities	0.7	(7.8)	(1.9)	-
Attributable to non-controlling interests	0.4	(4.6)	(6.1)	(3.1)
Profit/(loss) for the year	20.5	(27.1)	3.9	(30.9)
Summary of Group Balance Sheet	2021	2020	2019	2018
	£m	£m	£m	£m
Fixed assets	304.1	319.7	331.5	301.6
Other net current (liabilities)/assets	(21.1)	(18.7)	(23.3)	(8.2)
Net debt (bank loan less cash)	(24.9)	(36.4)	(30.9)	(20.0)
Creditors amounts falling due after one year	(84.4)	(83.0)	(81.4)	(81.5)
Pension (liability)/asset	(1.3)	(1.5)	0.5	2.5
Profit and loss reserve	24.2	0.7	28.6	25.1









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