



CONTENTS

01	OUR PURPOSE
02	OUR VALUES
03	PRESIDENT'S FOREWORD
04	CHAIRMAN OF THE BOARD
06	STRATEGIC REPORT
	<ul style="list-style-type: none">▪ Strategic Priorities▪ CEO's Review of the Year▪ Financial Review▪ Responsibilities of the Board (s172)▪ Future Outlook▪ Major Risk and Uncertainties▪ Corporate Social Responsibility
35	DIRECTORS' REPORT
	<ul style="list-style-type: none">▪ RFU STRUCTURE▪ EMPLOYMENT STATEMENT▪ EMPLOYEE CONSULTATION▪ EQUALITY STATEMENT▪ GOING CONCERN▪ CORPORATE GOVERNANCE
52	INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RUGBY FOOTBALL UNION
56	GROUP PROFIT AND LOSS ACCOUNT
57	PARENT PROFIT AND LOSS ACCOUNT
58	GROUP AND PARENT STATEMENT OF COMPREHENSIVE INCOME
59	BALANCE SHEETS
60	GROUP STATEMENT OF CHANGES IN EQUITY
61	PARENT STATEMENT OF CHANGES IN EQUITY
62	GROUP CASH FLOW STATEMENT
64	NOTES TO THE FINANCIAL STATEMENTS
90	FOUR-YEAR SUMMARY

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

The Duke of Sussex, **Patron**
Jeff Blackett, **President**

Board of Directors

Andy Cosslett, Chair
Paula Carter
Chris Cuthbertson
Sue Day
Philip de Glanville
Simon Massie-Taylor
Stephen Pearson
Dominic Proctor
David Roberts
Genevieve Shore
Bill Sweeney
Jonathan Webb
Helen Weir CBE
Wing Commander Peter Whiting

Executive Directors

Bill Sweeney, Chief Executive
Sue Day
Steve Grainger MBE
Simon Massie-Taylor
Conor O'Shea

Company Secretary

Angus Bujalski

TEAMWORK RESPECT ENJOYMENT DISCIPLINE SPORTSMANSHIP

RUGBY UNION IS PLAYED BY A COMPLETE CROSS SECTION OF THE COMMUNITY, WITH THE RFU RESPONSIBLE FOR AROUND

4

MILLION
ENJOYING
RUGBY

500,000

REGULAR
PLAYERS

1,900

RUGBY CLUBS

1,400

SECONDARY
SCHOOLS
PLAYING
COMPETITIVE
RUGBY

100

COLLEGES
PLAYING
COMPETITIVE
RUGBY

130

UNIVERSITIES
PLAYING
COMPETITIVE
RUGBY

SUPPORTED BY
A VOLUNTEER
WORKFORCE OF
MORE THAN

100,000

IN THE
PAST YEAR
THE RFU
INVESTED

£94.7m

IN OPERATING THE ENGLISH GAME
AT ALL LEVELS. PROFITS MADE
BY THE RFU ARE INVESTED IN THE
SPORT.



JEFF BLACKETT PRESIDENT

Becoming President of the RFU for the coming season is a tremendous honour. I would like to thank the game for electing me and congratulate Nigel Gillingham, who now becomes Senior Vice President, and Rob Briers, who becomes Junior Vice President. For me it is the culmination of a long association with rugby and a real love for the sport. Having been a member of Council for 20 years, I have seen the huge contributions made by current and former Council members and I would like to pay tribute to all of them. Like many volunteers around the country, they work so hard to support and manage our great game. This work is indispensable and will be even more so as we emerge from the current coronavirus crisis.

I would particularly like to thank our 2019/20 President Peter Wheeler. He personifies a long and outstanding service to the game as a great player, an administrator in both the amateur and professional era, and someone who understands the pressures of the modern professional club game and international rugby. He and his wife, Margaret, have been superb ambassadors for the game. None of us could devote so much time to rugby without the support of our partners; I have been immensely fortunate to have my wife, Sally, by my side since playing for the Royal Navy against the Army at Twickenham nearly 40 years ago, and winning.

My thanks also go to our Council members who stepped down at the end of the season after many years' service: Allan Butcher, Damian Hopley, Geoff Irvine, Chris Kelly, Charlie McGinty, Ian Metcalfe, Ewen Murchison, Norman Robertson, Andy Shorney, Ivor Smith and Robin Wannop.

Over the past season and during the coronavirus pandemic, we have lost some valued servants of the game, among them Bob Archer who died last May. One of the

RFU's Distinguished Members, Bob served as the Council member for Durham from 1986 to 1997. His legacy and that of all who have died over the past year, having devoted their time for the good of rugby, will continue to inspire our efforts on behalf of the game.

I am the fourth RFU President to come from my club, US Portsmouth, and my thanks go to both my club and CB, the Royal Navy Rugby Union, for lifetime friendships and for giving me the opportunity to serve the game in so many roles.

Our sport is built on a unique set of core values: Teamwork, Respect, Enjoyment, Discipline, and Sportsmanship. It is what attracts so many young people to the game and keeps them involved throughout their lives. As we all come under pressure during these difficult times, it is important that we do not forget those core values. They have been at the forefront during this pandemic, as evidenced by so many of our club volunteers helping the national effort and providing succour to those in need.

Now, more than ever, we have to reinforce those values as we cope with the effects of coronavirus. They will help us to become more inclusive as we strive to ensure that rugby union represents the face of modern England, not least so that we can increase participation and grow the game. Diversity and inclusion will be key during my Presidency.

This is the RFU's 150th anniversary season and, although we will have to scale down some celebrations, that should not prevent us from looking back on what has been achieved over that period, while looking forward to a bright, if changed, future. The main RFU celebrations will be around the men's and women's England v Scotland matches on the weekend of 6/7

February. England v Scotland is the oldest international match and that weekend is the closest international weekend to the actual 150th birthday on 26 January 2021.

As President, I intend to visit every CB during my term of office to provide a direct link between the RFU and the grassroots. Sally and I also hope to complete a 150-mile sponsored walk visiting various clubs around the country to raise funds for our official charity, the RFU Injured Players Foundation, which does tremendous work, and to act as a catalyst for clubs to participate and raise funds themselves.

As rugby returns during such a challenging time, we are grateful for the physical and mental wellbeing it brings and the camaraderie it offers. We want to attract more people to play and watch our great game. We also have an almost unique opportunity to develop the game nationally and internationally to make it more attractive and financially viable. Our aim is to emerge from this crisis as a united game – club and country, professional and amateur, Unions and World Rugby. This remains achievable – we have the Executive team, Board and Council capable of leading change and out of this current adversity we look forward to a positive future. I am proud to be part of the team that will make this happen.

Thank you again for electing me to be your President and I look forward to serving you in the season ahead.



ANDY COSSLETT CHAIRMAN

As we sat enthralled by our team's progress at the Rugby World Cup last autumn, no one could have imagined what the rest of the year had in store. The world may have been turned upside down since then, but the memory of that fabulous tournament has not dimmed. I would like to congratulate Japan on the brilliant hosting of the tournament and to say a big thank you to Eddie Jones, his support team and all the players for their exceptional efforts. You made us all very proud and for five memorable weeks gave the country a big lift.

Covid-19 is proving to be a huge challenge for every level of our sport and, seven months in, the environment remains highly volatile and uncertain. The RFU is not immune to the economic pressures being caused by the virus and, just like clubs, we have had to act decisively to ensure we are in as good a position as we can be to weather the storm.

At the outset of the pandemic our early priorities were securing the safety of our colleagues, providing financial support



for those community clubs in immediate distress and collaborating with the authorities in their management of the virus. We also began detailed planning work to assess financial outcomes across a range of scenarios reflecting different durations of the virus and its impacts.

From this work it quickly became clear that in the more extreme scenarios the cash position of the Union could become stressed. Action was therefore taken to improve the overall liquidity position by reducing costs wherever possible and extending our debt facilities. Cost actions included reductions in all discretionary spending, taking advantage of the Government's various support programmes such as the furlough scheme and, as the long term impact of the virus became clearer, a structural review of the entire organisation. This comprehensive review took three months to complete and has resulted in 119 colleagues leaving the RFU, with the process being finalised for a few remaining positions. This was a sad outcome with many friends and colleagues saying goodbye. We can only wish them all the very best for the future and thank them wholeheartedly for their efforts on behalf of the Union.

To provide further headroom in our lending capacity the Board secured approval at the AGM to increase its borrowing limit and arranged a new credit facility with our relationship bank of £19m. As at 30 June, total confirmed gross bank facilities were £100m, the outstanding loan balance was £75m and cash in the bank was £38.4m. The new facility was signed in August and so total available facilities now stand at £119m, £44m of which were undrawn as at the date of signing the Annual Report (£19m committed revolving credit facility and £25m uncommitted overdraft). We are now well positioned to cope with all but the most pessimistic

business scenarios from a cash point of view. Further options to improve our liquidity position remain available should they be required.

The financial outcome for the year saw total group revenues of £167.0m (£213.2m prior year), operating losses of £10.8m (£14.9m profit prior year) and losses to reserves of £27.1m (£3.9m profit prior year). 19/20 was a Rugby World Cup year and as such was planned as a low returning year for the Union with no autumn internationals played and only two Six Nations games played at home. The impact of the pandemic has been felt during the year with strong cost management partially mitigating the lost revenue. The impact will be felt most during the 2020/21 financial year, with estimated lost revenue of £145m.

In line with good governance practice, we conducted a three-yearly independent review into the effectiveness of the Board. The review concluded that the Board is operating effectively. The recommendations we received are being actioned, including consideration of how we reduce the size of the Board.

During the year the Union received 'Outstanding' and 'Good' ratings from Sport England's annual audit of the Union's financial control and governance.

Diversity and Inclusion are key priorities for the RFU with an action plan agreed and implementation group in place to sponsor and support change across the volunteer network. This plan underpins the community game. Additionally, a Board level strategic review is underway looking at Board and Executive level policy in this area. The RFU Board has made a new commitment to achieving a Board composition of 30% female and 15% BAME members by 1 August 2022 at the latest.



DIVERSITY AND INCLUSION ARE KEY PRIORITIES FOR THE RFU

I would like to thank both Deborah Griffin and Rob Briers who have stepped down from the Board after a great deal of excellent work. I am pleased to welcome to the Board Paula Carter and David Roberts. Paula is one of the Council representatives for Surrey. She has a private and public sector executive background and is an experienced non-executive director, with rugby refereeing and disciplinary experience. David, the Hertfordshire representative on Council, an experienced rugby coach and the Head of Business Improvement at the Open University.

There will be significant challenges in the immediate and long-term future which the Board and our Executive team, in partnership with the RFU Council, will work hard to meet and I thank them all for their work on behalf of the game.

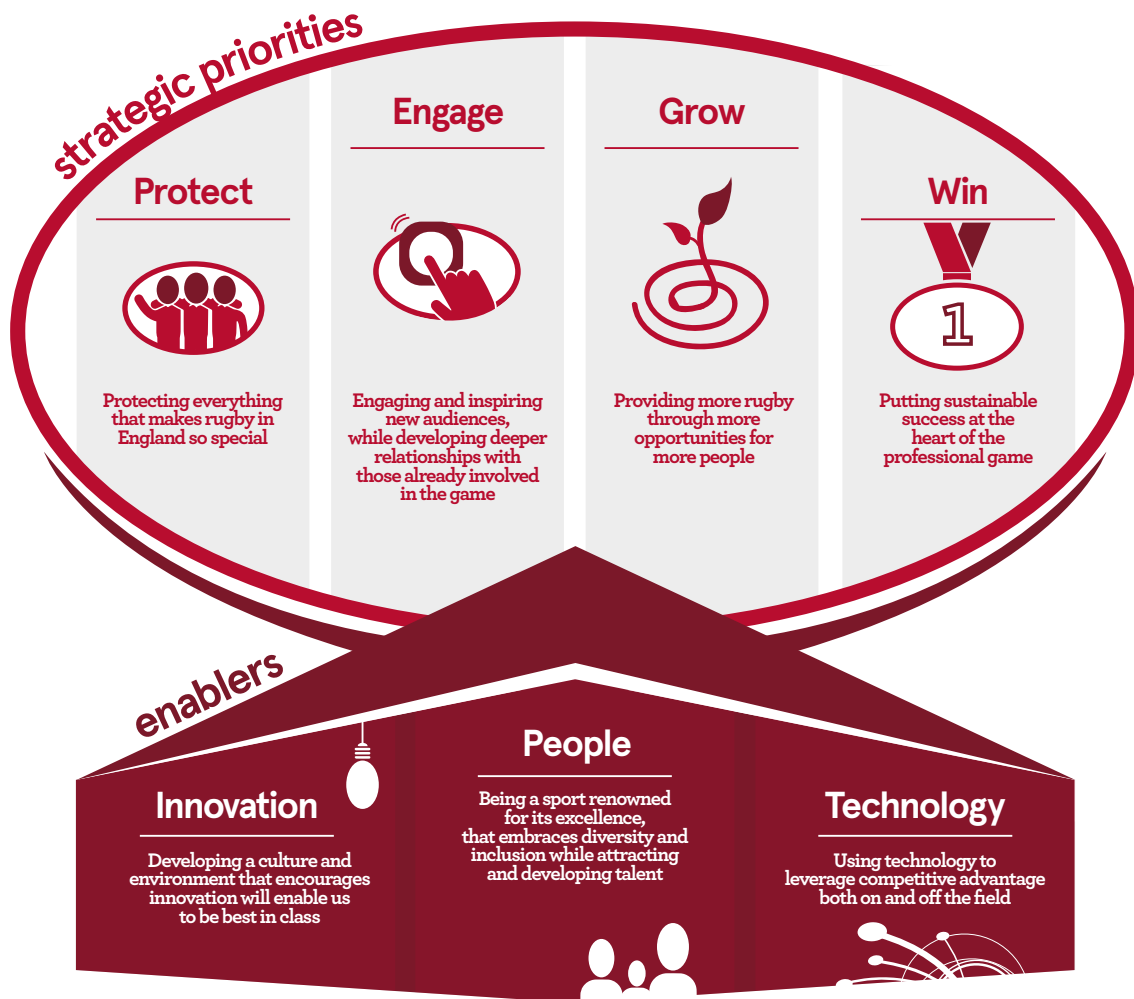
STRATEGIC REPORT



STRATEGIC PRIORITIES
CEO'S REVIEW OF THE YEAR
FINANCIAL REVIEW
RESPONSIBILITIES OF THE BOARD (S172)
FUTURE OUTLOOK
MAJOR RISK AND UNCERTAINTIES
CORPORATE SOCIAL RESPONSIBILITY



STRATEGIC PRIORITIES FOR THE YEAR TO 30 JUNE 2020



2019/20 KPIs

STRATEGIC KPIS

The 2017-21 Strategic Plan set out a number of strategic Key Performance Indicators (KPIs) to help track our progress against delivering the plan. These KPIs fell under the four strategic priorities - Protect, Engage, Grow and Win detailed here is an overview of our year end position against the delivery of those priorities. While it has been a challenging year due to the impact of the Coronavirus pandemic across a number of these measures, we reflect on a number of positive achievements in this strategic plan period.

Protect

Our Net Promoter Score measures the satisfaction of rugby participants. This fell in FY 19/20 to 55 from an average of 60 in 18/19. This was due to a fall in 'supporter' scores, considered to be driven by the curtailed season.

NPS

FANS

Our 'Fans' metric is made up of website visits social media followers and database numbers. Our numbers are behind target due to the curtailed season driving less traffic to our channels.

Engage

Our Brand metrics remain strong

We were behind target on Revenue due to the impact of Covid-19.

Brand: Watching

Brand: Playing

Revenue

Watching - Research results showing how many people think that rugby is a sport to watch
Playing - Research results showing how many people think that rugby is a sport to play

Grow

We suspended measurement when the season was stopped. Mid-season report showed teams, matches and players were on track at that point

Tracking suspended part way through the year. See commentary for more detail.

Players

- Significant increase
- No change
- Significant decrease

Win

Men's XV's - win rate at 78% for the year. Runners up in RWC.

Women's XV's - win rate at 89% for the year.

Key Target

- Medal at Rugby World Cup 7s, San Francisco 2018
- Win the Rugby World Cup, Japan 2019
- Medal at the Olympic Games, Tokyo 2021
- Win the Women's Rugby World Cup, 2021

Men's 7s - 5th in Sevens World Series (suspended mid-season due to COVID)

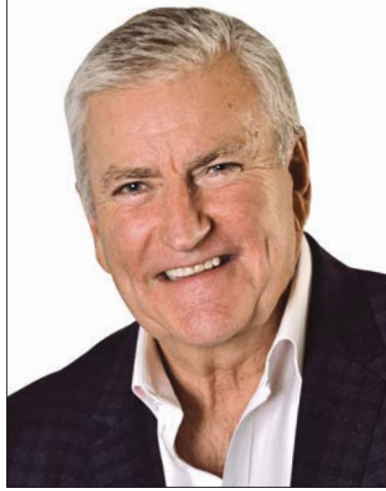
Women's 7s - 8th in Seven's World Series (suspended mid-season due to COVID)

FINANCIAL KPIS

Our financial KPIs show that we have not met our financial metrics in the year. In addition to the KPIs set, loss to reserves at £26.6m was also behind plan.

Further detail is set out in the financial review of pages 18 to 21.

	Actual £m	Target £m
Revenue	167.0	190
Profit before rugby investment	83.9	90.0
Operating profit	(10.8)	(11.5)



BILL SWEENEY CEO

This has been a difficult year and my thoughts and those of all at the RFU are with everyone impacted by Covid-19, both across the country and within our rugby union community.

The long-term financial challenges of coronavirus are significant for the entire economy. The RFU relies on revenue from matches and events at Twickenham Stadium and re-invests this back into the game. With no rugby and no events, we are looking at a potential short-term impact in the region of £145m in lost revenues in our 'mid-case' scenario.

We also know that there will be a much longer-term effect and are projecting a four to five year recovery, with cumulative revenue reductions of around 20%.

2019/2020 was already budgeted to be a loss-making year within a four-year cycle, due to the costs of the 2019 Rugby World Cup campaign and only hosting two home Six Nations games. This was planned for, but nobody could have anticipated the current situation which is constantly moving. However through careful financial management, we have achieved a loss position that is slightly better than budget, an excellent result given that we lost over £15m of revenues in March to June 2020 due to cancelled events.

It was important to achieve this level of stability, given the level of losses that we now know will impact in the coming year due to Covid. Not being able to welcome crowds to Twickenham will have significant negative impact on our finances for the financial year to 30th June 2021. No crowds at Twickenham for the autumns means a circa £120m reduction in revenue resulting in a loss of circa £45m. No fans for the Guinness Six Nations would mean an anticipated £140m reduction in revenue with a loss of around £60m. Unfortunately,

these predicted losses prevent investment in areas such as the women's elite game and community rugby. We were clear from the outset that an autumn without crowds would leave us with little choice but to approach government for financial help to prevent clubs at the heart of communities across England, as well as players and volunteers, disappearing forever. Premiership and Championship clubs will face significant financial hardship. Our community rugby clubs are under threat. Without crowds and league games, community rugby will, in the 2020/21 season, lose an estimated £53m in revenue.

We made significant cost savings: on 6 April furloughing 60% of our organisation, implementing short and some longer-term pay reductions, introducing pension pauses, refining business planning and introducing stadium and office running efficiencies. With Twickenham Stadium in lockdown, the North Car Park became a drive-through coronavirus testing facility on 18 April handling over 1000 tests per day at the peak.

It soon became clear that short-term cost reduction was not enough to run a sustainable operation and safeguard our future. We needed to make difficult decisions on continued investment, as well as the appropriate size and shape of our business for the future. To maintain a sustainable RFU, we initiated a capability review and consultation process that identified 141 roles at risk of redundancy. This was a painful process, however we have consulted with colleagues in a fully transparent and fair way to completely remodel our business.

We have to work differently in future, entirely focusing on our priorities which are: supporting the community game and our member clubs; maintaining our ability to compete and win at the highest level of

the international game; and delivering on our purpose of enriching lives, introducing more people and more diversity to rugby union while developing the sport for future generations.

We worked with the Department of Digital, Culture, Media and Sport on the specific financial impact of Covid on the RFU with reference to mass gatherings and social distancing. We also made suggestions on possible Treasury measures to help support rugby and other sports.

As one of the first sports to suspend play, we provided clarity and allowed clubs to mothball facilities and reduce costs. We then announced the mechanism to determine final league standings for the season.

We launched our £7 million support fund for the community game, as well as helping clubs to access small business grants from government and financial aid from Sport England.

