



2022

ANNUAL REPORT



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OUR PURPOSE

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

VISION

WHAT WE WILL ACHIEVE
A SUCCESSFUL AND THRIVING GAME
ACROSS ENGLAND

MISSION

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

Guiding Principles



PLAYER FIRST



OPEN TO ALL



**FINANCIALLY
STRONG**

2021-22

TWICKENHAM STADIUM FULL CROWDS FOR FIRST TIME SINCE MARCH 2020. ENGLAND MEN BEAT TONGA, AUSTRALIA AND SOUTH AFRICA IN AUTUMN NATIONS CUP.

ENGLAND CONFIRMED AS HOSTS FOR WOMEN'S 2025 RUGBY WORLD CUP - HUGE OPPORTUNITY TO GROW WOMEN'S GAME & BREAK CROWD AND VIEWING RECORDS.

150 YEARS OF RFU CELEBRATED AT ENGLAND V SOUTH AFRICA WITH LEGENDS FROM MEN'S AND WOMEN'S GAME. RFU PRESIDENT AND WIFE WALK 150 MILES RAISING MORE THAN £36,000 FOR THE INJURED PLAYERS FOUNDATION.

SIMPLYHEALTH LAUNCHES DEDICATED MENTAL HEALTH RESOURCE FOR THE COMMUNITY GAME DURING MENTAL HEALTH AWARENESS WEEK.

INCLUSION & DIVERSITY EDUCATION TRAINING ESTABLISHED FOR EVERYONE ACROSS THE GAME.

LAUNCH OF THE TOUCH UNION - THE RFU'S NEW NON-CONTACT FORMAT OF THE GAME.

RFU & HONDA ANNOUNCE LONG-TERM PARTNERSHIP. HONDA VOLUNTEER OF THE YEAR AWARD LAUNCHES WITH OVER 1,200 NOMINATIONS.

RFU TEAMS UP WITH ITV AND PREMIERSHIP RUGBY TO LAUNCH #GRASSROOTSBEAUTS WITH A WEEKLY COMMUNITY GAME TRY ON ITV HIGHLIGHTS SHOW.

HONDA RUGBY GROUNDS CONNECTED PROGRAMME HOSTS FOUR FREE EVENTS WITH 260 ATTENDING AND 250 NEW SIGN UPS TO MEMBERSHIP.

CLUB HELP PORTAL LAUNCHES MAKING IT EASIER FOR CLUBS TO FIND THE ANSWERS NEEDED AND AN @RFU TWITTER CHANNEL DEDICATED TO THE COMMUNITY GAME LAUNCHES.

MORE GIRLS THAN EVER GET RUGBY PATHWAY TRAINING WITH NEW ENGLAND RUGBY GIRLS DEVELOPING PLAYER PROGRAMME FOR U16S.

ENGLAND WOMEN ACHIEVE FOUR VICTORIOUS AUTUMN HOME TESTS, INCLUDING TWO DEFEATS OF THE BLACK FERNS, AND WIN TIKTOK WOMEN'S 6 NATIONS GRAND SLAM.

ENGLAND MEN'S SECOND EVER SERIES WIN IN AUSTRALIA SECURES THE ELLA-MOBBS TROPHY.

REFEREES RETURN - 77% OF SOCIETY REFEREES OFFICIATING GAMES, AND 816 BOOKING ENGLAND RUGBY REFEREE AWARD. 1,100 ON INTRODUCTION TO REFEREEING COURSE.

195 ALLIANZ INNER WARRIOR CAMP EVENTS GET MORE WOMEN AND GIRLS PLAYING RUGBY.

OVER 600 REGISTRATIONS FOR THE ENGLAND RUGBY MENTORING AWARD.

RFU CONFERENCES WITH PREMIER RUGBY AND RPA, MEDICS AND COACHES, SHARE BEST PRACTICE AND FIND COMMON GROUND ON PLAYER WELFARE.

4,000 SIGN UP FOR PLAY IT SAFE. 2,400 TAKE ENGLAND RUGBY FIRST AID COURSE. MORE THAN 40,000 COMPLETE HEADCASE AND INTRODUCTION TO SAFEGUARDING COURSES.

RFU COUNTY CHAMPIONSHIP FINALS AT TWICKENHAM AND RICHMOND ATHLETIC GROUND SEE CORNWALL EARN THREE OF THE SIX TITLES AND OVER 50,000 LIVESTREAM VIEWS.

RFU NATIONAL SCHOOLS FINALS AT TWICKENHAM, WITH SCHOOLS FROM TORQUAY TO WELLINGTON TAKING PART.

PREMIERSHIP MOST COMPETITIVE SINCE LEAGUE BEGAN IN 2017.

SIX NATIONS AGREEMENT WITH CVC BRINGS £90.8M TO RFU OVER FIVE FINANCIAL YEARS.