We released £1m of funding directly to geographic Constituent Bodies, who added a further £400,000 creating £1.4 million of immediate support for our clubs. We accelerated release of the supplementary pot of £600,000 and implemented a holiday on loan repayments. We also launched an additional fund of up to £5 million, offering clubs loans of £2,000 to £10,000, repayable interest free over three years, with an initial payment holiday of up to six months.

A great deal of work went into the elite return to play guidance and, led by Sport England, on the return to community sport guidance. Our roadmap of steps to restart training and playing rugby as lockdown measures eased was shared with the rugby community. Our decisions have always been based on the best interests of players,



volunteers and clubs, and we only moved between stages when guidance and advice said it was safe to do so.

During the year we undertook a strategic review, referred to as Project Union, which took place from June 2019 to June 2020. This review defined: **our purpose** – to enrich lives, introduce more people to rugby union and develop the sport for future generations; **our vision** – having a successful and thriving game across England; and **our mission** – strengthening and uniting rugby union in England and producing consistently winning England teams. This was underpinned by a player first approach, being open to all, and being financially strong.

Having begun defining our sub-objectives and associated priorities, when we went into the Covid pandemic it became essential to refocus. Work on Project Union has provided us with the in-depth analysis of where resources were invested and their effectiveness. We launched Project Rise, with a steering group from across our business, to coordinate the considerable amount of change required in restarting our core activity and reshaping the next 12 to 18 months and beyond. The equally important initiative was identifying the right capabilities needed across the organisation to deliver our core activities, focusing on delivering our key strategic objectives with fewer resources.

Our lasting commitment remains to both the community game – the lifeblood of our sport – and professional rugby. Without our grassroots clubs we would have no game and no England team. We remain committed to having world-leading coach, player, and officials pathways across the game to develop the talent that comes through the community to deliver consistently winning England teams with an unrelenting passion to be the best.

**WITHOUT OUR
GRASSROOTS CLUBS
WE WOULD HAVE
NO GAME AND NO
ENGLAND TEAM.**





... (CONTINUED)

During the early part of the season, Twickenham welcomed 471,992 rugby fans, with capacity crowds at the Quilter Summer Internationals and our two Guinness Six Nations Test matches. The Killik Cup Barbarians v Fiji match saw over 50,000 attend (51,214), the Varsity Match just under 20,000 (19,953) and Harlequins Big Game had over 75,000 (75,624) fans watching. Our England v Italy Quilter match at St James' Park, Newcastle, had a near capacity crowd of 48,550.

A great deal of work saw us reschedule postponed fixtures including the final

round of the men's and women's Six Nations and cancel England's Japan tour. With Six Nations Rugby we launched a completely new tournament, the Autumn Nations Cup to take place over four weekends between November 13th and December 6th, 2020. This gives us three Quilter Internationals at Twickenham. We now face a very complex and congested fixture schedule, and have agreed a number of mitigations in order to protect the welfare of players.

We have been in regular dialogue with World Rugby, SANZAAR and the Six Nations around opportunities that can come from this crisis; specifically reviewing the global and domestic calendar to improve alignment between club and country on a longer term basis. Conversations between the northern

and southern hemispheres on calendar alignment have been extremely positive. We are now entering into deeper consultation with the major stakeholders of the game regarding tournament structures, economic impact, and player welfare related issues.

In January, we signed a ground-breaking partnership with the other Six Nations unions combining our collective men's and women's international broadcast and associated series sponsorship rights. Entitled Project Light, this bundles Autumn Internationals and Six Nations fixtures and is expected to strengthen our negotiating position with the rugby broadcasters. The partnership is also an important steppingstone to further global season improvement.

The key next step is the tendering of the combined Autumn Internationals and Six Nations broadcast rights. While this has been significantly disrupted by the current pandemic, the project has yielded a one off deal with Amazon Prime for the inaugural Autumn Nations Cup which is an exciting first step. The longer term rights process is looking to restart later in the year, potentially with the added benefit of an improved autumn product following the discussions on the global season changes.

In terms of our commercial partnerships this is clearly a challenging market which has seen leading rights holders lose partners. However, our commercial partnerships programme has proved robust. Mitsubishi Motors, Britvic, adidas, Gilbert, Champagne Bollinger have extended their partnerships for the next cycle. We were also delighted to announce the extension of our partnership with O2, with a five-year agreement which has a specific focus on growing the women's game, starting in September 2021.

Furthermore, we saw eight new brands join the sponsor family, namely: Umbro, Charles Tyrwhitt, Red Bull, Irwin Mitchell, Simplyhealth, Bremont, Optimum Nutrition and most recently Allianz who are all in place for the beginning of the 2020/21 season.

The season brought notable partner activation backing the England team in Japan's 2019 Rugby World Cup. O2's 'Be Their Armour' campaign included a TV advert featuring six of the squad and exceeded all of O2's own KPIs, including 8.8m acts of support by fans, 78% over target and greater than their 2015 Rugby World Cup campaign.

British Airways' 'Departure Day Live' behind the scenes Instagram content series became the most watched England Rugby story to date. Wider support was shown via national newspaper advertising. Mitsubishi Motors 'Japan Awaits' competition gave club volunteers the chance to travel to Japan and support England. Over 28,000 entries saw six volunteers attend the RWC Final. The team was also supported by activations from Canterbury, Quilter, Sky Sports, Guinness, NatWest, IBM, Dove, Persil and Coco Fuzion.

Of particular note, in the community game, the Mitsubishi Motors Volunteers Recognition Programme saw 33 regional recognition events, and over 1,750 nominations. The programme was also nominated for Grass Roots Programme of the Year in the 2020 UK Sponsorship Awards, subsequently postponed due to the coronavirus.

Since rugby stopped in March, our social media team has tailored content to support government messaging, while keeping our varied audiences informed and engaged. As a result, the England Rugby social channels experienced substantial year-on-year growth with figures for the year to date: 236m total engagements on England Rugby social media channels, with 218.6m video views. This is a 58% increase in engagements on the full year last year and 55% increase in video views. On our website we have also celebrated the outstanding nationwide efforts of our game and our clubs in helping their communities and the NHS in this time of crisis.

The Rising Sons inspiring Rugby World Cup campaign, with its 19-part weekly behind the scenes show, took fans on the journey with the team and generated 119m fan engagements, leading also to an ITV documentary.

It was a very different world when we enjoyed the Rugby World Cup in Japan. This was a fantastic tournament and I would like to congratulate Japan again on a well-staged, record-breaking World Cup, especially given that it took place in the face of the tragedy of Typhoon Hagibis.



IN THE COMMUNITY GAME, THE MITSUBISHI MOTORS VOLUNTEERS RECOGNITION PROGRAMME SAW 33 REGIONAL RECOGNITION EVENTS, AND OVER 1,750 NOMINATIONS.

... (CONTINUED)

On the pitch, Eddie Jones and the most diverse England senior men's squad ever secured three wins out of three in pool C, before the cancellation of the final pool match against France due to the typhoon. The knockout stages saw two highly impressive wins against Australia in the quarter-final and New Zealand in the semi-final.

While the result did not go our way against South Africa in the final, we are proud of Eddie and the squad's achievements, the youngest ever team to reach a Rugby World Cup final. The final became the year's most viewed television event, with a peak audience of 12.8 million and was watched by 79% of the viewing audience across the UK. We now turn our attention to France in 2023 with more talent being added to a skilful squad and the extension of Eddie's contract as Head Coach to 2023.

The 2020 Guinness Six Nations started with a disappointing away loss in Paris to an improving French outfit but three wins in a row followed, including home matches against Ireland and Wales in front of sell-out Twickenham Stadium crowds and a hard fought away win at Murrayfield in abysmal conditions. While the final match against Italy was postponed due to Covid, England sit top of the table on points difference looking to clinch a further Six Nations Championship in the remaining fixture away to Rome on October 31st.

England Women, having enjoyed a hugely successful 2019 and securing the Women's Six Nations Grand Slam, started the season with a clean sweep in the Quilter Internationals in November, including a first win in France since 2012. They were on course for back-to-back Grand Slams,



having won all four of their matches in the Six Nations, when rugby went into lockdown. As defending champions, England were on 19 points with their remaining match v Italy rescheduled for November 1- in Parma.

Our home Six Nations matches drew impressive crowds, with 8,666 watching us beat France in Exeter, 5,000 capacity crowds for the matches against Italy in Bedford and Ireland in Doncaster, and over 10,000 (10,219) at the victory over Wales at the Twickenham Stoop. A total of 28 Elite Playing Squad contracts have been agreed for current players.

England men U20s opened their season with a victory over back-to-back World U20 champions France under the guidance of new head coach Alan Dickens, before another tight away victory in Scotland. Two home defeats to Ireland and Wales followed before their season was curtailed. Both home fixtures were attended by around 7,000 fans. Their World Rugby U20 Championship in Italy in July was cancelled due to the coronavirus pandemic.

In the 2019/20 HSBC World Sevens Series England Men sat fifth on 77 points, with Hong Kong, Singapore,

London, Paris, Dubai and Cape Town postponed. England Women sat eighth on 36 points, with their matches in Hong Kong, Langford and Paris postponed.

In the women's Premier 15s, reigning champions Saracens Women continued their impressive Tyrrells Premier 15s form, unbeaten in their 12 games before the season was cancelled. Harlequins Women were just behind them, their only defeat against Saracens, with Loughborough Lightning and Gloucester-Hartpury Women making up what would have been the play-off places. Seven of the 12 rounds were livestreamed across England Rugby social channels with nearly half a million views.

The Women's Performance Management Group's work ensured a smooth re-tendering for clubs to be part of the Premier 15s for the next cycle. Next season we welcome Sale Sharks Women and Exeter Chiefs Women to the league and we wish Richmond and Waterloo all the very best and thank them for their contributions to women's premier rugby. We would also wish those other clubs who tendered to be part of the Premier 15s well in their continuing desire to compete in the league.

Our professional match officials have been doing great work. With four referees and two TMOs appointed for the Rugby World Cup matches, succession planning meant three contracted Assistant Referees were able to step up to take charge in the Premiership. There was a successful domestic season but Six Nations appointments were cut short by coronavirus when matches were cancelled.

THE FINAL BECAME THE YEAR'S MOST VIEWED TELEVISION EVENT, WITH A PEAK AUDIENCE OF 12.8 MILLION AND WAS WATCHED BY 79% OF THE VIEWING AUDIENCE ACROSS THE UK.

The shutdown of sport presented big challenges for our grassroots clubs which are at the heart of their communities and the lifeblood of our game. They need simple, focused support that delivers real benefit. We want to help clubs to be financially innovative and sustainable, to address the adult male 15s challenge, and to run and retain youth and women's teams for the future development of the sport.

The senior men's team represented our most diverse to date with 35% BAME players and 70% who attended state school under the age of 16. This needs to inspire us all to make our game, and its unique values, more accessible and available to a wider and more diverse group of players and administrators.

To that end, following in-depth research, the Union has made a commitment to improving diversity and inclusion (D&I) across four key areas of the game. Fans, Followers and Partners; Game Play – Players, Coaches, Match Officials; Staff and Board and Game Administration – Volunteer leaders within Clubs, Constituent Bodies and Council. The findings from our research amongst 4,400 people from the community game, will inform our areas of focus for D&I action planning in each part of the game.

Before the season ended early, player numbers suggested a continued increase in age grade teams, growth among women players, and men's player numbers stable although decreasing in the mens adult

XVs game – a challenge that is raised by many clubs throughout the game.

January's Adult Male Competition Future Structure Survey had 6,000 responses, of which 48% were players. We held a series of nine webinars to help understand the views of rugby players and clubs about creating a competition structure that meets their needs both now and for the future. This is a very complex and difficult initiative with varying views and perspectives across the levels of the community game. We are now into deep consultation to review the options available for season 2021-22 and ensure we do what is right for the game overall, with a Council presentation and discussion scheduled for October 2020.

The Game On principles, allowing teams short of numbers to play with smaller teams over a shorter match duration, continued to provide flexibility, helping more games to take place. There was also a pleasing uptake in Electronic Match Cards and online Age Grade Player Registration, with over 165k GMS unique users.

The women's and girls' game continues to go from strength to strength, with 40,000 registered women players in over 400 clubs, 90,000 girls taking part in schools, colleges and universities, and 10,000 female O2 Touch players. We have a target to reach 60,000 registered players by 2029 with 220 more clubs and 1,513 more teams playing women's and girls' rugby.

More than 120 Inner Warrior events were enjoyed by 4,600 women, leading to a significant increase in teams. The RFU also launched the Inner Warrior Series, an entry level competition for teams born from Warrior Camps, which had 78 teams in 12 series choosing how to play, whether at centralised venues every other week, at weekday evening matches, or traditional home and away weekend fixtures. The national Leadership Academy support was funded via the Women's & Girls' Action Plan.

Our investment in the grassroots game saw new RFU Local Facility Grants awarding £70,363 to 37 clubs and RFU Facility Loans awarding £242,000 to six clubs. Extreme weather grants of £48,376 were awarded to 15 clubs affected by extreme weather conditions in January and February. A further £230,786 of Government flood relief funding was also secured by 46 clubs via Sport England.

Our Rugby 365 Artificial Grass Pitches were used by over 360 clubs over the year, with just under 600,000 on field player visits. Almost 5,000 matches were hosted during the wet weather period from January to March including an average of 150 community rugby matches each week. New AGPs were completed at Lymm and Chippenham RFC, taking the total number of operational RFU AGPs to 28 across England.

The 2019 Rugby World Cup increased engagement by clubs with local communities through the Rising Sons campaign and linking squad members with their formative clubs. The England Rugby World Cup squad launch was held at an All School in Bristol and All Schools from the North East featured as part of the England v Italy game in Newcastle.

The All Schools target of taking rugby to a further 750 state secondary schools was reached in September 2019 and celebrated at Luton's Lealands High School, with the campaign's ambassador, the Duke of Sussex, present. Representatives from All Schools then featured on the Twickenham pitch at the England v Wales Six Nations game.



... (CONTINUED)

The Quilter Kids First pledge has now been signed by more than 1,000 clubs and schools, with 10,863 coaches and referees on Quilter Kids First courses resulting in a current ratio of one trained coach/referee for every 11 Under 7 to 13 players, an improvement on 2016's one to 16 ratio. The coaches' Skills Series was viewed over 180,000 times on YouTube and now 90% of Kids First young players rate their enjoyment of rugby at 8 to 10 out of 10.

The Half Game Rule became a mandatory regulation this season for age grade players in all clubs, schools and colleges, ensuring that every player now gets at least half a game rather than sitting on the sidelines. Feedback from players and coaches is very positive as this has created more playing time for more players and helps to keep them in the game.

Of our 24 Focus Colleges, half completed their three-year programme, delivering an overall increase in playing numbers, increased capacity and more players transitioning to rugby clubs. We have secured a further 162 places for rugby union on the Diploma in Sporting Excellence, after retaining 99% of last year's 162 strong cohort, giving a pathway and academic partnership support from Academies and Centres of Excellence for talented 16-year-old male and female players.

Important work with 37 universities in 18 clusters has seen 20 officers employed directly by the universities and significant match funding generated, with some 2,500 players at risk of leaving rugby retained. Our university partners are providing opportunities for 3,518 male and 869 female players for all levels, alongside the BUCS programme. With 50 volunteer Gamefinders nationally, 1,373 male and 659 female students played in more than 100 community clubs this season, and partner and cluster universities transitioned at least 40% of graduates into a club. Additionally, 81 Inner Warrior camps attracted more than 1,000 women, 50% new to rugby. O2 Touch remains popular among university students.

The O2 Touch season's target of 35,000 players was hit in March, despite the

busiest part of the season from April 1 being cut short. Investment into a new rewards scheme, powered by the O2 Touch app, saw new sign ups increase over the usually quieter autumn and winter months, and an increased regularity of existing players through a fresh new approach.

We continue to train and support community coaches and referees who are so essential to the game. Before operations were suspended in March, we had a total sign up to training courses of 15,782 for coaches and 2,675 for referees. First Aid training, including a mental health webinar, involved 2,079 and safeguarding courses involved 5,694, helping to ensure that everyone enjoys a safe rugby environment.

Female coach and referee numbers continue to increase and we supported 16 women who completed England Rugby Level 3 / Level 4 coaching awards as part of our drive to raise the profile and importance of women coaching in both the men's and women's game.

While the number of female referees is small, we are beginning to see signs of growth. Since its inception in 2016, the England Rugby Referee Association has enrolled over 1,000 female members. Of the 2,119 active referees in societies, 57 are female. This is a priority area where we have been engaging with the RFRU and referee societies to develop their offer to increase the transition rate from courses into these formal settings. The RFU Match Official Development Team recently introduced the England Female Match Officials forum.

This season, we have piloted the Advanced Match Official Award (AMOA). The programme runs for a 12-month period and has been developed in close collaboration with the Professional Game Match Official Team. Nationally during the pilot, we have 36 students from various levels of the game, of which seven are female.

The National Panel, which manages RFU competitions at Levels 3 - 5, has identified and worked with 12 female match officials. These officials attend regional technical training sessions and fulfil officiating roles at Levels 3 - 5, as well as supporting professional

SINCE ITS INCEPTION IN 2016, THE ENGLAND RUGBY REFEREE ASSOCIATION HAS ENROLLED OVER 1,000 FEMALE MEMBERS.

match official matches, which include Premier 15s and international appointments.

Our intention to have a diverse and inclusive game was helped this season by the RFU being awarded a Sport England grant to become the 34th project within the Families Fund portfolio, aiming to get families in lower socio-economic communities exercising together.

We are fortunate to have more than 100,000 volunteers ensuring that everyone has the opportunity to play and that our community clubs thrive. The Mitsubishi Motors Volunteer Recognition Programme saw 800 volunteers invited to the Quilter Summer Internationals in Twickenham and Newcastle. The Mitsubishi Motors Volunteer of the Year Black Tie Awards event was enjoyed by 40 volunteers and guests, three receiving a Mitsubishi car for a year, before six made the Journey to Japan.

Many volunteers also rolled up their sleeves for the NatWest Rugbyforce weekend. The campaign, which launched in January, saw them improving local rugby clubs nationwide, with 579 registrations, 425 grants of £500, six grants of £1,000 and six of £3,000.

We concluded a three-year partnership with Sport Relief, our Try for Change programme having made 18 grants to projects across England and internationally, using rugby to improve and support the lives of disadvantaged people. Work with Sport Relief also saw International Mixed Ability Sport introduce mixed ability rugby to 20 Yorkshire and Midlands rugby clubs. These teams continue to ensure that players with and without disabilities can play full contact rugby together, increasing social integration, diversity awareness, and changing perceptions.

The RFU Injured Players Foundation continues to provide immediate and

lifetime support to players and their families with the aim of supporting the injured player to lead as full and independent a life as possible. Fund raising initiatives included the Six Nations Supporters Draw and the England Squad dinner on 14 February. This financial support enabled the IPF to continue to support our injured rugby players and deal with coronavirus challenges. Virtual get-togethers replaced regional lunches and match-day hospitality, and the charity grant applications were dealt with remotely, with support from the RFU finance team.

Covid presented huge challenges across the game and, alongside our financial help for clubs, support was made available via a dedicated Task Force and a coronavirus hub and Club Support Centre on EnglandRugby.com, with a helpdesk for specific queries. Twice weekly Community Game Updates and many webinars have also taken place.

Our welfare advice before the start of a new season included guidance on how players at all levels could get match ready. The RFU worked closely with Constituent Bodies to support clubs, competition organisers and the wider rugby community in preparing to restart rugby in a challenging environment.

I have great confidence in our clubs. We have all been inspired by the many stories of the rugby family working to support the most vulnerable in their communities, encapsulating the unique spirit of rugby and reinforcing the fact that clubs across our community game provide more than just rugby.

I am confident that this spirit will ensure we will come through this together and emerge stronger. The resilience, resourcefulness and commitment of the organisation has also been remarkable in helping us manage our way through this exceptionally challenging period.





SUE DAY

Chief Operations and Financial Officer

This is a financial review unlike any that has gone before in the recent history of the RFU. Prior to Covid-19 hitting our revenues were running slightly ahead of budget, but the loss of all activity in the last quarter of the year means that we finished the year with revenues £23.0m behind budget, mostly driven by lost broadcast, ticketing, hospitality and conferences and events revenues.

Despite those lost revenues, the operating loss for the year was slightly better than budget - £10.8m compared to a budgeted loss of £11.5m. I described in the report last year the work that we have done across the organisation to keep a tight control of costs and that left us in a good position to rein in costs as soon as Covid-19 hit.