300 PIONEERS OF WOMEN'S RUGBY AT ENGLAND V IRELAND AT WELFORD ROAD IN TIKTOK WOMEN'S 6 NATIONS.

CLOSEST RUN CHAMPIONSHIP COMPETITION FOR MANY YEARS.

588 PITCH UP FOR RUGBY EVENTS CELEBRATE RETURN TO RUGBY AFTER ENFORCED 18-MONTH BREAK.

MORE THAN 150 COACHES INVOLVED IN ENGLAND RUGBY ADVANCED COACHING AWARD AT SEVEN VENUES NATIONWIDE.

RETURN TO A FACE-TO-FACE SAFEGUARDING CONFERENCE FOR CB SAFEGUARDING MANAGERS AND ASSISTANTS.

RFU NEW FUTURE COMPETITIONS STRUCTURE ANNOUNCED - BIGGEST CHANGE TO GRASSROOTS ADULT MEN'S GAME IN 30 YEARS.

RFU'S BACK IN THE GAME RUNS ALONGSIDE SIX NATIONS AND MATCH COMPLETION ACROSS A SAMPLE OF KEY MERIT LEAGUES RISES BY SOME 10%.



NIGEL GILLINGHAM PRESIDENT

Being elected President of the RFU is a great privilege and I hope to prove worthy of the honour.

Sincere thanks to Jeff Blackett for serving two terms throughout a COVID-19 lockdown, with elite rugby behind closed doors and no community rugby at all, and to his wife, Sally, who supported him throughout. Their 150th Anniversary 150-mile Walk raised over £36,000 for our official charity, the Injured Players Foundation (IPF), which has significantly exceeded its strategic objectives in recent years. IPF funds help clients to meet their goals and achieve greater independence, as well as supporting valuable research both to improve injured players' lives and to keep current players safe.

In addition to its continuing support for the IPF, the game has been instrumental in helping hard-pressed charities through these difficult times. Support for Ukraine included help at community club level and donations at Twickenham of more than £22,000 for the Disasters Emergency Committee. Over the past season, I have been delighted to see how much

rugby volunteers have helped their local communities, charities and the NHS. We should all be so proud of this rugby spirit.

We remember those of the rugby family who have lost their lives in the past year. I would like to pay tribute to Past President and former England player John Vincent (JV) Smith, Steve Jew, Red Roses head coach, who helped them to World Cup victory in 1994, Distinguished Members Alan Black and Colin Herridge, former England players Mike Davies and Roger Sangwin. They, and many others we have lost, personified the values of our game: Teamwork, Respect, Enjoyment, Discipline, and Sportsmanship, values which continue to serve us well and will be a focus during my Presidency.

My time at school, Royal Grammar School (RGS) Guildford, then at Loughborough Colleges and playing at Leicester Tigers under some outstanding teachers and coaches, as well as my time as an RAF officer, shaped my philosophy of the game, instilling in me the game's core values. To all of those involved in my development I am most grateful. Rugby's core values

have been guiding principles in my rugby life, my professional life and life in general. They, together with the physical and mental challenge, are the essence of what this great game is about. Let us, both on and off the pitch, respect all others, always be honest and fair, generous in victory and dignified in defeat. And, above all, let us bring joy to everything we do in rugby. Rugby has given me and my family tremendous friendships and so much enjoyment.

The game has its challenges, but they will be overcome by all at the RFU, whether Board, staff or Council members, all working together with the wider game. Countless rugby people give so much for the good of the game and I look forward to meeting many during my time as President. Their enthusiasm, along with that at Twickenham, give me optimism for our future.

The primary role of the RFU President is to promote and represent the Union. In addition to this ambassadorial position, the President leads the Council and chairs its meetings. One of the responsibilities of Council is to hold the RFU Board to account on behalf of the membership. For 2021/22, the period this report covers, the Immediate Past President, Jeff Blackett, has provided a statement in the Governance Section at page 51 on how Council has fulfilled this responsibility.





TOM ILUBE CHAIR

My thanks to all our volunteers and to everyone for their support during my first year and to those leaving the Board: Council Members Chris Cuthbertson and Peter Whiting, and Independent Non-Executive Director Dominic Proctor. I welcome to the Board Council Member James Cook and Independent Non-Executive Director Yasmin Diamond.

I became Chair in August 2021 when attracting and keeping players and volunteers was essential both after the challenges of the pandemic and because of the ever-changing lifestyles of our participants. I have been most impressed with the way Council, Board, the Executive and professional staff, and the many volunteers nationwide, have worked together for the good of the game.

The 2020 Board Effectiveness Review has seen good progress on Board inductions. Best practice requiring a Senior Independent Director to step down after a maximum term meant that Dominic Proctor leave the board after successfully holding the position for six and a half years. He was replaced by Genevieve Shore.

The Board reduced in size to 13 when Simon Massie-Taylor left the RFU in the New Year, and to 12 at the end of the season, with one retiring Council Elected Director not being replaced. This sees us adopt UK Sport's 'A Code for Sports Governance' requirements of a reduced 12-member Board. As one of two Six Nations representatives, Simon was replaced by Sue Day, a wise appointment given the bedding down of the CVC investment and given the importance of good financial governance of the Six Nations companies.

The Six Nations agreement signed with CVC for the sale of 14.3% of shares in the Six Nations, brings the RFU £90.8m of proceeds to reinvest into a Strategic Growth Fund. This enables investment in the women's game, our digital, data and content work, the stadium master plan,

and the community game, with long-term revenue generation projects safeguarding the game's future.

Sport England's updated Code also requires a lead director for welfare and safety. Polly Williams became our Safeguarding Champion while Jonathan Webb became Board Champion for Welfare and Safety, emphasising our commitment to continual improvement in this important area.

It is important to us to be a responsible business across Environment, Social Impact and Governance. Environmental Sustainability remains a priority for us, and our progress in that area is set out in the sustainability section of this report. Social Impact sits at the heart of everything we do, and Bill's CEO report outlines many of our achievements in that space across the year. And in this report and the governance reports starting on page 45 we outline how we have continued to strive for excellent governance throughout the year.

The last months have been very challenging for the professional game with the insolvencies of Worcester Warriors and Wasps, and our thoughts remain with all those affected. I would like to pay tribute to the players and staff of both clubs who have shown incredible resilience throughout. We have been working with the clubs, administrators, potential buyers as well as Premier Rugby and DCMS to find the best possible long term future for those clubs across both men's and women's teams. With the Professional Game Agreement expiring at the end of the 2023/24 season, these challenges may also be a catalyst for change in the professional game and a move towards greater financial sustainability.

The issues surrounding head injuries in the game continue to be a significant focus for the Board, with a dedicated sub-committee reporting at each Board meeting. The CEO's Report contains more details of the work being done in this area as well as wider welfare initiatives.

An in-depth update on Financial and Business Planning, including a 2021/22 Budget Review, made it clear that revenues from restriction free crowds in the autumn will be more than offset by expected cost increases over the current Rugby World Cup cycle. Consequently, a Board Working Group was set up to work with the Executive Team to allow Board input on financial decisions coming out of COVID-19. With me on this Group, whose work has now concluded, were Polly Williams, Paula Carter, Chris Cuthbertson, Stephen Pearson, Bill Sweeney, Sarah Williams, Sue Day, and Kathryn Williamson.

The Board continues to develop its diversity and breadth of experience. While half of the Board remain appointed from members of the Council they, together with our Executive Director members and Independent Non-Executive members, ensure a comprehensive range of skills. Our INEDs bring objectivity and skill sets that make our operation more successful for the benefit of the entire game. Our newly appointed INED, Yasmin Diamond, has a wealth of communications experience from across public, private and government sectors.

We are also working closely with the Government. Our regular engagement with the Department for Digital, Culture, Media and Sport has been most beneficial in bringing generous help for our sport during COVID-19 and backing for our successful bid to host the Women's Rugby World Cup in 2025. We are most grateful for this support.

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

STRATEGIC REPORT

- STRATEGIC PRIORITIES
- CEO'S REVIEW OF THE YEAR
- LOOKING FORWARD
- STAKEHOLDER ENGAGEMENT
- KEY DECISIONS MADE BY THE BOARD
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- ENVIRONMENTAL IMPACT
- FINANCIAL REVIEW



STRATEGY

The RFU Strategy can be found at englandrugby.com/about-rfu/strategy. Our strategy now defines the Core activities, split into three areas, and the eight strategic objectives, outlined below.

CORE ACTIVITIES

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

CORE RUGBY ACTIVITY



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

CORE COMMERCIAL ACTIVITY



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

RUNNING THE BUSINESS



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



OUR STRATEGIC OBJECTIVES

Our Strategic Activities are the places where we choose to spend our time and money, in addition to our core activities, in order to deliver our purpose, vision and mission.

GAME OBJECTIVES

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

DRIVING OBJECTIVES

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

ANNUAL REPORT COMMENTARY

At the start of the year we set long-term measures against which to set targets to measure ourselves in this strategic cycle. We can review performance against the core activity targets – eight targets have successfully been achieved, two have been partially achieved and one target has been missed. We have also set new baseline targets to review in future years, including Game Objective targets and Driving Objective targets.

CORE ACTIVITY TARGETS

These targets measure performance against the Core Activity in our strategic plan.