In addition to the effort across the organisation to reduce costs, we were also able to draw on a number of sources of government support. We received £2m of income from the Coronavirus Job Retention Scheme (CJRS), claimed a £0.75m rates holiday with respect to Twickenham Stadium, and were able to defer £2.1m of PAYE for the months April to June. We expect to benefit from a further £1.5-2.0m CJRS income in the 2020/21 financial year, as well as a further £2.25m rates holiday.

While we are proud of having managed to hit our operating budget in the face of such significant lost revenues, it is important to understand that this cannot continue into next year. The revenue losses for the coming year will be so significant that we cannot mitigate them through reduced expenditure. We are revising our long term business plans in order to manage the significant losses that the pandemic will cause in the coming year and quite possibly the years beyond.

Returning to the year ended 30 June 2020, the loss taken to reserves was £26.6m after investment of £94.7m into the game. Revenues were 22% lower year-on-year at £167.0m (compared to £213.2m in the prior year) driven largely by the double impact of Covid-19 and a reduced number of men's home matches at Twickenham due to the men's Rugby World Cup. As a result, profit before rugby investment decreased 27% year-on-year to £83.9m.

Last year, I described the £100m of bank facilities that we had available. Those remain in place and post year end an additional £19m facility was added. This was added in anticipation of extra demands on our cash in light of Covid-19, although we do not plan to draw down on it in the next few months. As at 30 June 2020, borrowing was at £74.8m (compared with borrowing of £59.5m at last year-end), and we had £38.4m cash in the bank.

As at the year end, the balance sheet of the Group remained strong, with capital employed totalling £180.6m (2019 £196.4m). The decrease in capital employed of £15.8m principally reflects the increase in debentures issued in the year of £10.4m less the loss in the year and the annual increase in the contractual obligation to buy back the Compass shareholding in TEL in 2028 (as described in note 3).

Revenue

Ticket revenues decreased by £22.1m (46%) from £47.6m to £25.5m, as a result of there being no Quilter Autumn Internationals, due the men's Rugby World Cup, and only two home Guinness Six Nations matches (against Ireland and Wales). While we staged three Summer Quilter Internationals, held as warm up matches prior to the World Cup, these matches are much lower value, in terms of ticketing and hospitality, than their usual Autumn

equivalents. This set of matches compares to 2018/19 when there were four Old Mutual Wealth Autumn Internationals and three home Six Nations matches.

Broadcasting revenue decreased by £6.3m (13%), from £49.7m to £43.4m, primarily due to the curtailment of the Six Nations and matches being postponed or cancelled due to Covid-19.

Sponsorship revenue was £0.5m (1.5%) higher than the prior year, increasing from £32.8m to £33.3m. Mitsubishi, Bollinger, Britvic and Greene King all renewed their sponsorship arrangements while new partnerships were signed with Red Bull, Irwin Mitchell and Simply Health, among others.

Hospitality and catering income decreased by £22.3m (41%), from £54.5m to £32.2m. This decrease is due to the reduced number of home matches and the cessation of all hospitality and catering activity in the last four months of the year.

Combined revenues from subsidiary companies England Rugby Travel Limited (ERT), RFU Hotel Limited and RFU Health and Leisure Limited were up to £13.8m from £10.8m. While the Marriott and Virgin Active revenues were hit by Covid-19 lockdown, this was more than offset by revenues from ERT which were £6.7m compared to £1.0m in 2019. ERT revenues are always much higher in a Rugby World Cup year, due to the high number of packages supporting fans travelling to the World Cup.

Event hire fees reduced by £1.8m from £3.0m to £1.2m due to a reduction in the number of events held in the year as a result of Covid-19. Funding, which includes funds received from World Rugby and Sport England as well as support received as part of the Job Retention Scheme,

increased by £0.8m, from £7.1m to £7.9m. The movement is driven by the receipt of £2m of income from the Job Retention Scheme, offset by a reduction in World Rugby funding compared to the prior year.

Under the new Sports Governance Code, the RFU is now required to show the income from public investors and to clearly account for the expenditure of these funds. The analysis and use of Sport England funds received is shown below.

	2020 £m	2019 £m
Total Sport England income	2.8	3.5
Related spend		
Player retention and transition	0.6	0.6
Broadening reach	0.5	0.4
Touch and Sevens	0.7	1.0
Women and girls/talent development	1.0	1.5
Total spend	2.8	3.5

Cost of sale

Cost of sales reduced by £9m (25%), from £35.5m to £26.5m, as a result of the reduction in games played at Twickenham, while gross margin increased slightly from 83% to 84%.

Overhead expenses

Overhead expenses, which include all administration and non-match day stadium costs, reduced by £5.7m (9%) year on year from £62.3m to £56.6m. This reflects an enormous effort across the organisation to keep costs down, particularly in the final months of the year. It also illustrates the challenge that we have in that a high proportion of our overhead costs – for example depreciation – are fixed, and do not reduce in line with revenues. While 9% is a significant reduction, but in a year when we lost over 25% of our budgeted revenues, due to Covid, we would have liked to bring this cost down even more. Reductions in overhead costs, as well as in the costs of professional rugby and rugby development (outlined below), include pay reductions taken by all employees: all employees earning over £30,000 took

a 10% pay reduction from April to June; members of the executive team, along with the England men's head coach, took a 20% pay reduction, which has continued into the 20/21 year, and many Board members waived their fees.

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. Overall investment increased by £0.8m (1%) from £65.6m to £66.4m. While there have been underlying cost reductions across the board in the professional department, this is offset in year by the additional costs of participating in the men's Rugby World Cup. A World Cup means much more time in camp, and overseas, than in other years, as well as more matches, leading to a significant increase in men's team costs and player fees. The £23.2m of player fees includes £2.5m earned by the team and coaches for reaching the World Cup Final.

	2020 £m	2019 £m
Professional investment		
Professional club funding	33.0	34.2
Player fees, England men's 15s, Women's 15s, Sevens, men's and women's pathway	23.2	18.9
Base, including people, operations and investment games	10.2	12.5
Total	66.4	65.6

Rugby development investment

Rugby development investment reduced by £6.6m (19%), from £34.9m to £28.3m. A breakdown of development investment is as follows:

	2020 £m	2019 £m
Development investment		
People and people related operational costs	9.8	11.1
Depreciation (mostly AGPs)	1.8	1.3
Investment in programmes	10.3	16.5
League funding, club insurance and IPF	6.4	6.0
Total	28.3	34.9

Programme investment includes programmes such as CBRE All Schools and Project Rugby as well as investment in volunteer development, other club management and governance programmes, and direct club and CB funding. The reduction in this year on year is driven partly by an underlying reduction in funding due to a reduction in forecast revenues, but mostly due to all programmes being suspended in the last quarter of the year.

Interest payable and similar charges

Interest payable and similar charges has increased by £0.6m (19%) from £3.1m to £3.7m. It includes the interest on drawn down loan funds, implied interest on the future contractual obligation payable to Compass and net pension interest. The increase of £0.6m year on year is largely due to interest amounts relating to East Stand as an asset under construction being capitalised in the prior year.

Operating loss

Operating loss was £10.8m, compared to a profit of £14.9m in the prior year. This movement was expected and indeed, as mentioned above, is slightly better than the budgeted loss of £11.5m, due to the tight management of costs throughout the year, including particularly after the cancellation of events, due to Covid-19.

Tax charge on ordinary activities

Tax charge on ordinary activities was £7.8m, compared to £1.9m in the prior year. This increase is due to derecognition of the RFU's deferred tax asset. Prior to Covid-19 we were able to more reliably predict future profits which meant that we were able to recognise an associated deferred tax asset. However increased short to mid-term losses and the uncertainty that the pandemic has brought to future forecasts means that it is no longer appropriate to recognise a deferred tax asset.

Net result

After taking account of taxation and after adjusting for minority interests, the loss to reserves was £27.1m, compared to the prior

year profit of £3.9m. Although operating loss was ahead of budget this £27.1m is worse than budget due to the deferred tax charge which was not budgeted.

Cash flow

Net cash inflow for the year was £9.8m. Net cash outflow from operating activities was £2.7m, impacted by the loss for the year and a movement in working capital, including a significant reduction in creditors during lockdown reduced business activity. Total capital cash outflows of £9.3m in the year included ongoing works on the Artificial Grass Pitches (AGPs), fire safety works at the stadium and hostile vehicle mitigation works outside of the stadium. This investment was funded out of debenture proceeds of £10.4m and an additional £15.3m drawdown of our borrowing facilities. Our cash position at year end was £38.4m compared with £28.6m at the end of the previous year.

Balance sheet

Consolidated capital decreased by £16.3m from £196.4m to £180.1m. This decrease primarily reflects the loss of £27.1m offset by debenture proceeds received.

Fixed assets decreased by £11.8m from £331.5m to £319.7m. Intangible fixed assets consisting of software and website development costs decreased by £0.8m, due to the annual amortisation charge of £1.1m, offset by net additions of £0.3m. Tangible fixed assets, which primarily comprise our investment in Twickenham Stadium, decreased by £10.9m from £305.5m to £294.6m, largely due to depreciation of £19.4m against additions of £8.8m, with no large capital projects being completed outside of routine capital expenditure.

Debtors and prepayments due within one year decreased by £3.6m, from £25.0m to £21.4m. The larger movements within this balance include:

- trade debtors which increased from £12.8m to £14.2m, largely due to the with amounts owed relating to the men's Rugby World Cup year; and
- prepayments and accrued income which reduced by £5.2m from £11.6m to £6.4m. Amounts are much lower at this

year end than in the prior year as there has been no new activity or events in the early months of the new financial year against which to accrue income or receive prepayments.

Creditors falling due within one year decreased by £14.8m, from £56.1m to £41.3m. The larger movements within this balance include:

- trade creditors reduced by £5.6m (£8.3m to £2.7m) is due to the decreased spending due to Covid-19 lockdown.
- accruals and deferred income decreased by £11.3m due to a decrease in advance ticket sales – prior year figures include the summer Quilter internationals and, because of Covid-19, there were no pre-sales for 2020 Autumn Internationals.

Creditors falling due after one year increased by £16.9m, from £140.9m to £157.8m, due to an increase in borrowing of £15m, and an increase of £1.6m, reflecting the RFU's obligation to buy back Compass Group PLC's shares in TEL in 2028.

The net pension position decreased by £2.0m from a £0.5m pension asset in the prior year to a £1.5m liability in 2020. The loss was driven on the scheme liabilities side, primarily changes in discount rate, interest, inflation and mortality rates from last year.

Debentures increased by £10.4m, from £219.4m to £229.8m, due to renewals and new debentures issued.

The Other Reserve increased by £1.6m reflecting the increase in the RFU's obligation to buy back Compass Group PLC's shares in TEL in 2028.

The Profit and Loss reserve decreased in the year from £28.6m to £0.7m. The main movements in the reserve were the £27.1m loss to reserves, the net increase in pension obligations, as well as a movement in other reserves of £1.6m, reflecting the RFU's obligation to buy back Compass Group PLC's shares in TEL in 2028.

Ordinarily I wouldn't comment on the future in this section, which is of course a review of the year just gone, but in these

unusual circumstances, it feels appropriate to give a view on the year, and years, to come, picking up on various other sections throughout this document:

It is clear that our revenues will be greatly impacted in the year to 30 June 2021 and beyond. Given recent announcements about the difficulty of fans returning to stadiums, our latest forecasts estimate that revenues for the year to 30 June 2021 will be more than 60% lower than those we were forecasting before Covid-19.

We have renegotiated our bank covenants for all the facilities that existed at the year end, and we have added a new facility of £19m. The combination of these actions means that we are confident that we will have the cash that we need to operate through the year.

However, such significant lost revenues mean that we will make a large loss next year. We have high levels of fixed costs – particularly relating to Twickenham Stadium – and while we will be taking measures to reduce costs as much as we can, it is not possible to mitigate costs enough in year to be able to cancel out those lost revenues. That means that we will have to greatly reduce our investment in rugby in year, and it means that the money that we do spend on the game must be well prioritised – it must be directed to those areas of greatest need to help to sustain the game across the country.

It is also critical those lost revenues will impact our ability to invest in rugby for many years to come. In future years, we will need to plan to pay back the extra borrowing that we have needed and to recoup for the additional loss that we have made. This means that we will need to spend less than we had previously intended across the whole of the next cycle.

This will be a challenge for all of us across the game but the rugby community is very good at pulling together in times of adversity, as has been demonstrated this year. We are absolutely committed to playing our part in that.



THE RESPONSIBILITIES OF THE BOARD

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 Structure of the Board is detailed in the Directors' Report.

When making decisions, the Board considers and balances the impact on stakeholders, including members, employees, customers, suppliers and central and local Government. It also reviews consequences of decisions in the short and long term. Among other factors, the Board also takes into account the effect of decisions on the community and the environment while maintaining high standards of business conduct. The Board has had to take into account that the Covid-19 pandemic has required the Board to meet more frequently, with calls taking place weekly from March until the end of

the season to enable it to monitor and react to the change to the risks and uncertainties set out in this Annual Report.

STAKEHOLDER CONSULTATION

The Board engages in formal and informal consultation with a range of stakeholders, both inside and outside the sport, to understand the impact of decisions on those groups. The Council is made up of representatives of the game in England, predominantly from the community game, but also with representation from the professional game, including players. The Board regularly consults with the Council, both within formal Council meetings and more informally, to understand the needs of its members as well as the communities in which they operate. The Board also consults with the Council before the implementation of its annual budget and business plan. This is supplemented by other structured means of stakeholder engagement, including the Professional Game Board, attended by representatives of the Board, together with representatives of Premiership Rugby, the Rugby Players Association and the Greene King IPA Championship Clubs Committee. These formal structures, together with ongoing dialogue with other stakeholders whether



national, international or local, enable the Board to consider its work in the context of the wider stakeholder landscape in which the RFU operates.

DELEGATION OF AUTHORITY

The Board believes governance of the RFU is best achieved by delegation of its authority for the executive management of the RFU to the Chief Executive Officer and his Executive Team, subject to defined limits and monitoring by the Board. The Board routinely monitors the delegation of authority, ensuring that it is regularly updated, while retaining ultimate responsibility subject to powers reserved to the Council and the members.

KEY DECISIONS MADE BY THE BOARD

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

Significant events/decisions	Actions and impact	Stakeholders and other factors in section 172 considered
Establishing an Injury Risk Reduction Subcommittee	This subcommittee has been established to bring together a number of strands of work undertaken to reduce the risk of injuries in the game. It is chaired by one of the RFU's independent non-executive directors.	The Board considered the impact on participants in the community game and participants in the professional game (as evidenced by representatives from the professional game also being included in that subcommittee). The Board considered that the work of this subcommittee will help in assessing the consequence of other decisions relating to the playing of the game in the long term.

<p>Agreement to allow Six Nations Rugby Limited to include the RFU's Autumn International broadcast rights in its collective selling</p>	<p>The members of the Six Nations have signed an agreement which allows Six Nations Rugby Limited to sell the broadcast rights of those unions' senior international matches on a collective basis. This will provide a more coherent offering to broadcasters and is intended to increase revenue for all stakeholders.</p>	<p>The Board considered the impact on other unions within the Six Nations, as this is aimed to grow revenues for each of those unions.</p> <p>It also considered the impact on broadcasters and supporters, as this will allow a more coherent broadcast schedule with minimised overlapping matches.</p> <p>This was considered the overriding matter in this decision.</p> <p>It also considered local residents, as kick-off times for matches at Twickenham are likely to become staggered with other internationals, which may also mean matches on Sundays.</p>
<p>Ticket price increase for season 2020/21</p>	<p>The Board agreed a modest rise in the prices for tickets for senior men's international matches at Twickenham for season 2020/21. In light of the Covid crisis, the pricing and allocation of tickets will need to be considered again during that season.</p>	<p>The Board considered all purchasers of tickets, including club members, debenture holders and sponsors. The impact on the community game was also considered, including the extent to which this would affect the demographic of potential attendees at international matches at Twickenham. In the current climate, the long-term financial health of the RFU was the overriding concern in this decision.</p>
<p>Continuing to fund the Greene King IPA Championship clubs, but at a reduced level</p>	<p>The four-year funding and participation agreement with the clubs in the Greene King IPA Championship ended on 30 June 2020. For the following season, the Board agreed to continue to fund clubs in that league, but at a reduced level. At a time when RFU revenues have fallen, the RFU must balance the position of those clubs with the needs of the wider game and the longer-term consequences of reduced funding.</p>	<p>The Board considered the need to act fairly between its members, given the position of the Championship within the professional game, balanced with the need to invest in the community game. The Board also considered the impact that this would have on players and other staff of Championship clubs.</p>

Framework for a new Strategic Plan	<p>The Board approved the outline for a new strategic plan, with focus on a vision, mission and guiding principles which underpin a series of strategic objectives and sub-objectives. This work has enabled the organisation to prioritise effectively when faced with the Covid crisis.</p>	<p>The Board considered the need to provide a framework for decision-making to take into account longer term consequences. A recognition of core activities and a prioritisation of strategic objectives takes into account the needs of employees, allowing them to work in a focused and strategic manner.</p>
New charity strategy	<p>The Board approved a new charity strategy, prioritised to focus on the welfare of players, rugby for good, and the local community.</p>	<p>The decision to adopt this strategy reflected an analysis of the RFU's position in the community, both the local Twickenham community and the wider communities involved or potentially involved with the sport.</p>
Restructuring	<p>The Board agreed that the RFU would begin a collective consultation with elected employee representatives from each business area about proposed redundancies due to the longer term consequences of Covid-19.</p>	<p>This decision reflected an analysis on possible effects on the RFU's employees, balanced against the longer term interests of the organisation.</p>
<p>The challenges of the Covid-19 pandemic have necessitated a range of responses from the RFU, relating to both the RFU's own operations and how it interacts with key stakeholders. These responses have been driven by the Executive, with ongoing direction and check and challenge from the Board.</p>	<p>The Board was involved in detail in the Executive's management of the RFU's response to the Covid-19 pandemic. Most notably, this response included pausing rugby activity within England, establishing a club support fund and a restructuring of the RFU employed workforce. In order to do this, the Board met weekly from March 2020 for the remainder of the financial year, including engaging on standing items relating to the return to play and analysis of financial scenario planning.</p>	<p>The Board considered the impact on all material stakeholders when working with the Executive. In particular, it considered the impact on clubs, players and volunteers of pausing and considering how to restart the competitive game, and how the club recovery fund put in place would operate. It considered the impact of any decisions on professional clubs and players on the pause of the professional game. The Board also considered the interests of other stakeholders throughout this process, including government, Sport England and UK Sport. The factors considered in the decision to restructure the RFU employed workforce are set out separately above.</p>

KEY DECISIONS MADE BY THE COUNCIL

The RFU Council has a dual role of driving policy relating to the game and monitoring and oversight of the Board on behalf of

the members. While the Council does not have the same fiduciary duties as the Board, the RFU Rules give the Council the authority to make certain specified decisions. When it makes those decisions, the Council must also take into account a

range of relevant factors. Key decisions made by the Council are set out below, which indicate how the Council takes into account the effect on stakeholders:

Significant events/decisions	Actions and impact	Stakeholders and other key factors considered
<p>Revision of regulations relating to safeguarding</p>	<p>RFU Regulation 21 contains a range of obligations on individuals and clubs, referee societies and other bodies in order to safeguard the welfare of children and adults at risk. These regulations are reviewed each year, and changes agreed by the Council to take effect from 1 August 2020 included a requirement that those working with children must undertake a mandatory safeguarding training module before they are able to apply for a DBS certificate.</p>	<p>The Council considered the needs of children and the need to keep them safe from harm, as well as the interests of those working with children. It considered what was good practice within the sporting sector and more widely, and the long-term interests of the sport.</p>
<p>Restricting bundling of tickets with hospitality by clubs</p>	<p>Over 50% of tickets for senior men’s international matches at Twickenham are provided to members (predominantly clubs). The Council agreed to restrict clubs’ ability to bundle tickets to those matches with hospitality. This will provide a level playing field for clubs across the country, so as not to allow only clubs in the vicinity of Twickenham the ability to use their tickets in a more commercially advantageous way.</p>	<p>The Council considered the need to act fairly between members.</p>

<p>Revised Illicit Drugs Policy</p>	<p>Following a review led by the Legal and Governance Director, the Council agreed a revised and improved Illicit Drugs Policy. This policy allows for testing for illicit drugs in the Premiership outside the standard UKAD anti-doping programme. This improved policy is better able to identify issues within the Premiership, and to provide players with rehabilitation rather than a purely sanction-based regime.</p>	<p>The Council considered the interests of the players in the professional game, professional clubs, and the wider interests of the sport, including the need to protect the image and reputation of the game as being free of illicit drugs. In particular, it took into account the need to maintain high standards of conduct, within business and sport.</p>
<p>To hold a virtual AGM</p>	<p>For the first time, the Council decided to hold the RFU's AGM virtually. This resulted in a materially higher attendance, and a far greater ability for members to question the management of the RFU.</p>	<p>The Council considered an appropriate approach to demonstrate high standards of business conduct. It also considered the ability to make the AGM more accessible to members.</p>
<p>Temporary change to the ticket allocation policy</p>	<p>The Covid crisis means that Twickenham Stadium will not be able to operate at full capacity during the Quilter Internationals in November and December 2020. Accordingly, the Council agreed to suspend the usual policy for allocation of tickets, and temporarily to allow an income-based approach to prioritise the sale of tickets to those with contractual entitlements, such as debenture holders, hospitality clients and sponsors. Should it be possible to host more spectators during these matches, more tickets would then be made available to members.</p>	<p>The Council balanced the needs of the member clubs and the needs to use attendance at Twickenham Stadium to reward volunteers and grow participation, with the need to retain revenue in order for the RFU to remain solvent. This decision took into account the needs of members, suppliers and customers, employees and the local community. The case for prioritising revenues for the RFU in a time of acute financial challenges was compelling and considered to be in the best interests of English rugby.</p>
<p>Diversity and Inclusion</p>	<p>Council approved a number of actions to improve the diversity and inclusion within the leadership and governance structures of the game, and subsequently agreed to form an Implementation Group to oversee the implementation of these actions.</p>	<p>This decision reflected an analysis of the need to attract the best talent, maintain high standards of business conduct and the desire to take into account the impact of the RFU on the game as a whole.</p>

THE RFU EXISTS TO GROW RUGBY UNION IN ENGLAND AND PROMOTE THE CORE VALUES OF TEAMWORK, RESPECT, ENJOYMENT, DISCIPLINE AND SPORTSMANSHIP BY INVESTING IN ALL FORMS OF THE GAME.