Objective	Target Name	Measure	Target (FY 2021/22)	Performance (FY 2021/22)	Commentary
Core	England Performance	The performance in terms of win ratio and world ranking of our Men's & Women's senior teams	Men Ranking #1/#2	 	England Men's team miss win ratio and world ranking target
			Women Ranking #1/#2		England Women's team meet target by being ranked #1 in the world and achieving a 100% win ratio for the season
	Revenue	Group income	Full Year - £109.1m		Revenue performance of £146.9m vs Target of £109.1m (predominantly driven by capacity crowds returning to Twickenham Stadium following the Covid-19 Pandemic)
	Profit to Reserves	The level of Profit/(Loss) generated by the business	Full Year - £66m		Profit to Reserves performance of £96.1m vs Target of £66m (the improved performance against target was predominately driven by crowds returning to Twickenham Stadium following the Covid-19 Pandemic)

GAME OBJECTIVE TARGETS

In future years we will measure performance against our Game Objectives. Due to the impact of COVID-19, FY21/22 was the first year we have been able to measure performance and the findings will be used to baseline future targets.

Objective	Target Name	Measure
Enjoyment	Player Enjoyment	An average score from a survey of current players for their enjoyment of the season
	Sustain the Men's Game	Volume of annually affiliated Men and Boys in club rugby
	Grow the Women's Game	Volume of annually affiliated/registered Women and Girls in club rugby
Winning England	England Age Group Players Perception Score	Perceptions of support, satisfaction and progression among England Academy Players (EAPs) – male and female
	Academy Productivity Score	Score based on the number of match appearances made by an U24 England Academy Player (EAPs) or England Qualified Player (EQPs) in the senior team for an England international or competitive game for a Premiership club
Flourishing Rugby Communities	Flourishing Rugby Communities Index	A combination of behavioural and attitudinal data about how clubs are supporting volunteers, teams and leagues



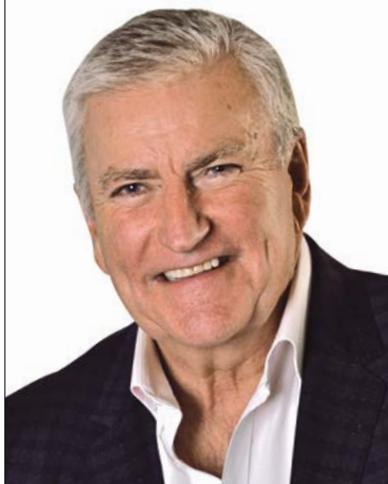
DRIVING OBJECTIVE TARGETS

These targets measure the performance against our Driving Objectives.

Objective	Target Name	Measure	Target (FY2021/22)	Performance (FY 2021/22)	
Diversity & Inclusion	Rugby Inclusivity	Increase the % of under represented groups that say 'rugby in England is inclusive for all'	Female - 25% Ethnically diverse - 9% LGBT - 9%	 Achieved	Perception of Rugby Inclusivity (those feeling that the game is inclusive for all) showed a positive performance YoY amongst female and LGBT audiences (sample too low to use for ethnically diverse communities)
	Fan Diversity	Increase % of rugby union followers from under-represented groups	Female - 28% Ethnically diverse - 4% C2DE Social Grade - 33%	 Partially Achieved	Fan Diversity of rugby union in England ended the year slightly below target for female and C2DE social grade audiences but above target for ethnically diverse communities.
Understand	Direct Relationships	The # of unique contactable individuals for ER marketing	1.0 - 1.2m	 Achieved	Total contactable individuals for England Rugby marketing increased in line with forecasts
Connect	England Rugby Brand	The improvement in the reputation of the 'England Rugby' brand, which is measured using YouGov's brand tracker. Of the adult England Population aware of the England Rugby brand, respondents can indicate either a Positive, Negative or Neutral sentiment regarding reputation. The measure reported is calculated as the % Positive less the % Negative	26.5%	 Not Achieved	The England Rugby Brand reputation measure ended slightly down (1%) on target but not to a significant level
	England Rugby Engagement	The increase in 'interactions' with all England rugby content	179m	 Achieved	England Rugby Engagement across social, digital and email ended the year at 288m engagements -Performance has been driven by strong social media engagement on the TikTok platform.

Objective	Target Name	Measure	Target (FY2021/22)	Performance (FY 2021/22)	
Organisational Excellence	BACK Behaviours	Employee perception that the BACK principle* has become part of the culture at the RFU <i>*Brave, Accountable, Collaborative, Keep Improving</i>	50%	 Achieved	Employee agreement with BACK behaviours being part of the culture at the RFU ended above target.
	Red Roses Ticket Sales	Red Roses ticket sales (average)	ANS-21 & 6N-22 - 8k average per game	 Achieved	Ticket sales for the Red Roses across both the 2021 ANS and 2022 6N ended above target at an average of 10.3k. This includes two record sales for the matches in the 6N of 14.7k against Wales and 15.8k against Ireland





BILL SWEENEY CEO

I WOULD LIKE TO THANK ALL OF OUR CLUBS AND VOLUNTEERS FOR THEIR HARD WORK AND RESILIENCE DURING COVID-19 AS WELL AS GOVERNMENT FOR THEIR GENEROUS SUPPORT. THERE IS NO DOUBT THE PANDEMIC AFFECTED NOT ONLY RUGBY BUT SPORT IN GENERAL.