RFU FINANCES ARE ALWAYS PLANNED OVER FOUR-YEAR MEN'S RUGBY WORLD CUP CYCLES, ALLOWING FOR THE FLUCTUATIONS IN REVENUE WHICH ARE DRIVEN BY THE NUMBER OF MEN'S FIXTURES AT TWICKENHAM. IN YEARS WHEN WE HAVE A HIGH NUMBER OF MEN'S HOME MATCHES WE MAKE MORE MONEY; IN YEARS WHEN WE HAVE FEWER HOME MATCHES, LIKE WORLD CUP YEARS, WE MAKE LESS MONEY.

RUGBY INVESTMENT HAS MORE THAN DOUBLED OVER THE LAST THREE FOUR-YEAR CYCLES, FROM £179M IN THE FOUR YEARS TO 07/08, TO OVER £400M IN THE FOUR YEARS TO 19/20, INCLUDING REINVESTMENT OF RWC2015 PROFITS.

WITH THIS INVESTMENT THE RFU CONTINUES TO DEVELOP THE PROFESSIONAL AND COMMUNITY GAME ACROSS ENGLAND.

CURRENT CHALLENGES

Everything that the RFU spends is invested into rugby, either directly into the community or professional game, or indirectly through running Twickenham Stadium and administering the game. Some earnings are retained as reserves to protect against any exceptional or unexpected events.

This proven approach will not change. The economic challenges that we set out in last year's annual report remain and continue to put pressure on the organisation's discretionary spend, along with the added and extreme impact of Covid.

Our economic challenges are:

A 'normal' World Cup cycle

Our four-year cyclical business faced a Rugby World Cup Year loss this year for the first time in eight years, with no Twickenham autumn internationals. The Rugby World Cup was held in England in 2015 so the usual Rugby World Cup loss did not occur in 2015.

Covid and general market uncertainty

We were already facing significant market pressures due to the uncertainty caused by Brexit. In addition to this, the impact of Covid global pandemic has had a profound impact on both the administration and financial performance of the RFU. The RFU is expecting to lose circa £145m in revenues over this financial year. However, the impacts on revenues are likely to be felt for

a number of years to come, and therefore investment into Rugby will be impacted for years to come.

The main driver of revenue for the RFU is hosting England games at a sold out Twickenham Stadium. However, with social distancing guidelines and the increased cost associated it is anticipated that profit generation will be reduced for the foreseeable future.

In response to the impacts of Covid the RFU has reshaped its business structure to best facilitate the game with the reduced resources. In addition, it has increased its banking facilities from £100m to £119m to provide the required headroom and has obtained covenant waivers during the phased reintroduction of Rugby and related commercial activities.

Professional game

Contracted investment in the professional game has increased, giving greater access to the best players in the Premiership to drive enhanced performance of the England team. The success of the senior England men's team, in particular, drives the business model and provides funding for community rugby and other areas of professional rugby, like the women's game and sevens.

Twickenham Stadium

In a crowded major venue market, it is essential to continue to invest to ensure that Twickenham Stadium, the asset which generates the vast majority of our revenue, remains at the forefront of the sports and entertainment market.

LOOKING FORWARD

The financial position of the RFU is sound, however Covid has had a significant negative impact which is likely to be felt for years to come. To manage the Union through this uncertain time, a number of long and short-term cost reductions have been implemented and our banking facilities increased.

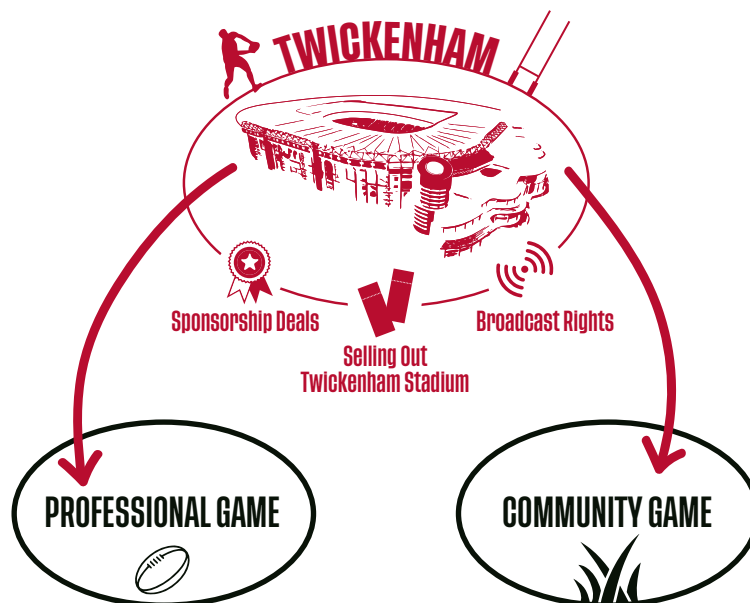
The work done previously to reduce the organisational running costs contributed to the RFU being able to manage the immediate impact of the Covid. However, the impact of Covid means that these costs, and our investment into rugby, will need to be reduced further going forward.

Last year, we were in the process of carrying out a piece of work, Project Union, to refine our strategy and make sure that we are focusing on the right rugby priorities and we continue to prioritise direct investment into the game. This process was ongoing when Covid hit. While we will not be able to focus on all the areas we had intended, this work has been invaluable for working out where to direct our much-limited resources over the next few years. We have had to make some very difficult decisions to stop investment in some areas of rugby.

There is currently too much uncertainty to be able to set out the likely level of future rugby investment, but it is certain that it will have to reduce compared to previous expectations.

MAJOR RISK AND UNCERTAINTIES

MONEY TO INVEST IN BOTH THE COMMUNITY AND PROFESSIONAL GAME IS GENERATED PREDOMINANTLY THROUGH THE ENGLAND MEN'S XV TEAM, BY SELLING OUT TWICKENHAM STADIUM, SPONSORSHIP DEALS AND BROADCAST RIGHTS.



For that reason, we have considered our risks by thinking about how they might impact each of these areas. We have considered:

- Risks to the **strength and stability of the commercial business**, including operating Twickenham, threatening our ability to generate money to invest in rugby
- The risk of **prolonged poor performance of the England men's team** which could threaten our ability to make money to invest in rugby
- Risks to **grassroots participation**, which underpins both the community and professional game
- Risks to **player welfare**, including safeguarding, which again underpin both the community and professional game

- Risks to the **governance and integrity** of the business, including cyber risks, which would impact on the RFU's ability to operate at all:

And for each of those areas, we have also considered:

- Risks arising specifically from Covid, which has the potential to impacts on every facet of rugby and the RFU.

RISKS ARISING FROM COVID

The Covid pandemic has had a significant impact on all aspects of the RFU operations. Since mid-March the Board and leaders have been focused on managing through this extremely difficult time. The RFU has worked closely with the rugby family, other governing bodies, our partners and the Government on a range of matters including commercial impacts, performance, participation, player welfare, and risk around governance and integrity. In each section below we have included consideration of the specific Covid impact.

STRENGTH AND STABILITY OF THE COMMERCIAL BUSINESS

Strong and stable commercial assets

The RFU's ability to invest in rugby at all levels relies on driving sustained value from all commercial assets. There is a risk that the revenues achieved from those commercial assets reduces and therefore that rugby investment has to be reduced. A strong men's team and an effective and operational Twickenham Stadium are both critical to those revenues.

The impact of Covid on commercial assets has been significant, reduced revenues in the year and concern about the future of some of our partners.

In order to mitigate revenue risk, the RFU concentrates on securing longer-term commercial contracts with sponsors and broadcasters to bring certainty around future revenues.

MAJOR RISKS AND UNCERTAINTIES

The RFU also continues to diversify revenue streams by bringing other events, such as music concerts and other sporting events, to the stadium.

Operating Twickenham Stadium for matches and events

Twickenham Stadium events form a significant part of the Group's revenues.

There is a risk that if the stadium is not operational, for example for health and safety reasons or terrorism, those revenues will be impacted. The RFU works closely with all relevant authorities, including government and the local council, to manage this potential risk, and also has relevant insurance contracts in place to insure against lost revenue in the event that the stadium cannot host a match. This covers the majority of reasons that the stadium may not be able to open, but excludes pandemics.

Again this risk has come to fruition due to the pandemic. We are working closely with the relevant authorities to ensure that when Twickenham is operational we have excellent Covid safety procedures in place.

The RFU has a designated health and safety lead to ensure that the organisation works at all times to improve the environmental safety and comply with regulations. The RFU is investing in this area and in the last year investment has been made in hostile vehicle mitigation defences and an extended, more secure perimeter fence.

Availability of borrowing

The RFU has combined available gross borrowing facilities of £119m. The terms of borrowing on these facilities (see note 21 to the accounts) include certain financial covenants. The key risks related to this borrowing are i) facilities are insufficient to meet future needs; and ii) the failure to meet the covenant requirement and potential early recall of facilities.

Due to the pandemic we did two things: i) we negotiated an additional facility (taking the gross facility from £100m to £119m), to make sure that we have additional "liquidity" in place in case of continued pressure on revenues; and ii)

we renegotiated our covenants to make sure that they are achievable in the revised financial environment.

The risk around covenants is managed through regular reporting to make sure that covenant compliance is achieved in the event of financial performance falling below expectations, and to enable timely remedial action if necessary. All renegotiated covenants are expected to be achieved based on the Group's current forecasts for the next five years.

Grassroots participation

Growing and sustaining the community game at all levels, both men's and women's and across all age grades, is critical for the future success of rugby in order to develop the elite players of the future, and in order to make sure that as many people as possible benefit from involvement in the game of rugby.

Increasing competition from other forms of leisure activity, and a new generation of consumers who have different expectations present potential risks to our participation levels and commercial revenue unless we adapt accordingly.

To appeal to this new player and fan base, the RFU is providing opportunities to play alternative forms of the game. Technology is supporting this strategy with new ways of engaging individuals with rugby content, delivered digitally.

Adult male competitive rugby remains a priority for the RFU, as numbers are at best flat while female participation is increasing. A review of the competition structure is underway to respond to the risk of adult male players dropping out.

The impact of Covid has of course been huge. Initially, participation was completely stopped in both the community and professional game. Guidance has been developed and agreed with the Government providing a roadmap for return to play in both the community and professional game.

Although, the return has been successful to date, there may be a long-term impact on participation. This risk continues to be managed by: i) continued working

on return to play protocols alongside Government and, ii) targeting much of our community rugby activity next year on club sustainability and on 'rebooting' of participation.

The RFU is also committed to making rugby as inclusive as possible. A working group, which includes members of the Council, National Youth Council and independent members, has been working on recommendations for positive action. The initial recommendations have been agreed by the Community Game Board.

Player Welfare

Player welfare is a key priority and at the core of all training delivered to coaches, referees and medics, at all levels of the game. Rugby Union involves physical contact, and any sport or physical activity has an inherent risk of injury. Understanding, communicating and appropriately managing this risk is critical for both player welfare and for the sustainable health of the game.

The RFU is committed to protecting players and has successfully implemented a range of evidence-based player safety and wellbeing programmes across the game, as well as injury and illness prevention initiatives. This is also built in to all of our post-Covid 'return to rugby' planning.

These programmes include RugbySafe, our overarching player safety and wellbeing programme; Activate, a programme of movement specific warm-up exercises shown to reduce injury and now promoted globally by World Rugby; and our Headcase concussion awareness and education resource. The RFU-led Pre-Hospital Immediate Care in Sport Programme is regarded as an exemplar in its field.

The RFU commissions independent research into the injury risk across the game. These projects, the Professional Rugby Injury Surveillance Project (PRISP), Community Rugby Injury Surveillance Project (CRISP) and the Women's Rugby Injury Surveillance Project (WRISP), provide the RFU with detailed information on the nature and risk factors for injury and illness that informs the evaluation

of risk and the development of evidence-based programmes to mitigate risk across the game.

The RFU works closely with World Rugby and has played a leading role in a number of key co-ordinated welfare and safety initiatives, including the development of the high tackle sanction framework and the recent law change to prevent loading of the hooker's neck at the bind phase of scrum engagement.

In the thankfully rare incidents of catastrophic injury, the RFU Injured Players Foundation provides immediate and lifetime support to players and their families with the aim of getting the injured player to lead as full and independent a life as possible.

The RFU is committed to safeguarding the welfare of children in the sport. All children are entitled to protection from harm and have the right to take part in sport in a safe, positive and enjoyable environment. The Statutory Guidance 'Working Together to Safeguard Children (2018)' makes it clear that sports clubs and governing bodies have a significant responsibility to safeguard children and vulnerable adults. The RFU's Safeguarding Policy sets out the roles and responsibilities of RFU staff, clubs and constituent bodies to ensure this is done correctly. These meet the NSPCC Child Protection in Sport's National Advanced Standards and are audited each year. The RFU's safeguarding work achieved the highest rating across each category for season 2019/20.

Quality of the pathway

Lack of an effective and integrated player pathway could lead to England teams performing below expectations. This would have an impact on the whole game, but principally would lead to less international success and therefore lower revenues to reinvest in the game making England and the RFU a less attractive proposition for sponsors and broadcasters.

The need to invest in the pathway has been identified as a key element in the RFU's strategy. This will be treated as a priority despite the difficult financial position.



GOVERNANCE AND INTEGRITY

Governance

Strong governance procedures within the game are crucial to maintaining the integrity of the sport in England, as well as maintaining the RFU's reputation as the game's governing body and the continuance of sponsors' and other partners' involvement. A lack of governance would risk poor operational, financial and strategic decisions being made, impacting on the long-term sustainability of the game as a whole.

The proposed changes to RFU governance, outlined in the 2017 Annual Report, are now embedded within the organisation. They have improved the RFU's governance, providing transparency over the roles and responsibilities of each body involved in the decision making process, and ensuring that the right decisions are made by the right people.

The depth and diversity of experience of members of the Board and executive team, particularly the experience of independent Non-Executive Directors, means that there is a high level of experienced scrutiny and oversight of the biggest decisions made by the RFU. Disciplinary, safeguarding and anti-doping frameworks are reviewed regularly to ensure they remain robust and relevant. Gambling and doping are critical risks to the integrity of the game and the RFU governs these both by providing clear and regular information to people within rugby so that everyone understands their responsibilities, and by implementing disciplinary proceedings in cases of non-compliance.

Data privacy and cyber security

The RFU recognises that the risks associated with data privacy and cyber security are significant and constantly evolving. The key risks that the RFU currently face relate to the industry trend of an increase in malicious email phishing attacks, maintaining the security of the databases and the potential for disruption to business operations, particularly on event days, through a malicious attack of RFU networks. Further work has been carried out in the year to support ongoing compliance with the General Data Protection Regulation (GDPR) and more broadly to understand and mitigate against a range of potential cyber risks. Policies are in place, including Data Protection and Privacy Notices, mandatory GDPR training and regular communication of guidance for all RFU employees and technology changes such as the introduction of Two Factor Authentication. There is also regular engagement with the National Cyber Security Centre (NCSC) to benefit from the government's latest guidance on cyber security. This work continues to be monitored by the GDPR steering committee to ensure that the RFU is complying with ever-evolving requirements for data privacy and cyber security.

With greater levels of remote working due to Covid, the risk of cyber breaches is increased. This has been mitigated both through additional training for individuals and additional organisational cyber security measures that have been put in place.

WITH GREATER LEVELS OF REMOTE WORKING DUE TO COVID, THE RISK OF CYBER BREACHES IS INCREASED. THIS HAS BEEN MITIGATED BOTH THROUGH ADDITIONAL TRAINING FOR INDIVIDUALS AND ADDITIONAL ORGANISATIONAL CYBER SECURITY MEASURES THAT HAVE BEEN PUT IN PLACE.



THE LOCAL COMMUNITY

The RFU values its place in the Twickenham community and its partnerships with organisations in the Richmond and Hounslow boroughs. In a normal year of events, the RFU contributes around £3m in local business rates to Richmond Council and generates £96m economic activity in the borough annually, which equates to around £1,200 per household towards local services (EY 2015 report). The RFU is also a significant employer.

In a year with a full schedule, more than £2 million is invested on Twickenham event day measures, with the RFU funding street cleaning, parking enforcement, mobile toilets, stewarding and shuttle buses. Work continues with community representatives and organisations, the two local authorities, police and transport operators to minimise disruption to neighbours.

Hundreds of international match tickets are set aside for local residents' purchase through a ballot and any concerts have over a thousand discounted residents' tickets. Charities and schools receive complimentary tickets to some stadium events. Free use of some stadium facilities for events and meetings is also part of the RFU's Community Space Programme. The past year saw the RFU supporting 11 local events and charities, including Christmas lights in Richmond, Twickenham and Whitton, On The Record youth counselling in Twickenham, Homestart helping families in crisis with young children, Heatham House Youth Centre's summer programme, Trafalgar Junior School's Young Leaders Sports Programme, St Stephen's Primary School's Active Lunchtimes Play Equipment and St Mary's Scout Group's refurbishment of their scout hall kitchen.

We have also supported the West Middlesex Hospital with their response to Covid, the Sevens squad having visited the West Middlesex Hospital at Christmas, and we have worked with Harlequins CSR and the local NHS Trust to support the Dementia Café. We have once again supported the Richmond Police Cadets, as well as working with the Army v Navy Committee to identify groups for extra funding to celebrate the centenary of the

Army v Navy match at Twickenham, the funding going ahead despite cancellation of the event.

We were proud to host the inaugural Richmond Youth Awards at the stadium and once again welcome many school groups to tour the stadium. We again hosted the annual Full of Life Fair for residents to get involved in local groups and activities.

The Duke of Northumberland's River Walkway has been opened along the western perimeter of the stadium, the RFU and partner organisations ensured that this last link from Richmond to Hounslow is being enjoyed by local people.

CHARITY STRATEGY

A three-year partnership with Sport Relief was concluded, our Try for Change programme made 18 grants to projects across England and internationally, using rugby to improve and support the lives of disadvantaged people. With the end of this partnership the RFU approved a new Fundraising Oversight Board, chaired by RFU Board member Genevieve Shore, and including representatives from Rugby Development, Council, RFF, IPF and the Game.

The focus will be on developing and promoting our charitable work in three areas:

Players - Focusing on the RFU's responsibility to enhance the lives of catastrophically injured players through the RFU Injured Players Foundation, the RFU's primary charity.

Rugby Doing Good - Using the assets of rugby to improve lives. This includes: operating a disability ticketing scheme, organising rugby experiences for terminally ill and sick children, enabling access to rugby assets for a wide variety of rugby causes, partners and charities.