Participation numbers are still down from before COVID-19, this is a trend we were seeing pre-pandemic. Living in a digital domain, with busy lives and countless choices, we are not alone in addressing societal change and altered lifestyles.

Despite the challenging environment, we remain a financially strong, well-run organisation. However, we are mindful of significant inflationary pressures, and are more focused than ever on cost control to ensure we are sustainable for the long term.

Player welfare continues to be a priority. Our Advanced Brain Health Clinic for retired players opened in November 2021 and we have committed to the roll out of instrumented mouthguards to further advance our knowledge so we can continue to keep improving player welfare.

Inclusion and diversity is a focus for all areas of our game. Relationships with our clubs and Constituent Bodies continue to see us working together with focus on helping clubs to be self-sustaining; developing coaches and match officials; and ensuring that we have a competition structure which creates good player experiences.

We have reshaped community game leagues, with the biggest change in 30 years in the adult men's game. This aims to improve player retention and attract new participants. The minimum standards for Premiership clubs,

including requirements for promotion to the Premiership, were also reviewed.

Our Chair, Tom Ilube CBE, served a first season at a critical time for the development of the game and I would like to thank him, our Board, Executive, employees and Council members for their combined efforts, and all in our CBs and clubs for their continuing support of the game throughout a difficult time.

1. ENJOYMENT

Pitch Up for Rugby, supported by The National Lottery to help clubs rebuild after the pandemic, saw more than 400 clubs involved in September. **Back in the Game** also aimed to get more players back on pitches, with significant media coverage and social media player engagement helping to increase numbers of matches completed.

For the new season, the RFU is implementing **Play Together Stay Together**, a recovery plan for the men's game to increase the number of adult male players, specifically those aged 30+ and aged 17-22.

We also launched **The Touch Union**, a non-contact format of the game, which is fun and social, while building on the core **rugby union** skills.

FUTURE COMPETITION STRUCTURE

Societal change and modern lifestyles make the Future Competition Structure very timely as we aim to relieve pressure on clubs and lower XV's, reduce walkovers, and ensure more teams complete matches. Data shows more first team players are required to fulfil a season and many players want to be involved in fewer games.





In the coming season the Adult Male Future Competitions Structure changes will apply to League Cups and Lower XV's from National 1 and below.

The changes come in response to both data and feedback from the community game. We are putting players' welfare and needs first, ensuring a high-quality experience by supporting club sustainability and minimising travel with geographical grouping. There will be a two week Christmas break and weekend breaks through a shortened season. Optional Cup rugby will be available at Regional 1 (previously Level 5) and below, avoiding clashes and providing an opportunity for additional home games to compensate for the reduced league size. The new community cup competition will have a commercial partner in Papa Johns, the title partner of the Papa Johns Community Cup for both men and women, and celebrating community rugby at prestigious locations with a Twickenham finale.

2. WINNING ENGLAND

ENGLAND MEN

England's men are due congratulations on their second-ever series win in Australia, with victories in Brisbane and Sydney securing the Ella-Mobbs Trophy. The series win in 2016 was achieved by a more established team and, on this tour, the leadership group and younger players made a great deal of progress. The first Test in Perth saw a narrow, two-point defeat and, as the tour went on, the squad's determination and resilience brought two impressive victories. The development of the squad of 36 was crucial, with a Rugby World Cup taking place in 2023.

The series success came after a disappointing 2022 Six Nations campaign, with nobody more disappointed than Eddie Jones and the squad. Sport involves small margin wins and defeats, and before playing the Barbarians and heading to Australia, Eddie selected a training camp squad where experienced players returned from injury joining almost a third who were uncapped players. The 2021 Autumn Internationals had seen victories over Tonga, Australia and South Africa at Twickenham.

ENGLAND WOMEN

The women's game has been an area of tremendous excitement, with England Women falling agonisingly short in the Rugby World Cup in New Zealand, having begun as favourites after yet another Grand Slam and a world record of 30 consecutive international victories. Their achievement helps the continuing growth of the women's and girls' game; Simon Middleton and the players have impressed with their tremendous dedication and hard work.

Their fan base is expanding, with impressive viewing figures. During their autumn internationals clean sweep, with two wins over world champions New Zealand, one against Canada and one against the USA, there were over three million views at peak times on BBC Two.

The announcement that the 2025 Women's World Cup will be hosted here in England sees a huge opportunity to grow the women's game, break viewing figures and bring record crowds to watch right across the country, before a finale at which we hope will fill Twickenham Stadium.