Twickenham Community - Helping to improve the lives of local residents in the boroughs of Richmond and Hounslow.

In addition, the RFU have become official partners with Restart, the charity of the

RPA and players, which provides financial, practical and emotional support to professional players and their families who have suffered injury, illness or hardship.

THE RFU INJURED PLAYERS FOUNDATION (IPF)

The IPF supports catastrophically injured players, their families, friends and clubs immediately after injury and throughout their lives. On the rare occasions when someone sustains such an injury while training or playing rugby union in England, they become a lifelong client of the charity, whose Patron is the Duke of Sussex. The IPF is incredibly grateful for his personal interest and continuing support.

The charity's Engage programme, which supports catastrophically injured players to get more active and involved in group events, building confidence and self-esteem, has been impacted by the coronavirus pandemic. It meant the postponement of the annual Battle Back programme in Lilleshall run by Carnegie Great Outdoors (CGO), which brings injured players and their families together for a multi-activity and mindfulness weekend, while a virtual solution could be arranged. It also meant the cancellation of the IPF ski trip to Andorra, with eight clients ready to go, all having completed ski taster days as part of the programme.

Twickenham Stadium's specially adapted hospitality box, which welcomes IPF clients to all England internationals to socialise, share experiences and enjoy the match from an accessible terrace, saw the last official get together in March for the England v Wales game. Two regional lunches at rugby clubs had to be cancelled during the lockdown. To keep clients engaged, a new Injured Players Facebook Group was set up by players for players, with three virtual get together each week, two client led fitness sessions weekly and quizzes each Friday. This has seen around 60 different injured player interactions and helped to make up for the disruption of regular Engage activities due to Covid.

More direct charity support in the form of physical rehabilitation and funding for home adaptations and replacement

mobility equipment was hampered by the lack of available medical practitioners who had been called to support the NHS during the early stages of the Coronavirus outbreak, and the collapse of a large wheelchair manufacturer. The IPF has continued to provide individual support, however through virtual meetings and assessments, and maintaining its grants programme of funding support and expertise in finding alternative providers to meet the needs of the injured players.

As with many charities, the IPF will have been impacted by the cancellation of events like the London Marathon. However, generous members of the rugby community contributed to the raising of over £340,000 to help the IPF support and protect the rugby family and carried out individual challenges during the period of lockdown, which helped keep the charity in the public eye as well as raise much needed funds.

ENVIRONMENTAL RESPONSIBILITY

The RFU has made a commitment to prioritise environmental protection through reducing environmental impact. Appropriate controls have been established, as well as processes to protect the environment, minimise adverse impacts through efficient use of natural resources, and ensure adherence to applicable compliance obligations.

Twickenham is on the path to removing as much single-use plastic as possible. To date the stadium has eliminated the use of plastic straws, sauce sachets and, plastic cutlery, as well as purchasing in bulk to reduce packaging. Through the use of the Eco Cup programme, the stadium prevents circa 1,000,000 plastic cups going to landfill each year. Further reducing the use of single-use plastics, two plastic bottle reverse vending machines were trialled and are now a permanent facility; Twickenham Stadium being the first in the UK to provide this service.

The Stadium's environmental impact continues to be improved through event and non-event day recycling including an extended waste compound area which allows additional compactors and waste segregation to increase waste management efficiency. The goal is an average recycling rate of 75% during event days. The RFU continues to meet the International Standards Organisation ISO 20121 for sustainable event management, Carbon Reduction Commitment Energy Efficiency Scheme and Energy Saving Opportunity Scheme. A fleet of electric buses replaced diesel buses for all event day fixtures.

The East Stand is a sustainable facility. A full commissioning and testing programme ensures efficient operations and ongoing monitoring of the building systems. A thermographic survey avoided heat loss and all gas, electric and water

consumption is extensively metered. The building's operational energy demand achieved an Excellent BREEAM rating. The CO2 emission rate is lower than standard emissions and photovoltaic systems generators recover waste heat for space heating and hot water generation. All external lighting has automatic daylighting controls. Building fabric specifications went beyond building regulations to reduce demand on energy consumption, with all materials A or A+ on green ratings. The East Stand design also meets BREEAM requirements for functional adaptability and designing for durability, ensuring a good building life cycle and a full security assessment ensures occupant and visitor safety.

The stadium avoids food waste in its menu design and sources most meat from England reducing travel miles. All uneaten or excess food is delivered by certified carbon neutral vehicles to an anaerobic digestion facility to create a biogas that is converted for use by the national grid.

Accessible Areas

Twickenham Stadium has 400 accessible seats available, with spaces provided for personal assistants plus an accessible parking pass provided where required.

TARGET RECYCLING RATE 75%



A FLEET OF ELECTRIC SINGLE DECK SHUTTLE BUSES HAVE SUCCESSFULLY BEEN IN OPERATION FOR 12 MONTHS FOR FANS TRAVELLING FOR ALL EVENTS

Since the introduction of the Eco Cup in August 2014 we have saved over 12 million single use plastic cups from landfill.

Eco Cup charity donation to date (March 2020) is

£43,380



BUTTERFLY CUP (DISPOSABLE HOT DRINK CUP)



The cup is specially designed so the lid is part of the cup
> NO LID PLASTIC WASTE

DIRECTORS' REPORT

**RFU STRUCTURE
EMPLOYMENT STATEMENT
EMPLOYEE CONSULTATION
EQUALITY STATEMENT
GOING CONCERN
CORPORATE GOVERNANCE**

RFU STRUCTURE

The RFU is unique among national governing bodies as having a co-operative structure. Rather than being a company, it is a society registered under the Co-operative and Community Benefit Societies Act, meaning that it is a members' organisation. The one member, one vote principle is enshrined in the RFU's Rules, its constitutional document. The membership is predominantly rugby clubs, both professional and amateur.

The Board has the ultimate responsibility for the strategic direction of the RFU, and has the authority to exercise all executive functions other than clearly specified powers which are reserved to Council or the members.

The Board is designed to be a combination of representatives of the game, together with executive staff and independent non-executive directors. Directors are appointed through a rigorous skills-based selection process to ensure the right combination of skills, experience and knowledge. With the exception of executive staff, all Board members are subject to limits on the time they can serve on the Board as set out in the RFU's Rules.

The Board has a number of committees responsible for different areas of its operation, most notably the Community Game Board, the Professional Game Board and the Governance Standing Committee. The Board is also served by an Audit Committee, a Remuneration Committee and a Nomination Committee.

The RFU Council has a dual role of driving policy relating to the game and monitoring and oversight of the Board, which it fulfills on behalf of the RFU's members.

The Council is made up of representatives appointed by member clubs (largely on a geographic basis through Constituent Bodies), those appointed by the national representative bodies (such as Premier Rugby or the Rugby Players' Association), and some ex officio and co-opted members.

While executive authority sits primarily with the Board, the Council also has a number of specific reserved powers which include: deciding regulations

on the playing and governance of the game and criteria for membership of the RFU; appointing and removing a number of Board directors and members of committees and subcommittees etc.; setting the date, time and agenda of General Meetings; the ability to call a Special General Meeting; co-option onto Council; deciding the policy for the distribution of tickets for international matches at Twickenham.

EMPLOYMENT

At 30 June 2020, the RFU's full and part-time permanent staff numbered 565 permanent employees. Joint venture company, Twickenham Experience Ltd, employs around 4,800 staff for bars and hospitality suites on major match days and offers 10,000 single working days across the stadium's conferences and events.

EMPLOYEE CONSULTATION

On 6 July 2020 the RFU entered into a collective consultation with elected employee representatives from each business area about proposed redundancies and options to reduce the numbers affected or lessening the impact.

The consultation with the majority of impacted employees was completed on 28 August 2020. The costs of change and the financial impact of reduced employee numbers will both impact in the financial year ending 30 June 2021.

EMPLOYEE ENGAGEMENT

Larger employee surveys are carried out every two years, with smaller pulse surveys conducted intermittently throughout the year.

The most recent full employee survey, in 2019, showed 80% of employees felt committed to the RFU and to their roles with only 8% responding negatively to this question. 91% reported understanding how their work contributes to the objectives of their team and the RFU. Only 4% responded negatively to the statement "I have skills I need to do my work well", with 86% responding positively. And 88% of employees felt treated fairly and with respect by their managers.

The most recent smaller pulse survey took place in May 2020. It showed 82% felt like they had been kept informed and connected during the Covid-19 crisis. 81% felt supported by their line manager's effort to adapt to changes in response to Covid-19.

All employee RFU Live briefings took place three times in the year, giving employees the chance to hear from the leadership team about plans and progress, and the opportunity to ask questions.

EQUALITY

The RFU wants rugby union in England to reflect the diversity of modern day society. The game is founded on inclusion and being open to all, but the Union has recognised a need to do far more across a range of areas and has made a firm commitment to do this.

The commitment is to continue to challenge ourselves, to keep improving, and to make sure rugby offers an equal experience and equal opportunities to everyone.

Research surveys across the community game, with fans, coaches, match officials, England players, and with RFU employees, will enable us to discover more about who we are and what experiences we have had. They will also help us focus on areas to influence and create a tangible plan with real targets and goals with the help of data and knowledge. It will be the cornerstone of the RFU's new Diversity & Inclusion Plan.

We are also using our own online and social media platforms to raise awareness for some of the issues we need to address, featuring relevant stories and videos.

We have set out working groups at all levels of the organisation to make sure that we keep improving the diversity of the game and the RFU.

At the June AGM, the RFU Council voted to appoint Genevieve Glover chair of the Diversity & Inclusion Implementation Working Group, which will monitor the implementation of strategies to increase the diversity and inclusion within the leadership and governance structures of the game.

The Executive team has formed a D&I Project Steering Group, with CEO Bill Sweeney the overall lead and Chief Operating and Financial Officer, Sue Day, the day to day project lead to help focus on pertinent areas, within both the RFU and rugby as a whole, and drive results.

The Board has also set diversity targets, with the intention that by 1 August 2022 at least 30% of Board members will be female, and at least 15% will be from a BAME background.

This will be a long and continuous journey which will make us a stronger sport both on and off the pitch and underlines the important role that rugby can play in societal change and improving lives.

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 7 to 9 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.

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, including current and potential future facilities, to meet its liabilities as they fall due 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(c) on [page 65](#) of the financial statements.



THE BOARD



PAULA CARTER
(APPOINTED 1ST AUGUST 2020)

Paula Carter's executive career covers private sector and public companies and multiple-stakeholder regulated organisations as well as working at the most senior level in all the major British television companies during transition from a linear terrestrial to an online digital ecology. Non executive roles include the Maritime and Coastguard Agency and the Parliamentary Ombudsman and currently the Port of London Authority, the Wine Society, and Chair of the

Ofcom Advisory Committee for England. Her consultancy career includes roles in the Cabinet Office and advising a Parliamentary Committee, as well as working for the Communications Regulator, Ofcom and the Royal Opera House. A Level 7 rugby referee, Paula refereed on the London Premier List, served on the Surrey Disciplinary Committee and sat on panels for the RFU and European Premier Club Rugby.



ANDY COSSLETT

Andy Cosslett was appointed Chair of the Board in October 2016, replacing Sir Bill Beaumont DL who became Chair of World Rugby. He previously held an Independent Non-Executive Director role on the Board and, as Chair of England Rugby 2015, oversaw the delivery of the most successful Rugby World Cup in history. A lifelong association with rugby saw him playing for 25 years at Broughton Park, Davenport, Manchester University and

Edinburgh Wanderers, as well as captaining the first 15 of Weybridge Vandals, where he is Vice President. His 40-year global business experience has seen him hold CEO roles at Fitness First and InterContinental Hotels Group. He also spent 14 years with Cadbury Schweppes in a variety of senior roles around the world. He has been Chair of Kingfisher plc since 2017.



CHRIS CUTHBERTSON

Middlesex representative on the Council since 2003, Chris Cuthbertson is Chair of the Governance Standing Committee having previously chaired the Laws Subcommittee. He is a member of the Remuneration Committee and was a long-term member of the Audit Committee. He is a Vice President of Middlesex County RFU and a member of their Management Board. Chris launched and for many years

ran the Middlesex Merit Table to promote competitive rugby for the lower sides of clubs in the county and was instrumental in relaunching the county's women's team. He is the long-term Honorary Secretary and a Life Member of Hammersmith & Fulham RFC, where he helped to launch their women's and youth sections. He is an Imperial College graduate and a Fellow of the Institute of Chartered Accountants.



SUE DAY

Sue Day became RFU Chief Financial Officer and a member of the RFU Board in March 2018. In October 2019 that role changed to RFU Chief Operating and Financial Officer. She is responsible for finance, legal and governance, technology, people, strategy and Twickenham Stadium, reporting to CEO Bill Sweeney. Her previous role was as Deal Advisory Partner at KPMG. Having been appointed partner in 2015, she worked as Lead Partner on a number of high profile mergers and acquisitions, and corporate finance transactions. She qualified as a

chartered accountant and had 20 years' significant experience in financial roles at the accountancy firm. A former England rugby captain and prolific try scorer, Sue is also past president of Wasps FC, having played for the club for 14 years. She was capped 59 times for England, winning three Grand Slams, and also captained the England Sevens team and coached the developmental team. She is a founding trustee of the Women's Sports Trust, and has been a rugby commentator for Sky Sports and World Rugby.



**PHIL
DE GLANVILLE**

Phil de Glanville has been on the RFU Board of Directors since September 2018. A former England captain, he played centre for Durham University while an Economics and Politics student and then won a Blue at Oxford, as well as representing England U21s. He played 202 times and scored 53 tries for Bath in a 12 year career with the club, which also saw him captain them to a league and cup double in 1996, the year he was appointed England captain for the season. Bath also won the European Cup in 1998. In all,

Phil won 38 England caps in his seven years in the England squad, including both World Cups in 1995 and 1999. He was Director of Elite Sport at Hartpury College, and has previously worked at Sport England as Head of Delivery, and then as an NGB Relationship Manager, being responsible for Sport England's relationships with five national governing bodies, including the RFU. He is now working as a Director and co-owner at the executive search firm Hanover Fox where he has been for four years, based in Bath and London.



**SIMON
MASSIE-TAYLOR**

Simon Massie-Taylor joined the RFU in September 2016 as Chief Commercial Officer from the British Olympic Association (BOA) where he was Commercial Director. That role changed to Chief Commercial and Marketing Officer in October 2019. Simon is responsible for all of the RFU's commercial operations and revenue-generating activities including broadcast, sponsorship, ticketing, retail, brand and marketing. Before

joining the BOA, Simon was Senior Vice President Commercial for Tough Mudder in New York and was also part of the commercial team at LOCOG, the organisers of the London 2012 Olympic Games and Paralympic Games. Simon began his career in finance, where he trained as a chartered accountant at KPMG and worked as an associate at the investment bank Rothschild and Sons in London.



**STEPHEN
PEARSON**

Stephen Pearson, the Oxford University representative on the RFU Council, joined the Board in 2017. He is chair of Trustees of the RFU Pension Fund and of the RFU Injured Players Foundation. A former fund management director of Jupiter Asset Management and currently their Chief Investment Officer, he is a Thomas Pope

fellow of Trinity College Oxford and an Oxford Blue. He is a member of London Scottish RFC.



**DOMINIC
PROCTOR**

Dominic Proctor is the RFU's Senior Independent Director and has been on the Board since 2016. He spent the whole of his professional career in advertising and media, mainly running agencies owned by the WPP group. From 2012-2017 he was Worldwide President of GroupM, the division of WPP responsible for buying 30% of the world's advertising media, with 30,000 employees in

100 countries. Prior to that he had been founder and CEO of Mindshare and CEO of JWalter Thompson. He is now a consultant to small businesses and Chair of two national charities. He played rugby for Durham University where he was forced to retire through injury.



**DAVID ROBERTS
(APPOINTED 1ST AUGUST 2020)**

David Roberts has served as Hertfordshire's representative on Council since 2015. Numerous roles for Letchworth Garden City RFC have included: Mini/Junior Chair, Coach Coordinator and coaching various age groups at Club and CB level. David is part of the Hertfordshire Executive Committee and has held roles which include Chair of the Rugby Development Partnership, Chair of Representative & Player Development Committee and Hon Secretary. David was the

Herts rep on the Area 2 2015 RWC Lead up and Legacy Committee. He was former chair of the Club & CB Development Subcommittee and is now Chair of the Community Game Board. Professionally, David has held positions within the Telecoms Industry and was the Head of Business Improvement at the Open University; his current role concerns Business Improvement and the development and implementation of quality management improvements.



GENEVIEVE SHORE

Independent Non-Executive Director Genevieve Shore was appointed to the RFU Board in September 2017, having played rugby for England, including in the 1994 Women's Rugby World Cup winning team. Her executive career was dominated by working in publishing in various roles, including Global Digital, Director of Penguin Group, Chief Digital Officer and then CIO for

Pearson PLC. Since 2014, Genevieve has taken on a portfolio of Non-Executive Director positions across a variety of organisations including Santander UK, Lego, Money Supermarket, Arup LTD and Scottish Television. Genevieve also invests in EdTech start ups and runs her own property and retail business.



BILL SWEENEY

Bill Sweeney was appointed Chief Executive Officer of the Rugby Football Union in May 2019. He represents the RFU on the World Rugby Council, 6 Nations Council and the Board of the British & Irish Lions. Before joining the RFU, he served nearly six years as CEO at the British Olympic Association, when a record-breaking London 2012 Olympic Games preceded Team GB becoming the first host nation to win more medals in the following Olympic Games, in Rio 2016, when they came second in the medal table. During Sweeney's tenure, Team GB also delivered best-ever

performances at two consecutive Winter Olympic Games. He left a very strong British Olympic Association, both financially and in readiness for the next Olympic Games. His earlier business career included senior roles at adidas and Puma, and corporate management with Shell, Mars and Unilever. Although a lifelong rugby supporter, he was initially a schoolboy footballer at Chelsea FC and then English Universities captain. He switched to rugby first with Aberdeenshire RFC and then Abu Dhabi RFC, Rosslyn Park FC and Weybridge Vandals RFC.



JONATHAN WEBB

Jonathan Webb is the World Rugby Representative on the RFU Council and chairs the RFU Concussion Risk Management Group and the Medical & Sports Science Technical Advisory Group. He played full back for the University of Bristol, for Bristol, Bath and England, earning 33 England caps and 298 points between 1987-93. He was voted Rothmans Rugby Player of the Year in

1992. He is President of United Bristol Hospitals RFC and Honorary Vice President of University of Bristol RFC. Jonathan is a full time consultant orthopaedic surgeon specialising in knee surgery and sports injuries.



HELEN WEIR CBE

Helen Weir CBE, an Independent Non-Executive Director, was appointed to the Board in 2014. She is a former CFO of Marks and Spencer, having previously held a similar position at the John Lewis Partnership and Lloyds Banking Group, where she also ran the Retail Bank. An experienced Non-Executive Director, she also sits on the Boards of Greencore and Superdry, and is a member of

the Supervisory Board of Ahold Delhaize. She previously sat on the Boards of Just Eat, SAB Miller and Royal Mail. She is also a Trustee of Marie Curie. She is passionate about rugby and has served as Treasurer of Beaconsfield RFC where she also managed a mini rugby team from U7 to U11, and was previously involved in Wasps Community Foundation.



PETER WHITING

Peter Whiting is a Wing Commander in the RAF and a Council member since 2007. He has previously completed a term on the Board of RFU Directors and returns to the Board for a second time. Capped by the RAF, he played for numerous civilian club sides alongside RAF representative rugby duties and still plays occasionally for the Commons and Lords. He has been involved in

RAFRU administrative duties for 18 years. He has an MSc in Sport Management, Governance and Policy, an MA in Leadership Studies and a Bachelors in Education (Physical Education).

Rob Briers and Deborah Griffin served on the Board during the year and stepped down on 31 July 2020.

GROUP AUDIT & RISK COMMITTEE

Membership of the Committee

Name	Role	Member since	Meetings attended
Helen Weir	Chair, INED Board Member	2015	4 out of 4
Deborah Griffin	RFU Council-Elected Board Member	2012	4 out of 4
Philip Johnson	Independent Committee Member	2017	4 out of 4
Tim Miller	RFU Council Member	2019	4 out of 4

Stephen Pearson was appointed as Council-Elected Board Member to the Audit & Risk Committee on 1st August 2020. Although no longer a Council-Elected Board Member, Deborah Griffin has been reappointed to the Audit & Risk Committee a further term of 1 year ending 31st July 2021.

Note: The maximum number of scheduled meetings held during the season that each member could attend is shown next to the number attended. A number of additional meetings and calls were held as required.