SEVENS

England Sevens returned to the World Series in both the men's and women's competition after Great Britain Sevens competed in the opening two rounds. The RFU, Scottish and Welsh Rugby Unions subsequently confirmed joining again to form men's and women's GB Sevens teams ahead of the 2023 HSBC World Rugby Sevens Series. The move was ratified and mandated by World Rugby, aligning the governing bodies' future direction of Sevens and connection to its Olympic status. The Commonwealth Games saw disappointing results, England women finishing fifth and England men ninth.

PLAYER PATHWAY

In September 2021, England Rugby set out its player pathway and development framework for male and female players, focusing on the individual as part of one or many teams, and outlining what is needed for them to maximise their time in the game.

In the men's pathway, the U20s finished third in the U20s Six Nations and second in their pool in the Six Nations Summer Series. The U18s achieved three wins out of three in the Six Nations Festival in France. In the women's pathway, England U20s played Scotland Futures and back-to-back matches against France, development camps culminating

in friendlies against New Zealand and South Africa. England women's U18s took on Ireland, and France twice, in shortened matches during an inaugural Six Nations festival in Edinburgh.

WOMEN'S PREMIERSHIP

The season's Allianz Premier 15s was the most competitive since the league began in 2017. Saracens won the title at Sixways with victory over Exeter Chiefs, in the Chiefs' second season in the top-flight. The RFU livestreamed more games than any other season with two matches from each round broadcast. The BBC came on board mid-season to broadcast one of those, and BT Sport showed the semi-finals and final. Across BBC

Sport's website and app, BBC iPlayer and Premier15s.com, over one million people watched top-flight women's rugby across the season.

In June 2022, the Board committed to a ten-year strategy to transform the league into the most competitive, progressive, and sustainable domestic competition in the world. A new operating company will manage the league from season 2023/24, with up to £220m to be invested in the professional women's game over the next decade.

MEN'S CHAMPIONSHIP

The standard of rugby in the Championship was excellent, with Doncaster Knights, Ealing Trailfinders, Cornish Pirates and Jersey Reds all battling it out at the top of the Championship table in the closest run second tier season for many years. Ealing Trailfinders secured top spot as league winners. The promotion of newcomers, Caldy, brings a welcome expansion of Championship rugby to the north-west. We look forward to another exciting season in 2022/23.

Regarding the Championship Review, the Championship Transition Group reports to the Board and Council as it oversees the agreed direction of travel put forward by the Championship Strategic Review Group endorsed by Board and Council, Premier Rugby and the Championship Clubs Committee. Next season will look

at governance arrangements. In season 2023/24 there will be a 'proof of concept' cup competition alongside the existing Championship league. This would involve establishing which clubs want to enter the competition alone and which to establish a partnership arrangement to enter a side, as well as the competition window and regulations around the make-up and profile of match day squad players. We would also establish competition regulations, minimum standards, and the entry criteria.

The development of the second tier of the English game is very important to us. We believe this initiative will help in our goal to make Championship clubs more sustainable, increase their competitiveness, and offer player development opportunities for young English talent.

ALIGNMENT BETWEEN ENGLAND RUGBY AND MEN'S PROFESSIONAL CLUBS

The RFU deepened its alignment between England Rugby performance and professional clubs by holding its first conference with representatives from all Premiership clubs, Academies, and medical staff to share best practice on player welfare and find common ground and goals on challenges and opportunities for the game. Following its success, the second conference took place ahead of the start of the 2022/23 season.



PROFESSIONAL GAME AGREEMENT

The end of Season 2023/24 marks the end of the current Professional Game Agreement, providing an opportunity to relook at the structure of English professional rugby and its broader impact on the entire game. There is a growing recognition by all involved that change is required to tackle the fault lines that have existed since 1995. We have a strong partnership with Premiership Rugby and a shared understanding of the scale of the challenges. Working together, our goal is to improve the structure of the English professional game for the benefit of both club and country.

INFLUENCING AND SHAPING THE GAME

Throughout the pandemic there has been extensive collaboration with World Rugby, PRL, the RPA and the RFU Council. Many of those involved consider the working relationships to be the best for many years and we are focused on using this to translate into benefits for the wider game. We have been working



with World Rugby on creating a bespoke calendar for the women's game and global competition formats to continue growth and increasing awareness of women's rugby. We are also integral to the ongoing discussions with World Rugby, Six Nations Unions, Sanzaar, and the International Players Union regarding the potential Nations Cup consolidating summer tour matches and autumn internationals into one meaningful tournament. Proposals will be tabled in November with World Rugby.

3. WELFARE

Player welfare and head injury prevention and management continue to be a priority. The RFU, PRL and the RPA are focusing on reducing head impacts and concussion within the elite men's and women's game, with data from research projects, alongside injury surveillance, allowing an informed approach.

Following recent research, instrumented mouthguards will be offered to all Gallagher Premiership, Allianz Premier 15s and England representative teams for the coming season, adding significantly to our understanding of where head impacts can be reduced.

OVER 70 SAFEGUARDING MANAGERS AND DEPUTY MANAGERS ACROSS CONSTITUENT BODIES OF THE GAME OPERATE NATIONWIDE, WITH MORE THAN 2,000 CLUB SAFEGUARDING OFFICERS AND ASSISTANTS.

Saliva samples will continue to be collected in Premiership and Premier 15s clubs as part of the Head Injury Assessment process to be used as a marker of recovery, with the long-term goal to create a commercially viable test that can be used across the professional and community games.

The Advanced Brain Health Clinic in London is providing confidential specialist assessment, information and ongoing support for retired elite male and female rugby players between the ages of 30 and 55 who have concerns about their brain health. The clinic offers a unique, specialist, neurological service. To date, around 155 players have been booked in to use the service with capacity for many more.

We continue injury surveillance in

the community game, widening it this season to include the women's game, which informs training for coaches, players and match officials. With clubs already completing risk assessments, they have to adhere to our First Aid and Pitchside Immediate Care requirements, starting with the age grade game and becoming mandatory for the adult game the following season. The Activate exercise programme, which research shows reduces risk of injury, especially concussion, now includes the game at Under 7 to Under 12. And with a growing number of successful local mental health initiatives working with rugby clubs, we continue to signpost clubs to them as well as developing wellbeing guidance resources with our partner Simplyhealth.

SAFEGUARDING

The safety and security of children in sport is crucial. Our safeguarding team continues to excel, and has again secured the highest possible rating in its annual review by the Child Protection in Sport Unit of the NSPCC. Measures in place aim to ensure that everyone enjoys rugby in an inclusive, safe and enjoyable environment, with learnings taken from reviews undertaken in other sports, such as the Whyte Review into gymnastics. The team also worked with Barnardo's to get further external assurance, and to help prioritise areas of focus for the future.

Over 70 Safeguarding Managers and Deputy Managers across Constituent Bodies of the game operate nationwide, with more than 2,000 Club Safeguarding Officers and assistants. Under the RFU's Regulations, all clubs with an age grade





section must have a Safeguarding Officer, ideally operating at Committee level. With good practice running throughout the game, the Board and Council also received bespoke safeguarding training.

4. FLOURISHING RUGBY COMMUNITIES

Our community clubs are the lifeblood of the game and at the heart of their local communities. Over the past season, I have made many worthwhile club visits across the country, as have our Chair, President, senior management and directors.

In July 2021, the Community Game Board reconfirmed its recommendation to suspend the supplemental pot for 2021/22, allocating a portion of the community game budget for a needs-based Club Support Fund for clubs significantly affected by the non-payment of the supplemental pot. With those clubs most needing help targeted, a total of 81 clubs made claims to help with their essential operational expenditure.

In September 2021, a Targeted Delivery Fund was made available for Constituent Bodies to support local delivery of key RFU strategic objectives. In May 2022, CBs reported on the activities delivered, which was shared across all CBs.

The RFU has been working with Sport England to develop a programme of governance and business transformation which will be supported by the remaining funds allocated to rugby union in the Government Winter Survival Programme. The main focus will be for

Gallagher Premiership, Allianz Premier 15s, Championship, National 1 and 2, and Regional 1 and 2 clubs to help them develop their governance activities and business operations. It is hoped that the learning and tools developed as part of the programme will have wider benefits for all clubs.

CLUB OF THE FUTURE

We are undertaking a significant piece of work to set out what the Club of the Future looks like, which will help to ensure that any available investment is targeted in the most appropriate way. An allocation from the Strategic Growth Fund is earmarked for investment in clubs and this work will influence how it is allocated. In September 2021, the Community Game Board agreed the establishment of a commission to act as a review and listening group. The commission's purpose is to hear evidence from players and practitioners involved in the game, as well as those from other sports, countries and sectors. It will also consider appropriate data and insight to support any recommendations and use findings to identify what they believe is central to a Club of the Future. Recommendations will be presented to the Community Game Board in autumn 2022.

We launched the community game Twitter channel in January with Eddie Jones coaching at Wimbledon RFC. He also ran coaching sessions at other clubs and schools. The channel had almost 7,000 followers in the first six months and above average views and engagement rates. We also worked with the Premiership and ITV to include Grassroots Beauts, a community try of the week feature, in their highlights shows.

5. INCLUSION AND DIVERSITY

A year into our Inclusion and Diversity Action Plan, it is clear that inclusivity is both critical to our purpose and is the thread running through our values, both for those who enjoy our game already and those we want to attract. Being more inclusive will foster diversity and, in turn, help Rugby Union to thrive in England.