The Audit & Risk Committee comprises at least four members, of which at least two must be Non-Executive members of the Board. The Chair must be an Independent Non-Executive Director and at least one member must be a Council Member on the Board. At least one member must have recent and relevant financial experience.

Members are appointed for three-year terms with an aggregate maximum term of nine years. Helen Weir, an Independent Non-Executive Director, chairs the Committee.

Other attendees at Committee meetings include the Chief Executive Officer, Chief Operations and Financial Officer, Legal & Governance Director, Finance Director, Financial Reporting Manager, internal and external auditors and other members of staff as required.

Committee members met without others present several times during the year, and also held private sessions with the Chief Operations and Financial Officer and Internal and External Auditors, creating an environment where all issues could be discussed frankly.

Purpose of the Committee

The role and responsibilities of the Audit & Risk Committee are set out in written terms of reference, which are

reviewed annually by its members, taking into account relevant legislation and recommended best practice. The key responsibilities of the Committee are to assist the Board in relation to the following matters, bringing relevant issues to their attention:

- Oversight of the integrity of the RFU's financial statements and approval of key judgements and accounting estimates.
- Review of the external audit work programme.
- Oversight of the external auditors' performance, objectivity, qualifications and independence arrangements. Recommendation to the Board of the external auditors' appointment for member approval at the AGM. Recommendation of External Audit fees to the Board for their approval.
- Oversight of the effectiveness of the internal audit function. Approval of the internal audit plan.
- Review of the effectiveness of the RFU's internal control systems.
- Monitoring, overseeing and advising the Board on the RFU's risk management process and providing assurance on key risk matters.

- Oversight of compliance with legal and regulatory requirements.
- Reviewing any matters reported to the RFU's whistleblowing line.

Activities of the Committee

During the year, the Committee covered a variety of topics in its meetings. These included both standing items that the Committee considered as a matter of course, typically in relation to risk, internal controls, potential litigation, accounting policies, corporate policies, judgements and reporting matters, and a range of deep-dive topics relevant to the RFU's key risks. The Audit Committee maintained its expertise with some targeted training, focusing on developments in reporting requirements.

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 65 to 70 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:

- The Group's cash flow forecasts, including downside scenarios, and debt facilities used 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 judgements made on the recognition of insurance recoveries yet to be received, including an assessment of the likely success of the claims based on prior experience.
- 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, in particular the decision to de-recognise the deferred tax assets in the parent.
- The assumptions used and the accounting treatment of the defined benefit pension scheme deficit

The Committee concluded that these were significant judgement areas that required specific disclosures in the financial statements.

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. 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 to the Board of Directors, and the Board has approved, the audited consolidated financial statements included in the Annual Report for the year ended 30 June 2020.

Risk Management and Internal Control arrangements

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 Audit and Risk Committee of the effectiveness of risk management and internal controls procedures were:

- Internal audit – the Audit and Risk Committee approved the internal audit plan and received reports in the year on a number of topics including: Risk Management, Pitch-side Care Standards, Contract Management, Staff Expenses, Cyber Security and Financial Controls
- Management updates – papers and verbal updates were submitted on a range of issues, including whistleblowing and speak-up policies, fraud and bribery, claims and litigation, risk and contract management and taxation.

In addition, the Committee received a number of deep dive presentations from management including:

- East Stand Project Management – the Committee received an independent review of the project and agreed with management's plan to implement recommendations;
- Safeguarding – the Committee discussed the recommendations for Safeguarding Assurance, with a particular focus on how provisions within community rugby are being implemented;
- Try for Change – the Committee received an independent review of the governance of RFU's Try for

Change fundraising activity and agreed management's approach to implementing the recommendations;

- Health and Safety – the Committee received an update on the recent independent Health and Safety Review and noted the significant improvements since the last report;
- Cyber risk (including GDPR) – the Committee discussed cyber security at the RFU including the key risks facing the Union, the steps that were being taken to manage the risks and controls that are in place to help mitigate them. The Committee advised that a greater level of inscription for laptops should be implemented. In response, a review was performed and the Committee received confirmation that all the access to all laptops has been encrypted;
- Response to COVID – the Committee reviewed the organisation's response to the pandemic, including aspects relating to finance, banking, health and safety and people;
- GDPR – the Committee received a report outlining the RFU's compliance with the General Data Protection Regulation (EU).

In fulfilling its responsibilities in relation to risk management, internal control and the financial statements, the Committee met regularly with senior members of management.

Internal audit

Internal audit is an independent and objective assurance function which aims to assess and improve the RFU's overall control framework. Internal audit at the RFU is undertaken by RSM, an independent accountancy firm. The Audit and Risk Committee defines the responsibility and scope of the internal audit function and approves its annual plan which focuses on a number of the key risks faced by the RFU.

During the year, the Committee evaluated the performance of the internal auditors and was satisfied with their effectiveness.



External auditors

Following the recommendation of the Committee, the Directors proposed the re-appointment of BDO LLP as the Group's external auditors for 2020. Members approved the appointment of BDO LLP at the AGM on 12 June 2020.

Both the RFU and BDO have safeguards in place to avoid the possibility that the external auditors' objectivity and independence could be compromised, such as audit partner rotation and the restriction of non-audit services that the external auditors' can perform. 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.

During the year, the external auditors did not carry out any non-audit work for the RFU.

BDO LLP have been auditors of the RFU since 2019, when the last audit tender was undertaken.

Audit of the Annual Financial Statements

The Committee reviewed and agreed the external audit plan, and met in a closed session with the external auditors during the year.

The external auditors, 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 misstatements.

The Committee received the views and conclusions of BDO regarding management's treatment of significant transactions and areas of judgement during the year and BDO confirmed that

they were satisfied that these had been treated appropriately in the financial statements. In particular, the Committee focused on areas of potential disagreement between management and the external auditors and how these had been resolved.

Evaluation of the Audit & Risk Committee

The Committee carried out an assessment of its overall performance in the year. Overall, the assessment concluded that the Committee is performing effectively. A small number of areas for improvement were identified. These related to a more explicit articulation of risk appetite, and a more structured induction programme for new members of the Committee. Improvements are being implemented.

REMUNERATION COMMITTEE

Membership of the Committee

Name	Role	Member since	Meetings attended in year (excluding calls)
Genevieve Shore	Chair – Independent Non-Executive Board Member	2019	5 out of 5
Andy Cosslett	Chairman of the Board	2016	5 out of 5
Malcolm Caird	RFU Council Member	2016	5 out of 5
Chris Cuthbertson	RFU Council Member and Non-Executive Board Member	2014	5 out of 5
Naomi Sutcliffe	Independent	2018	4 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. Additional meetings and calls were held as required.

The Remuneration Committee is comprised of five members, of which at least two must be non-executive members of the Board and one of whom must have recent and relevant remuneration-related experience. Members are appointed for three-year terms that may be extended by one further term of three years. Genevieve Shore, an independent non-executive member of the Board, chairs the Committee.

Other attendees at Committee meetings included the Chief Executive Officer, the Human Resources Director, the Company Secretary and the Reward Business Partner.

Purpose of the Committee

The Committee is responsible for determining and agreeing the framework, policies and remuneration packages for the Chief Executive Officer, Executive Directors and anyone whose salary exceeds £150,000 per annum.

This includes the England Men's XV Head Coach position, certain other Men's XV coach positions and employees in subsidiary companies. The Committee also reviews annual service fees for the Chairman of the Board and Non-Executive Directors.

The Committee also provides oversight for annual all employee pay reviews, performance related bonus plans and other benefits.

The role and remit of the Remuneration Committee is regularly monitored for its effectiveness and appropriateness for the business, while the Terms of Reference have been reviewed by the Legal & Governance Director and the Committee, and are now to be reviewed on an annual basis.

There has been no change in personnel on the Remuneration Committee this year.

Activities of the Committee

The Remuneration Committee held five meetings during the year alongside four additional conference calls. The increased activity was as a result of significant recruitment decisions in relation to the England senior coaching team for which the Committee needed to consider remuneration matters.

The principal items covered at meetings were:

- Annual pay review and bonus reward 2018/2019
- Annual performance planning and

reward structure 2019/2020

- Executive and staff bonus structure for 2019/20 (and performance and reward review for 2018/2019)
- Executive, CEO and Head Coach benchmarking and KPIs
- England Head Coach contract extension
- Recruitment of England senior coaching team post RWC 2019
- Recruitment of the Director of Performance Rugby
- Gender Pay Gap report and review

The Committee regularly receives assistance in considering Executive remuneration matters from members of senior management, including the HR Director and the CEO. These individuals attend meetings by invitation during the year. The Committee ensures that no person was present during any discussions relating to their own remuneration. External benchmarking data is used regularly to guide and verify decision-making.

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:

	2020 £000	2019 £000
Bill Sweeney, Chief Executive Officer** (joined May 2019)	430	67
Nigel Melville, interim Chief Executive Officer* (stepped down from Board May 2019)	n/a	231
Simon Massie- Taylor, Chief Commercial Officer**	274	313
Sue Day, Chief Operating and Financial Officer**	294	351
Steve Brown, Chief Executive Officer (stepped down from Board December 2018)	n/a	572
Total	998	1,534

* This relates to the period from 16 November 2018 to 8 May 2019 when Nigel Melville was interim Chief Executive and a member of the Board.

** This includes 3 months of pay reductions due to Covid-19. The Executive Directors took salary reductions of 20% from April to June 2020. The total voluntary salary reduction amounts to £49,500 for the three month period.

Neither the senior management bonus scheme nor the All-Employee bonus scheme paid out in respect of the 2019/20 financial year. While the relevant targets were met, it was agreed that no bonus payments would be made given the

financial uncertainties due to the impact of Covid-19.

Total remuneration for the full senior management team was £2.23m (2019: £2.69m). The main drivers for the decrease is due to voluntary salary reductions for the final three months of the financial 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-19, further members of the Board agreed to reduce their fees.

Given these deductions, the total amounts paid out in 2019/20 were:

Total fees payable	£345,000
Total fees paid following reductions	£140,625
% reduction	59%

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

	2020 £000	2019 £000
Jeff Blackett (Stepped down August 2018)	N/A	2
Rob Briers	25	25
Andy Cosslett	80	80
Chris Cuthbertson	25	25
Phil De Glanville (Appointed August 18)	25	23
Deborah Griffin	25	25

Stephen Pearson	25	25
Dominic Proctor	30	30
Genevieve Shore	30	25
Jonathan Webb	25	25
Helen Weir	30	30
Malcolm Wharton (stepped down July 19)	2	25
Peter Whiting (Appointed Aug 19)	23	0
Total	345	340

Total amounts paid to all Board members in the year was £1.1m (2019: £1.8m).

Pay Decisions

Following extensive external market benchmarking, the Committee reviewed and approved remuneration for the England Coach, the new England Senior team coaching positions, the new Director of Performance Rugby and the Executive team.

Gender Pay Reporting

Due to Coronavirus (COVID-19), the Government's requirement to publish Gender Pay Gap Reporting statistics was removed for the 2019/20 reporting year. The RFU continues to review and address Gender Pay and remains committed to growing, promoting and providing opportunities across the women's game, as well as continually developing its internal people policies: www.englandrugby.com/about-rfu/annual-reports

SOME NON-EXECUTIVE DIRECTORS HAVE DECIDED TO FOREGO THEIR BOARD FEES OR DONATE THEM TO CHARITY

BOARD NOMINATIONS COMMITTEE SECTION

Membership of the Committee

Name	Role	Member since	Meetings attended in year (excluding calls)
Dominic Proctor	Chair, Senior INED	2017	6 out of 6
Andy Cosslett	Chair of the Board	2017	5 out of 6
Genevieve Shore	INED	2017	6 out of 6
Mike Waplington	RFU Council Member (ex officio as Chair of Council NomCom)	2018	6 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 and calls were held as required.

Following the introduction of the Code for Sports Governance, the RFU restructured the way in which its nominations and appointment processes work. Included in these changes was the introduction of a Board Nominations Committee to work alongside the Council Nominations Committee (Council NomCom).

Membership of the Committee

The Committee is chaired by Senior Independent Director (INED), Dominic Proctor, with Chair of the Board Andy Cosslett and INED Genevieve Shore, comprising a majority of independent directors. In order to work effectively with the Council NomCom, Mike Waplington is an ex-officio member of the Committee in his role as Chair of Council NomCom.

The composition of the Committee therefore follows the requirements of the Code, except that Sport England agreed that it may be chaired by an INED rather than the Chair of the RFU Board.

Purpose of the Committee

The Committee is responsible for making recommendations to the Board for the following Board appointments:

- the Chair of the Board of Directors;
- the INEDs;

- the Chair of the Community Game Board (CGB);
- the chair of the Governance Standing Committee; and
- the Senior Representative on the Professional Game Board (PGB)

As well as other roles appointed by the Board, such as:

- International representatives;
- Directors of subsidiary companies,

Four Council Elected Directors of the Board are appointed by the Council on the recommendation of the Council Nominations Committee. In each case, appointment of members of the Board is subject to ratification at the AGM.

ACTIVITIES OF THE COMMITTEE

Board Appointments

After consulting the Board as to the effectiveness of Board members approaching the end of their current terms and wishing to be reappointed, the Committee recommended the following reappointments to the Board:

- Andy Cosslett as Chair of the Board for a final one-year term until 31 July 2021;

- Genevieve Shore as INED for a final three-year term until 31 July 2023;
- Chris Cuthbertson as Chair of the Governance Standing Committee for a final two-year term until 31 July 2022;
- Phil de Glanville as Senior PGB Representative for a second two-year term until 31 July 2022, after which he will be eligible for reappointment for a final two-year term.

In liaison with the Council NomCom, the Committee interviewed candidates to replace Rob Briers as Chair of the CGB and unanimously agreed to appoint David Roberts for an initial three-year term until 31 July 2023.

The Committee collaborated with the Council NomCom to fill two vacancies for Council Elected Directors:

- Stephen Pearson was reappointed for a second three-year term ending 31 July 2023; and
- Paula Carter was appointed to succeed Deborah Griffin for an initial three-year term until 31 July 2023.



International Representatives

During the 2019/20 season, a number of changes to the International Representatives were made following the departure of Nigel Melville as Professional Rugby Director in December 2019.

The following interim changes approved during the 2019/20 season were reviewed and approved following the end of that season:

Bill Sweeney joined Deborah Griffin and Jonathan Webb as a World Rugby Representative to replace Nigel Melville and it was agreed that it was appropriate for him to remain a World Rugby Representative in his capacity as CEO.

Simon Massie-Taylor joined Bill Sweeney as a Six Nations Representative to replace Jason Leonard, who remains as Chair of the Board of the British and Irish Lions. The appointment of Simon Massie-Taylor, the RFU's Chief Commercial Officer, is linked to his strategic involvement in potential third party investment in the commercial rights of the Six Nations and it was agreed that it was appropriate for Simon to remain a Six Nations Representative.

This resulted in Bill Sweeney holding three Senior Roles (as defined in the RFU Rules) and, in accordance with the RFU Rules, this was ratified by Council by the required two-thirds' majority vote.

The Committee is planning to update Job Descriptions and Person Specifications for these roles during 2020/21.

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 to the boards of trustees of those charities and to work on longer term succession planning.

JOINT WORKING AND SUCCESSION PLANNING

The Committee collaborated with the Council NomCom to plan the succession of volunteers within the RFU's governance structure, in relation to significant roles such as representatives to international bodies and members of key committees and subcommittees.

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. The secretariat of the two Committees also liaise regularly to ensure close alignment.

Key succession planning for next season will revolve around recruitment of the Chair of the Board and an INED to replace Andy Cosslett and Helen Weir respectively, whose terms both end in July 2021.

This involves collaboration with HR to update the Job Descriptions and Person Specifications, finalise the timetable and appoint an Executive Recruitment firm.

The draft timetable provides for recruitment to start in the autumn, with interviews in late 2020 for Board approval in January 2021 following which the candidates would be put forward for ratification by the Council and then the AGM.

DIVERSITY AND INCLUSION

The Board is keen to ensure a diverse membership and has committed to a target of having at least 30% female and 15% BAME representation on the Board by August 2022 at the latest. Four of the 14 Board members are female, meaning that representation stands at 28.6%. Currently none of the 14 Board members are BAME. Both Committees share this commitment and have a role to play in advancing an inclusive environment respecting all strands of diversity.

The Council appointed Genevieve Glover to chair the Diversity & Inclusion Implementation Working Group, which will implement the recommendations approved by the Council to improve diversity and inclusion within the RFU governance structures. Genevieve was also co-opted to the Council to assist with this role.

The Committees also liaised with the RFU Human Resources Department to ensure that all Job Descriptions and job advertisements include wording to encourage applications from individuals with more diverse backgrounds.

THE BOARD IS KEEN TO ENSURE A DIVERSE MEMBERSHIP AND HAS COMMITTED TO A TARGET OF HAVING AT LEAST 30% FEMALE AND 15% BAME REPRESENTATION ON THE BOARD.

FUTURE WORK

Term limits

Both Committees have introduced standard term limits to ensure compliance with the Code and effective turnover of membership on boards and committees.

Induction

Both Committees have reviewed the Induction processes for Board and Council Members with a view to making them more interactive, timely and bespoke to their needs to allow new members to be fully equipped to make an effective impact when their terms of office start.

The Covid crisis has had an impact on these plans but the introduction of allocating mentors to new Council Members will help whilst social distancing measures are in place.

Declarations of Good Character

In accordance with good practice and provisions of the Code, the Committees have asked Board to sign a Declaration of Good Character. All responses have been received and no issues have been identified. This will be followed by a request to Council in the coming months.



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
FOUR-YEAR SUMMARY**



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

Opinion

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 2020 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Entity's affairs as at 30 June 2020 and of the Group's loss and the Parent Entity's loss 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the

financial statements section of our report. We 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

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

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

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.

Going concern

The accounting policy for the going concern basis of preparation is set out in note 2 (c) on [page 52](#).

The financial statements explain how management has formed a judgement that it is appropriate to adopt the going concern basis of preparation for the Group and Parent Entity.

This judgement is based on the evaluation of the inherent risks to the Group and Company's business model, including the impact of the uncertainties of the COVID-19 pandemic, and how those risks might affect the Group's and the Parent Entity's financial resources or ability to continue operations over a period of at least a year from the approval of the financial statements.

The risks most likely to adversely affect the Group's and Parent Entity's available financial resources over the period were the impact of COVID-19 on the ability of the Group and Parent Entity to generate revenue, mitigate costs and to comply with banking covenants and remain within the terms of available banking facilities.

The risk for our audit was whether or not those risks were such that they amount to a material uncertainty that may have cast significant doubt about the ability to continue as a going concern and whether this is appropriately disclosed. We therefore considered going concern to be a key audit matter based on our assessment of the significance of the risk and the effect on our audit strategy.

How we addressed the matter in our audit

Our audit procedures in response to this key audit matter included but were not limited to:

- Evaluating management's intent: Through enquiry and review of minutes, evaluating the intentions of management and the timing and achievability of funding options 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 vouching to supporting documentation.
- **Sensitivity analysis:** Considering key inputs into the cash flow forecasts and assessing the company'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 management 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.
- **Assessing transparency:** Assessing the completeness and accuracy of the going concern disclosures with reference to managements going concern assessment.

Key observations

Our observations in respect of going concern are set out in the Conclusions relating to going concern section above.

The impact of the COVID-19 pandemic on revenue recognition and recoverability of debts

The accounting policy for the recognition of revenue is set out in note 2 (e) on [page 66](#). The accounting policy for the recognition of debtors is set out in note 2 (p) on [page 68](#).

The directors exercise judgement in

applying these policies, as set out in note 3 - Judgements in applying accounting policies and key sources of estimation uncertainty: [page 69](#) Recoverability of debts, relating principally to the determination of whether year end receivables were requiring a doubtful debt provision.

The financial statements also explain how management determines the point at which to recognise revenue based on the terms and the period of the contract. 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 and the recoverability of debts included, but were not limited to:

- Testing a sample of sponsorship contracts to invoice or agreement and to bank to gain assurance over the historical reliability of judgements regarding recoverability
- 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 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 due to the postponement of some matches
- Testing on a sample basis management's deferral of seasonal box income based on the delivery of box rights against future events
- Vouching a sample of year end receivables to receipt of cash after year end
- Reviewing the latest financial position of the larger debtors
- Obtaining correspondence with lawyers and with customers in respect of debtors that were considered doubtful due to disputes to check that the appropriate level of doubtful debt provision had been booked

Key observations

As a result of our procedures we did not identify anything to suggest that management's judgement over revenue recognition or the recoverability of debts is inappropriate.

Recognition and valuation of deferred tax assets

The accounting policy for the recognition of deferred tax assets is set out in note 2 (g) on [page 66](#).

In applying this accounting policy, the directors are required to recognise deferred tax assets on the balance sheet only to the extent that it is considered probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

The directors exercise judgement in applying this policy, as set out in note 3 - Judgements in applying accounting policies and key sources of estimation uncertainty: b) Deferred taxation asset, on [page 70](#), relating principally to the determination of the period over which to project recovery of the assets and to

the financial performance assumptions underlying the projected recovery. We therefore consider the recognition and valuation of deferred tax assets to be a key audit matter.

Note 11 provides further information on the treatment of the deferred tax assets.

How we addressed the matter in our audit

Our audit procedures over the recognition and valuation of deferred tax assets included, but were not limited to:

- considering the assumptions underlying the level of probability applied to future performance that would enable the reversal of potential deferred tax assets in light of our understanding of the level and predictability of revenue and cost streams and capital expenditure, including reasonable sensitivities thereon;
- an assessment of the tax legislation applied to the utilisation of available deferred tax assets, including the availability and use of capital allowances, excess charitable donations and carried forward losses, and
- assessing the consistency of the projections with longer term strategic plans and the forecast scenarios up to June 2022, including the intention to retain profits (build reserves) over the longer term, against which deferred tax assets can be utilised.

Key observations

Based on our audit procedures, we noted no significant issues regarding the deferred tax asset recognised as at 30 June 2020.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on the financial statements and our audit.

Materiality is used so we can plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are

free from material misstatement. The level of materiality we set is based on our assessment of the magnitude of misstatements that individually or in aggregate, could reasonably be expected to have influence on the economic decisions the users of the financial statements may take based on the information included in the financial statements.

We determined materiality for the group financial statements as a whole to be £2.4m (2019: £3.3m) and for the parent entity to be £1.9m (2019: £2.9m) which represents 3 per cent of profit before rugby investment after interest, being one of the key performance indicators of the Rugby Football Union.

Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. On the basis of our overall risk and control environment assessment, our judgement was that performance materiality is set at 75 per cent (2019: 75%) of financial statement materiality, which is £1.8m (2019: £2.3m) for the Group and £1.4m (2019: £2.2m) for the Parent.

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.

Component materiality ranged from £42,525 to £1.4m.

An overview of the scope of our audit

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.

We completed a full scope audit for the Group and Parent Entity, including a full scope audit of all significant components. 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.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website: 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: 16 October 2020

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 2020

	Notes	Group 2020 £m	Group 2019 £m
Revenue	4	167.0	213.2
Cost of sales		(26.5)	(35.5)
Gross profit		140.5	177.7
Overhead expenses		(56.6)	(62.3)
Profit before rugby investment		83.9	115.4
Rugby investment			
Professional rugby investment		(66.4)	(65.6)
Rugby development investment		(28.3)	(34.9)
Total rugby investment		(94.7)	(100.5)
Operating (loss)/profit	5	(10.8)	14.9
Interest receivable and similar income	9	-	0.1
Interest payable and similar charges	10	(3.7)	(3.1)
Loss on fair value and impairment of fixed asset investments	15	(0.2)	-
(Loss)/profit on ordinary activities before taxation		(14.7)	11.9
Tax charge on ordinary activities	11	(7.8)	(1.9)
(Loss)/profit on ordinary activities after taxation		(22.5)	10.0
Profit attributable to non-controlling interests		(4.6)	(6.1)
(Loss)/profit to reserves		(27.1)	3.9

All profit and loss items relate to continuing operations.

The notes on pages 64 to 90 form part of these financial statements.

FINANCIAL STATEMENTS
PARENT PROFIT AND LOSS ACCOUNT
FOR THE YEAR TO 30 JUNE 2020

	Notes	Parent 2020 £m	Parent 2019 £m
Revenue	4	126.3	164.3
Cost of sales		(14.2)	(14.4)
Gross profit		112.1	149.9
Overhead expenses		(44.1)	(48.6)
Profit before rugby investment		68.0	101.3
Rugby investment			
Professional rugby investment		(66.4)	(65.6)
Rugby development investment		(24.4)	(32.3)
Total rugby investment		(90.8)	(97.9)
Operating (loss)/profit	5	(22.8)	3.4
Interest receivable and similar income	9	0.1	0.2
Interest payable and similar charges	10	(2.2)	(1.5)
Impairment of fixed asset investments	15	(2.8)	-
(Loss)/profit on ordinary activities before taxation		(27.7)	2.1
Tax (charge)/credit on ordinary activities	11	(4.4)	2.3
(Loss)/profit on ordinary activities after taxation		(32.1)	4.4

All profit and loss items relate to continuing operations.

The notes on pages 64 to 90 form part of these financial statements.

FINANCIAL STATEMENTS

GROUP AND PARENT STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR TO 30 JUNE 2020

	Group 2020 £m	Group 2019 £m	Parent 2020 £m	Parent 2019 £m
(Loss)/profit on ordinary activities after taxation	(22.5)	10.0	(32.1)	4.4
Actuarial loss on defined benefit pension scheme	(2.6)	(2.3)	(2.6)	(2.3)
Movement on deferred tax relating to actuarial loss	0.2	0.4	0.2	0.4
Other comprehensive income for the year	(2.4)	(1.9)	(2.4)	(1.9)
Total comprehensive income for the year	(24.9)	8.1	(34.5)	2.5
Total comprehensive income attributable to:				
Non-controlling interests	4.6	6.1	-	-
Owners of the Parent	(29.5)	2.0	(34.5)	2.5
	(24.9)	8.1	(34.5)	2.5

All profit and loss items relate to continuing operations.

The notes on pages 64 to 90 form part of these financial statements.

	Notes	Group 2020 £m	Group 2019 £m	Parent 2020 £m	Parent 2019 £m
Fixed assets					
Intangible fixed assets	12	2.9	3.7	2.9	3.6
Tangible fixed assets	13	294.6	305.5	269.9	280.6
Loans to clubs	14	8.1	7.9	0.6	-
Investments	15	7.6	7.9	131.2	131.4
Investment property	16	6.5	6.5	6.5	6.5
		319.7	331.5	411.1	422.1
Current assets					
Stock	17	0.4	0.6	-	-
Debtors and prepayments due within one year	18	21.4	25.0	60.8	62.6
Debtors and prepayments due after one year	18	0.2	0.2	0.2	0.2
Cash at bank and in hand	19	38.4	28.6	18.9	14.6
Deferred tax	11	0.6	7.0	-	6.2
Pension asset	26	-	0.5	-	0.5
		61.0	61.9	79.9	84.1
Creditors					
Amounts falling due within one year	20	(41.3)	(56.1)	(60.7)	(70.1)
Net current assets		19.7	5.8	19.2	14.0
Creditors					
Amounts falling due after one year	20	(157.8)	(140.9)	(157.2)	(140.4)
Net assets excluding pension liability		181.6	196.4	273.1	295.7
Pension Liability	26	(1.5)	-	(1.5)	-
		180.1	196.4	271.6	295.7
Debentures	22	229.8	219.4	229.8	219.4
Capital and reserves					
Called up share capital	23	-	-	-	-
Debenture reserve	25	38.1	38.1	38.1	38.1
Other reserve	25	(92.7)	(91.1)	-	-
Profit and loss reserve	25	0.7	28.6	3.7	38.2
Total equity funds		(53.9)	(24.4)	41.8	76.3
Non-controlling interests		4.2	1.4	-	-
Capital employed		180.1	196.4	271.6	295.7

The notes on pages 64 to 90 form part of these financial statements.

The financial statements were approved by the Board of Directors on 16 October 2020, and signed on its behalf by:



Bill Sweeney
Chief Executive Officer



Sue Day
Chief Operations and
Financial Officer



Jeff Blackett
President



Andy Cosslett
Chairman of the Board of
Directors

FINANCIAL STATEMENTS

GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR TO 30 JUNE 2020

	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 2018	-	(89.5)	38.1	25.1	(26.3)	1.5	(24.8)
Profit for the year	-	-	-	3.9	3.9	6.1	10.0
Other comprehensive income	-	-	-	(1.9)	(1.9)	-	(1.9)
Total comprehensive income for the year	-	-	-	2.0	2.0	6.1	8.1
Foreign exchange loss on fair value of hedges	-	-	-	(0.1)	(0.1)	-	(0.1)
Transfer between reserves	-	(1.6)	-	1.6	-	-	-
Dividends paid	-	-	-	-	-	(6.2)	(6.2)
At 30 June 2019		(91.1)	38.1	28.6	(24.4)	1.4	(23.0)
(Loss)/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)
Foreign exchange loss on fair value of hedges	-	-	-	-	-	-	-
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)

The notes on pages 64 to 90 form part of these financial statements.

PARENT STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR TO 30 JUNE 2020

	Called up share capital £m	Debenture reserve £m	Profit and loss reserve £m	Total equity funds £m
At 1 July 2018	-	38.1	35.8	73.9
Profit/(Loss) for the year	-	-	4.4	4.4
Other comprehensive income	-	-	(1.9)	(1.9)
Total comprehensive income for the year	-	-	2.5	2.5
Foreign exchange loss on fair value of hedges	-	-	(0.1)	(0.1)
At 30 June 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 for the year	-	-	(34.5)	(34.5)
Foreign exchange loss on fair value of hedges	-	-	-	
At 30 June 2020	-	38.1	3.7	41.8

The notes on pages 64 to 90 form part of these financial statements.

FINANCIAL STATEMENTS

GROUP CASH FLOW STATEMENT
FOR THE YEAR TO 30 JUNE 2020

	2020 £m	2019 £m
Cash flows from operating activities		
(Loss)/profit on ordinary activities after taxation	(22.5)	10.0
Adjustments for:		
Amortisation of intangible assets	1.1	0.9
Depreciation of tangible assets	19.4	19.6
Loss on disposal of tangible fixed assets	0.1	0.1
Impairment of tangible fixed assets	0.3	0.3
Corporation tax charge	7.8	1.9
Interest charge	3.7	3.1
Loss/(gain) on fair value of fixed asset investments	0.2	-
Corporation tax paid	(1.2)	(1.2)
Decrease/(Increase) in stock	0.2	(0.2)
Decrease in debtors	3.6	5.9
(Decrease)/Increase in creditors	(15.4)	6.6
Net cash flows from operating activities	(2.7)	47.0
Cash flows from investing activities		
Purchase of intangible fixed assets	(0.4)	(0.4)
Purchase of tangible fixed assets	(8.8)	(50.0)
Loans advanced to clubs	(1.1)	(1.4)
Loans repaid by clubs	0.9	1.3
Purchase of fixed asset investments	(0.6)	-
Sale of fixed asset investments	0.7	-
Net cash flows from investing activities	(9.3)	(50.5)
Cash flows from financing activities		
Draw down of bank loans (net of fees)	15.3	15.2
Debentures issued	10.4	0.2
Decrease in finance leases	-	-
Interest paid	(2.1)	(1.4)
Dividends paid to non-controlling interests	(1.8)	(6.2)
Net cash flows from financing activities	21.8	7.8
Net change in cash and cash equivalents	9.8	4.3
Cash and cash equivalents at beginning of year	28.6	24.3
Net change in cash and cash equivalents	9.8	4.3
Cash and cash equivalents at end of year	38.4	28.6



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 round 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 35 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, matchday 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 in all its forms from 13 March to the present date and, with the prospect of an extended period of phased reintroduction, including the current expectation of international rugby being played behind closed doors throughout the coming autumn and winter months, this is having, and will continue to have, a material impact on profits generated by the RFU for investment into rugby.

Through the period of full 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. To date it has been 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 substantial losses for Financial Year 20/21,

rather than the profits normally generated in a non-World Cup year. Financial Year 21/22 remains uncertain and will inherently depend on the future course of the pandemic and the introduction of a vaccine.

However, throughout the period where international rugby was unable to take place, and now as games remain behind closed doors, various resumption of rugby scenarios have been modelled so that we were ready to resume, safely, in accordance with guidelines issued by the Department for Digital, Culture, Media & Sport.

It remains important to consider that, so long as rugby remains a sport within the 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.

The RFU has three committed facilities with its bankers, two were in place at year end with a value of £75m due to expire in December 2021 and December 2022 and one signed post year end for £19m due to expire in August 2023. The RFU also has one uncommitted overdraft facility of £25m due to expire in December 2022. These facilities are subject to financial covenants and interest and capital repayment terms, albeit, in response to current conditions, all covenants were and have been prospectively waived by the Union’s bankers until 31 December 2021, other than a quarterly liquidity test.

The Directors have reviewed financial projections for the Rugby Football Union group, including various Covid-19 scenarios, for the years 20120/21 and 2021/22, and have concluded that in all likely 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. In this analysis the Directors have forecast not to utilise the £25m overdraft facility as it is uncommitted. This is a very prudent approach as the only circumstances in which the bank can withdraw the facility is if covenants are breached and all likely scenarios show that this will not happen.

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 if realised then the RFU would be able to secure further public or private funding.

As a preparatory step in case further funding is required, the Board sought and received approval from the members to have up to £150m borrowing, compared to the previous limit of £100m. At this stage there is no plan to utilise this additional approval.

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 accounts 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.
- 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, has developed a national facilities strategy to deliver AGPs project 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) Unlisted investments

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

(o) 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.

(p) 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.

(q) 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.

(r) 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.

(s) 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 to equity. Once settled, they are included in the Profit and Loss Account.

(t) 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.

(u) 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.

(v) Employee termination benefits

The Group recognises termination benefit liabilities only when it is demonstrably committed or has a constructive obligation to either terminating the employment of an employee or group of employees before their normal retirement date, or to providing 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) Critical judgements

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

During the prior year, 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 an option occurring 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, as outlined above.

Professional Game Agreement

The Professional Game Agreement runs for eight years from the 2016/17 season through to the 2023/24 season. Under the agreement, the RFU has invested over £100m across the first four years of the agreement. The level of investment for the next four years of the agreement is wholly linked to the revenue of the RFU.

Payments specific to each contractual year of the agreement are recognised in the period to which they relate, once the agreed conditions have been met.

East Stand Development

The East Stand Development was brought into use for the 2018 November. The assets will be depreciated over the appropriate timescale given the nature of assets.

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.

Valuation of investment properties

The RFU carries its investment properties at fair value, with changes in fair value being recognised in the Profit and Loss Account.

For 2020, the RFU has used the Nationwide Property House Index to determine the fair value using the most recent independent valuation completed by specialists in 2019 as a base. This method requires a number of estimates and assumptions and does not take the specific location or condition of the properties into account. Despite this, management considers the approach to be both cost effective and appropriate and that the resultant value would not be materially different to that determined by an independent expert had one been engaged.

Insurance receivables

The RFU recognises insurance claims at the point they are virtually certain of recovery, with the income being recognised in the Profit and Loss Account.

Virtually certain is recognised as the point where there is a valid insurance contract under which to make a claim and an event that creates a right to assert a claim at the reporting date and the claim is not disputed by the insurer.

The compensation receivable would be measured based on the amount and timing of the expected cash flows.

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 investment 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 2020 was conducted by an actuary, using as a basis the most recent actuarial valuation conducted at 30 April 2017, 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 and tax losses carried forward.

Management has made various assumptions 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 these profits cannot be predicted as easily and as a result it is not appropriate to recognise a deferred tax asset.

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. Changes to profitability forecasts and the level of losses and other assets forecast to be utilised impacts the level of unrecognised deferred tax assets.

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 consider 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 a governing body of rugby in England

	Group 2020	Group 2019	Parent 2020	Parent 2019
	£m	£m	£m	£m
Ticket	25.5	47.6	25.5	47.6
Broadcasting	43.4	49.7	43.4	49.7
Sponsorship	33.3	32.8	33.3	32.8
Hospitality and Catering	32.2	54.5	5.0	8.3
Merchandising and Licensing	2.7	2.5	3.1	2.7
Hotel	4.3	6.0	-	-
Health and Leisure	2.8	3.8	-	-
Travel	6.7	1.0	-	-
Dividend	-	-	2.7	9.2
Recharges	-	-	3.8	4.3
Event hire fee	1.2	3.0	1.2	2.8
Funding	7.9	7.1	4.1	3.3
Insurance proceeds	2.3	-	-	-
Other	4.7	5.2	4.2	3.6
	167.0	213.2	126.3	164.3

5. Operating (loss)/profit

	Group 2020	Group 2019	Parent 2020	Parent 2019
	£m	£m	£m	£m
Operating profit/(loss) is stated after charging:				
Board and Council – RFU administration costs	0.4	0.6	0.4	0.6
Match related expenses	0.4	0.8	0.4	0.8
Depreciation of tangible fixed assets	19.4	19.6	16.4	16.9
Amortisation of intangible fixed assets	1.1	0.9	1.0	0.9
Loss on disposal of tangible fixed assets	0.1	0.1	0.1	0.1
Loss on impairment of tangible fixed assets	0.3	0.3	-	0.3
Operating lease rentals	0.6	0.7	0.3	0.3
Auditors' remuneration – audit services	0.2	0.1	0.1	0.1

6. Board Directors' remuneration

	2020	2019
	£m	£m
Emoluments and benefits in kind	1.1	1.8

The highest paid Director received remuneration of £0.4m (2019: £0.6m) 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 (2019: £nil). There are two Directors (2019: two) to whom retirement benefits are accruing under the defined contribution pension scheme.

Directors' bonuses were not awarded for the year ended 30 June 2020.

The Remuneration Committee report provides greater detail on Directors' pay and can be found on pages 44 and 45.

The above figures are shown on an accruals basis

7. Staff costs

	2020	2019
	£m	£m
Direct employee costs		
Wages and salaries	25.6	27.3
Social security costs	2.8	3.1
Defined benefit pension costs	0.2	0.3
Defined contribution pension costs	2.5	2.5
	31.1	33.2
Other staff costs		
Temporary staff	2.3	2.9
Individuals employed by third parties	2.5	2.9
Total staff costs	35.9	39.0

The above figures include bonus payments on an accruals basis.

8. Staff numbers

	2020	2019
Average monthly number of direct employees (full-time equivalent)		
Stadium, Commercial and Administration	203	191
Professional Rugby	133	131
Rugby Development	229	223
	565	545

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

9. Interest receivable and similar income

	Group 2020	Group 2019	Parent 2020	Parent 2019
	£m	£m	£m	£m
Interest receivable and similar income	-	0.1	0.1	0.2
	-	0.1	0.1	0.2

10. Interest payable and similar charges

	Group 2020	Group 2019	Parent 2020	Parent 2019
	£m	£m	£m	£m
Bank interest	2.1	2.0	2.1	2.0
Other interest charge	1.6	1.6	0.1	-
Defined benefit pension interest expense	-	0.1	-	0.1
	3.7	3.7	2.2	2.1
Bank interest capitalised	-	(0.6)	-	(0.6)
	3.7	3.1	2.2	1.5

11. Taxation

	Group 2020	Group 2019	Parent 2020	Parent 2019
	£m	£m	£m	£m
(a) Corporation tax				
UK corporation tax on profit for the period	1.2	1.5	(2.0)	(2.9)
Total corporation tax	1.2	1.5	(2.0)	(2.9)
(b) Deferred tax				
Origination and reversal of timing differences	5.9	0.6	5.9	0.8
Adjustment in respect of previous years	1.4	(0.1)	1.1	(0.1)
Effect of changes in tax rate	(0.7)	(0.1)	(0.6)	(0.1)
Total deferred tax	6.6	0.4	6.4	0.6
Taxation on ordinary activities	7.8	1.9	4.4	(2.3)
(c) Tax included in group statement of total comprehensive income				
Deferred tax current year credit	(0.2)	(0.4)	(0.2)	(0.4)
Total	(0.2)	(0.4)	(0.2)	(0.4)

(d) Factors affecting tax charge	Group 2020 £m	Group 2019 £m	Parent 2020 £m	Parent 2019 £m
(Loss)/profit on ordinary activities before taxation	(14.7)	11.9	(27.7)	2.1
Tax on (loss)/profit at standard UK rate of 19% (2019: 19%)	(2.8)	2.3	(5.3)	0.4
Effects of:				
Expenses not deductible for tax purpose	5.2	2.3	4.5	0.1
Income not taxable	(2.3)	(5.0)	(2.3)	(5.0)
Capital gains charge	1.3	(0.2)	1.4	(0.2)
Tax rate changes	(0.7)	(0.1)	(0.6)	(0.1)
Deferred tax asset not recognised	7.1	2.6	6.7	2.5
Tax charge/(credit) for the year	7.8	1.9	4.4	(2.3)

(e) Factors that may affect future tax charges

The tax rate remains at 19% for the Balance Sheet date of 30 June 2020 and the deferred tax balances at this date have been measured at 19%, the rate at which the deferred tax asset is expected to reverse.

(f) Deferred tax asset	2020 £m
Group	
At 1 July 2019	7.0
Adjustment from previous periods	(1.3)
Deferred tax credit to Profit and Loss account for the year	(5.3)
Deferred tax charge in Other Comprehensive Income for the year	0.2
At 30 June 2020	0.6
Parent	
At 1 July 2019	6.2
Adjustment from previous periods	(1.1)
Deferred tax credit to Profit and Loss account for the year	(5.3)
Deferred tax charge in Other Comprehensive Income for the year	0.2
At 30 June 2020	-

	Group 2020 £m	Group 2019 £m	Parent 2020 £m	Parent 2019 £m
The deferred tax asset comprises:				
Fixed asset timing differences	9.4	7.3	8.4	6.5
Short term timing differences	5.8	6.2	5.8	6.2
Losses	0.1	-	-	-
	15.3	13.5	14.2	12.7
Deferred tax not recognised	(8.9)	(6.5)	(8.4)	(6.5)
Timing differences- trading	(5.8)	-	(5.8)	-
	0.6	7.0	-	6.2

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.

12. Intangible fixed assets

Group	Software	Total
Cost	£m	£m
At 1 July 2019	7.1	7.1
Additions	0.4	0.4
Disposals	(0.6)	(0.6)
At 30 June 2020	6.9	6.9
Amortisation		
At 1 July 2019	(3.4)	(3.4)
Charge for the year	(1.1)	(1.1)
On disposals	0.5	0.5
At 30 June 2020	(4.0)	(4.0)
Net book value		
At 30 June 2020	2.9	2.9
At 30 June 2019	3.7	3.7
Parent		
Cost		
At 1 July 2019	6.4	6.4
Additions	0.4	0.4
Disposals	(0.2)	(0.2)
At 30 June 2020	6.6	6.6
Amortisation		
At 1 July 2019	(2.8)	(2.8)
Charge for the year	(1.0)	(1.0)
Disposals	0.1	0.1
At 30 June 2020	(3.7)	(3.7)
Net book value		
At 30 June 2020	2.9	2.9
At 30 June 2019	3.6	3.6

13. 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 2019	242.6	0.4	214.0	3.7	460.7
Additions	0.7	-	3.5	4.6	8.8
Disposals	-	-	(0.5)	-	(0.5)
Impairment	-	-	-	(0.3)	(0.3)
Transfer between asset classes	1.3	-	2.7	(4.0)	-
At 30 June 2020	244.6	0.4	219.7	4.0	468.7
Depreciation					
At 1 July 2019	(85.6)	(0.2)	(69.4)	-	(155.2)
Charge for the year	(6.1)	-	(13.3)	-	(19.4)
On disposals	-	-	0.5	-	0.5
At 30 June 2020	(91.7)	(0.2)	(82.2)	-	(174.1)
Net book value					
At 30 June 2020	152.9	0.2	137.5	4.0	294.6
At 30 June 2019	157.0	0.2	144.6	3.7	305.5
Parent					
Cost					
At 1 July 2019	221.0	0.4	199.3	3.6	424.3
Additions	-	-	2.6	3.1	5.7
Disposals	-	-	(0.5)	-	(0.5)
Transfer between asset classes	-	-	2.7	(2.7)	-
At 30 June 2020	221.0	0.4	204.1	4.0	429.5
Depreciation					
At 1 July 2019	(84.1)	(0.2)	(59.4)	-	(143.7)
Charge for the year	(4.7)	-	(11.7)	-	(16.4)
On disposals	-	-	0.5	-	0.5
At 30 June 2020	(88.8)	(0.2)	(70.6)	-	(159.6)
Net book value					
At 30 June 2020	132.2	0.2	133.5	4.0	269.9
At 30 June 2019	136.9	0.2	139.9	3.6	280.6

13. Tangible fixed assets continued

Assets in the course of construction as at 30 June 2020 and 2019 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 (2019: £4.5m).

The amount of interest capitalised during the year was £nil (2019: £0.6m). The total amount of interest capitalised to date is £13.7m (2019: £13.7m). The interest rate was 2.3% (2019: 2.3%).

14. Loans to clubs

	Group 2020	Group 2019	Parent 2020	Parent 2019
	£m	£m	£m	£m
At 1 July	7.9	7.8	-	-
Advances during the year	1.1	1.4	0.6	-
Repayments during the year	(0.9)	(1.3)	-	-
At 30 June	8.1	7.9	0.6	-

15. Investments

Group	Unlisted investments	Other fixed asset investments	Total
	£m	£m	£m
Cost or valuation			
At 1 July 2019	-	7.9	7.9
Additions	-	0.6	0.6
Disposals	-	(0.7)	(0.7)
Loss on fair value of fixed asset investments	-	(0.2)	(0.2)
At 30 June 2020		7.6	7.6

Included in other fixed asset investments are investments held by RFU Injured Players Foundation of £7.5m (2019: £7.8m). The investment portfolio is in the following proportions: equities 91% and cash 9% (2019: equities 94% and cash 6%).

Unlisted investments comprise an 8.4% (2019: 8.4%) shareholding in Rugby International Marketing LLC which is fully impaired and held at nil.

Parent	Subsidiary undertakings	Capitalised loans to Group undertakings	Other fixed asset investments	Total
	£m	£m	£m	£m
Cost or valuation				
At 1 July 2019	122.6	8.7	0.1	131.4
Additions	1.6	1.5	-	3.1
Disposals	-	(0.5)	-	(0.5)
Impairment	-	(2.8)	-	(2.8)
At 30 June 2020	124.2	6.9	0.1	131.2

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

15. 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					
13) British & Irish Lions DAC	Rep of Ireland	25%**	Associate	30 June	Overseas rugby tours
14) Six Nations Rugby Limited	Rep of Ireland	17%***	Investment	31 August	Competition management
1st Floor, Goldie House, 1-4 Goldie Terrace, Upper Church Street, Douglas, IM1 1EB, Isle of Man					
15) Rugby Sure Limited	Isle of Man	100%	Subsidiary	30 June	Insurance
The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle, Delaware, 19801, USA					
16) 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, the Directors have not equity accounted this investment.

^{***}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.

16. Investment property

Group and Parent	Freehold investment property
Valuation	£m
At 1 July 2019	6.5
Fair value adjustments	-
At 30 June 2020	6.5

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

	2020	2019
	£m	£m
Cost	1.4	1.4
Depreciation	(0.2)	(0.1)
Net book value	1.2	1.3

17. Stock

	Group	Group	Parent	Parent
	2020	2019	2020	2019
	£m	£m	£m	£m
Goods held for resale	0.4	0.6	-	-

There is no material difference between the net book value of stock and its replacement cost. Stock with a carrying value of £3.5m (2019: £7.1m) was recognised by the Group as an expense during the year.

18. Debtors and prepayments

	Group	Group	Parent	Parent
	2020	2019	2020	2019
	£m	£m	£m	£m
Amounts falling due within one year				
Trade debtors	14.2	12.8	8.2	7.9
Amounts owed by Group undertakings	-	-	48.5	43.2
Other debtors	0.8	0.6	0.8	0.4
Prepayments and accrued income	6.4	11.6	3.3	11.1
	21.4	25.0	60.8	62.6

18. Debtors and prepayments continued

	Group 2020 £m	Group 2019 £m	Parent 2020 £m	Parent 2019 £m
Amounts falling due after 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 £1.7m (2019: £1.9m) has been recognised.

19. Cash at bank and in hand

Cash at bank and in hand includes £1.6m (2019: £1.1m) held in restricted funds by the Group's two charities, the RFU Injured Players Foundation and Rugby Football Foundation.

20. Creditors

	Group 2020 £m	Group 2019 £m	Parent 2020 £m	Parent 2019 £m
Amounts falling due within one year				
Trade creditors	2.7	8.3	2.1	4.6
Amounts owed to Group undertakings	-	-	29.8	31.1
Corporation tax	1.0	1.0	-	-
Other taxes and social security	3.9	3.1	3.0	2.9
Other creditors	2.4	1.1	2.1	0.4
Accruals and deferred income	31.3	42.6	23.7	31.1
	41.3	56.1	60.7	70.1

	Group 2020 £m	Group 2019 £m	Parent 2020 £m	Parent 2019 £m
Amounts falling due after one year				
Bank loans (see note 22)	74.8	59.5	74.7	59.5
Other creditors	82.5	80.9	82.5	80.9
Accruals and deferred income	0.5	0.5	-	-
	157.8	140.9	157.2	140.4

Other creditors falling due after one year includes the RFU obligation to repurchase the Compass Group's 40% shareholding in TEL in 2028.

21. Bank loans

	Group	Group	Parent	Parent
	2020	2019	2020	2019
Amounts falling due between two and five years	74.8	59.5	74.7	59.5

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. The bank loan balance is offset by an arrangement fee of £0.2m (2019: £0.5m) for the aforementioned facilities. The fees are released on a straight line basis over the period of the facilities.

Post year end in August 2020 the RFU added a new facility utilising the government backed Coronavirus Large Business Interruption Loans Scheme to add a £19m revolving credit facility. Interest is payable at 1.38% above LIBOR on drawn down funds and 0.55% on the available commitment not drawn down. No amount has been drawn down on this facility currently.

22. Debentures

During the year, 1,092 debentures of the same class (2019: 14) were issued for a total consideration of £10.4m (2019: £0.2m).

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

	Group & Parent	Group & Parent
	2020	2019
Analysis of debt maturity	£m	£m
Debentures 2075	9.8	9.8
Debentures 2076	6.7	6.7
Debentures 2077	4.0	4.0
Debentures 2078	19.1	19.1
Debentures 2079	5.2	5.2
Debentures 2080	12.6	12.6
Debentures 2081	26.8	26.9
Debentures 2083	7.6	7.7
Debentures 2085	15.7	15.7
Debentures 2086	10.2	10.2
Debentures 2087	4.2	4.2
Debentures 2088	28.3	28.6
Debentures 2089	7.4	7.4
Debentures 2090	0.1	0.1
Debentures 2091	40.8	40.9
Debentures 2092	11.3	11.4
Debentures 2093	9.7	8.9
Debentures 2095	10.3	-
	229.8	219.4

23. Share capital

	2020	2019
	£m	£m
Allotted, called up and fully paid		
2,000 allotted, called up and fully paid shares of £1 each	-	-

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

24. Operating lease and other commitments

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

	2020	2019
	£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	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 level of investment for the next four years of the agreement is wholly linked to the revenue of the RFU. Further details on this agreement are found on page 69.

25. 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.

Profit and loss reserve

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

26. Defined benefit pension scheme

The RFU operates a defined benefit pension scheme in the UK. The scheme is now closed to new entrants. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. A full actuarial valuation was carried out at 30 April 2017 and updated to 30 June 2020 by a qualified actuary, independent of the scheme's sponsoring employer. The most recent FRS102 valuation shows a £1.5m liability compared with a £0.5m surplus last year. The major assumptions used by actuary are shown below.

The most recent triennial actuarial valuation as at 30 April 2017 showed a deficit of £4.6m. The RFU has agreed with the Trustees that it will pay annual deficit reduction contributions of £500,000 each year until July 2021 and subsequently £167,500 each year until July 2025. In addition, and in accordance with the actuarial valuation, the employer has agreed with the Trustees that it will pay 41.5% of pensionable earnings in respect of the current cost of accruing benefits. The RFU will separately meet expenses of the scheme, insurance premiums for death-in-service benefits and levies to the Pension Protection Fund. Member contributions are payable in addition at the rate of 5.0% of pensionable pay. The figures below exclude insured pensioner policies.

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

	2020 £m	2019 £m
Balance sheet impact		
Fair value of plan assets	46.9	44.8
Present value of defined benefit obligation	(48.4)	(44.3)
Defined pension asset/(liability)	(1.5)	0.5
Reconciliation of the opening and closing balances of the defined benefit obligation		
Defined benefit obligation at start of period	44.3	38.0
Current service cost	0.2	0.2
Interest expense	1.0	1.0
Contributions by plan participants	-	0.1
Actuarial loss	4.4	5.7
Benefits paid	(1.5)	(0.7)
Defined benefit obligation at end of period	48.4	44.3
Reconciliation of the opening and closing balances of the fair value of scheme assets		
Fair value of plan assets at start of period	44.8	40.5
Interest income	1.0	1.0
Actuarial gains	1.8	3.4
Contributions by the RFU	0.8	0.7
Contributions by plan participants	-	-
Benefits paid	(1.5)	(0.8)
Fair value of plan assets at end of period	46.9	44.8

The actual return on the plan assets (interest and actuarial gains) over the year ended 30 June 2020 was £2.8m (2019: £4.4m).

	2020	2019
	£m	£m
Defined benefit costs recognised in the profit and loss account		
Current service cost	0.2	0.2
Net interest cost	-	(0.1)
Defined benefit costs recognised in profit and loss account	0.2	0.1
<hr/>		
	2020	2019
	£m	£m
Defined benefit costs recognised in other comprehensive income		
Return on plan assets (excluding amounts included in net interest cost) - gain	1.8	3.3
Experience gains and losses arising on the plan liabilities - gain	0.1	0.1
Effects of changes in the demographic and financial assumptions underlying the present value of the plan liabilities - loss on total	(4.5)	(5.7)
Total amount recognised in other comprehensive income	(2.6)	(2.3)

	2020	2019
	£m	£m
Assets		
UK equities	0.6	0.6
Overseas equities	11.9	11.6
Corporate bonds	8.7	8.2
Insured Assets	20.7	19.3
Property	1.3	1.3
Cash	2.3	2.4
Other	1.4	1.4
Total assets	46.9	44.8

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.

	2020	2019
	% per annum	% per annum
Assumptions		
Discount Rate	1.6	2.3
Inflation (RPI)	3.0	3.3
Inflation (CPI)	2.6	2.3
Salary Growth	1.5	1.5
Allowance for revaluation of deferred pensions (RPI or 5% p.a. if less)	3.0	3.3
Allowance for pension in payment increases (RPI or 5% p.a. if less)	2.9	3.1
Allowance for pension in payment increases (CPI or 3% p.a. if less)	2.1	2.0
Allowance for commutation of pension for cash at retirement	90% of	90% of
	Post A Day	Post A Day

Life expectancy at age 60**The mortality assumptions adopted at 30 June 2020 imply the following life expectancies:**

	2020	2019
Male retiring in 2020	26.4	26.4
Female retiring in 2020	28.5	28.4
Male retiring in 2040	27.9	27.9
Female retiring in 2040	30.1	30.0

The best estimate of contributions to be paid by the company to the scheme for the period commencing 1 July 2020 is £0.7m (2019: £0.8m).

27. 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 £0.6m (2019: £0.6m) by TEL in respect of shared services and lease of catering facilities. During the year the RFU received £2.4m (2019: £4.4m) from TEL in respect of ticket revenue and royalties, and paid £0.9m (2019: £1.4m) to TEL in respect of catering services. The Group paid £10.0m (2019: £17.5m) to the Compass Group in respect of staff costs, royalties and other services. At 30 June 2020 £6.3m (2019: TEL owed to RFU £4.2m) 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 £0.1m (2019: £0.2m expenditure) 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 £2.4m (2019: £2.9m)

28. 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.

28. 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:

	2020 £m	2019 £m
Expiring between two and five years	-	15.0

The Company has an uncommitted overdraft facility of £25.0m.

Details of a further revolving credit facility agreed post year end are given in Note 21.

Financial instruments

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

	Group 2020 £m	Group 2019 £m	Parent 2020 £m	Parent 2019 £m
Financial assets measured at fair value through profit or loss				
Investment at fair value	7.5	7.8	-	-
Financial assets that are debt instruments measured at amortised cost				
Trade debtors	14.2	12.8	8.2	7.9
Amounts owed by group undertakings	-	-	48.5	43.2
Bank accounts	38.4	28.6	18.9	14.6
Other debtors (including non-current)	1.0	0.8	1.0	0.6
Loans to club	8.1	7.9	0.6	-
	69.2	57.9	77.2	66.3
Financial liabilities measured at amortised cost				
Trade creditors	2.7	8.3	2.1	4.6
Amounts owed to group undertakings	-	-	29.8	31.1
Debentures	229.8	219.4	229.8	219.4
Other creditors (including non-current)	84.9	82.0	84.6	81.3
Bank loans	74.8	59.5	74.7	59.5
Accruals	13.9	23.0	8.3	14.9
	406.1	392.2	429.3	410.8

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.

29. Analysis of Group changes in net debt

Group	At 1 July 2019 £m	Cash flows £m	Other non-cash changes £m	At 30 June 2020 £m
Cash and cash equivalents				
Cash	28.6	9.8	-	38.4
	28.6	9.8	-	38.4
Borrowings				
Debt due within one year	-	-	-	-
Debt due after one year	(59.5)	(15.1)	(0.2)	(74.8)
	(59.5)	(15.1)	(0.2)	(74.8)
Total	(30.9)	(5.3)	(0.2)	(36.4)

30. 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	2020	2019
	£m	£m
Donations received	24.5	31.6
Direct charitable activities	(24.7)	(31.1)
Grants to clubs	(0.3)	(0.9)
Deficit for the year	(0.5)	(0.4)
Balance sheet	2020	2019
	£m	£m
Loans due from clubs	7.5	7.9
Debtors	19.7	28.0
Cash at bank and in hand	0.8	0.6
Loans due to Group undertakings	(6.7)	(6.8)
Creditors falling due within one year	(20.5)	(28.4)
	0.8	1.3
Represented by:		
Unrestricted funds	0.3	0.6
Restricted funds	0.5	0.7
	0.8	1.3

31. 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	2020	2019
	£m	£m
Donations received	0.7	0.8
Direct charitable activities	(1.1)	(1.4)
Operating loss	(0.4)	(0.6)
Investment income	0.3	0.4
Investment loss	(0.2)	(0.2)
(Deficit) for the year	(0.3)	(0.4)
Balance sheet	2020	2019
	£m	£m
Investments	7.4	7.8
Debtors	2.5	2.6
Cash at bank and in hand	0.8	0.5
Creditors	(3.6)	(3.5)
	7.1	7.4
Represented by:		
Unrestricted funds	1.6	1.9
Restricted funds	5.5	5.5
	7.1	7.4

During the 2011/12 year the IPF became the Trustee of the SPIRE sub-trust, whose assets at that time were held in permanent endowment. The restriction was lifted on 27 June 2017, which means the Group is able to use the capital as well as the income of the fund for its charitable activities.

**FINANCIAL STATEMENTS
FOUR-YEAR SUMMARY**

	2020	2019	2018	2017
	£m	£m	£m	£m
Revenue	167.0	213.2	172.4	184.9
Costs	(83.1)	(97.8)	(89.1)	(91.3)
Profit before rugby investment	83.9	115.4	83.3	93.6
Professional rugby investment	(66.4)	(65.6)	(70.7)	(63.7)
Rugby development investment	(28.3)	(34.9)	(37.0)	(35.9)
Operating (loss)/profit	(10.8)	14.9	(24.4)	(6.0)
Net finance (cost)/income	(3.9)	(3.0)	(3.4)	0.5
(Loss)/profit on ordinary activities before taxation	(14.7)	11.9	(27.8)	(5.5)
Tax credit/(charge) on ordinary activities	(7.8)	(1.9)	-	1.5
Attributable to non-controlling interests	(4.6)	(6.1)	(3.1)	(3.7)
(Loss)/profit for the year	(27.1)	3.9	(30.9)	(7.7)
Summary of Group Balance Sheet	£m	£m	£m	£m
Fixed assets	319.7	331.5	301.6	263.8
Other net current (liabilities)/assets	(18.7)	(23.3)	(8.2)	16.6
Net debt (bank loan less cash)	(36.4)	(30.9)	(20.0)	(10.2)
Creditors amounts falling due after one year	(83.0)	(81.4)	(81.5)	(52.0)
Pension (liability)/asset	(1.5)	0.5	2.5	(3.0)
Profit and loss reserve	0.7	28.6	25.1	18.5







BRITISH AIRWAYS



Registered Office
Rugby Football Union
Rugby House
Twickenham Stadium
200 Whitton Road
Twickenham
TW2 7BA

Tel: 0871 222 2120
englandrugby.com

Auditor
BDO LLP
55 Baker Street
London
W1U 7EU

Bankers
Royal Bank of Scotland PLC
1 Princes Street
London
EC2R 8PA

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