The RFU has a responsibility to the game to set a high standard for inclusion, fairness and equality of opportunity and, as a membership organisation, must ensure that there are no barriers to our members being welcomed and having their voices heard. Our research shows that rugby is under-represented in terms

IT IS CLEAR THAT INCLUSIVITY IS BOTH CRITICAL TO OUR PURPOSE AND IS THE THREAD RUNNING THROUGH OUR VALUES, BOTH FOR THOSE WHO ENJOY OUR GAME ALREADY AND THOSE WE WANT TO ATTRACT.

of participation and interest among many groups. Addressing this, and building greater inclusivity, will allow us to enrich lives and introduce more people to Rugby Union, which will future-proof the game.

We have been focusing on four strategic pillars, each with specific outcomes: Fans, Followers & Partners, Game Play, Employees & Board, and Game Leadership.

A detailed review is included in the Sustainability section on Page 32

6. UNDERSTAND

It is critical for us to continually update our understanding of the experiences of all participants in the game. The National Rugby Survey of 8,000 players, volunteers and staff in the community game in January 2022 showed that 80% of adult male players were satisfied or very satisfied with their overall experience in rugby over the season. An impressive 93% of age grade players were satisfied or very satisfied with their overall season's experience and 78% of clubs reported that they were in the same or a better financial position in 2021 compared to pre-COVID-19. We monitored match completion rates and player affiliations, analysed player and volunteer demographics, interviewed young players, volunteers and infrequent players to understand their experiences of the 2021-22 season. To further understand the successful roll out of digital tickets, which saw 85% of tickets for the 2022 men's Six Nations matches delivered digitally we carried out fan engagement research which found nine out of ten attendees indicated their usage of digital ticketing to enter Twickenham Stadium was positive.

Reshaping our adult men's community game leagues responded to feedback from the game and, together with the introduction of new formats, including the Touch Union and Game On adaptations, aims to improve current players' experiences and to attract new players.

7. CONNECT

Attendances on training courses returned to pre-pandemic levels. Changes to England Rugby Coaching and Refereeing Awards, including online support, webinars and communities of practice, alongside face-to-face training, saw more effective support for coaches and referees. In total, we recorded over 70,000 engagements, with huge numbers accessing video guides and resources on social media feeds and YouTube. Following a 12-month hiatus, 226 people completed the 10-month England Rugby Advanced Coaching Award. More than a thousand have completed the new Introduction to Refereeing Course launched in March. In 2022-23, we will continue to support the growth of the women's and girls' game and, as part of the Rugby World Cup Legacy, aim to support over 500 women coaches and referees.

As the women's and girls' game continues to grow, **Allianz Inner Warrior** has seen 23,000 women

IT IS CRITICAL FOR US TO CONTINUALLY UPDATE OUR UNDERSTANDING OF THE EXPERIENCES OF ALL PARTICIPANTS IN THE GAME.

attend Inner Warrior camps since the programme began in 2016. These camps, run by clubs nationwide, continue to be a great introduction to rugby for those that have never played or who want to return to the sport.

The **Platform for Rugby** game management system is now providing club affiliated players with their personal playing data each month.

The Club Support Centre has evolved from a stand-alone email to an online self-service Help Portal with a

catalogue of FAQs. The Help Portal supports clubs with anything from booking a coaching course to support with day-to-day activities, including payment of players declarations and age grade affiliation. A full review has brought key recommendations to be implemented over the coming months to ensure clubs continue to receive a high-quality customer service. This is in addition to the VAT, CASC, Licensing and Grant Finder helplines provided by third parties.

Our Club Support Webinar and Virtual Workshop programme has been key in upskilling volunteers in the community game. A total of 28 sessions had 1,388 attending and 3,000 views of recordings which enabled people to watch at convenient times. To avoid webinar fatigue, we plan to have 50% of our support sessions held live and to evolve other approaches such as Zoom events. We developed two further support resources, Volunteer Recruitment and Welcoming Club, delivered to clubs locally by the Club Developers.

8. COMMERCIAL AND OPERATIONAL EXCELLENCE

Despite a challenging economic environment, thanks to excellent relationships with partners, the revenue targets for broadcast, sponsorship, retail, and licensing were all exceeded.

We secured new commercial partnerships with Papa Johns who become the first-ever title sponsor of the Papa Johns Community Cup for women and men, and Pozitive Energy who have become our official utilities partner, with rights across both men's and women's game.

Our existing five-year partnership with O2 (which runs through to August 2026) saw their exclusive category extended for the duration of their term, securing an additional seven-figure revenue sum for the RFU.

From a content and social media perspective, the men's and women's Six Nations were our most successful ever. We grew our audience on England Rugby channels to over 4.7 million followers,

WE GREW OUR AUDIENCE ON ENGLAND RUGBY CHANNELS TO OVER 4.7 MILLION FOLLOWERS, GENERATING OVER 100 MILLION VIEWS ON OUR VIDEO CONTENT.

generating over 100 million views on our video content, and helped reach a new audience of rugby fans by growing rapidly on platforms like TikTok, where our following has gone from 85,000 followers to nearly 400,000 in under a year. Growth in followers and interactions with our content continues and will be further assisted by future digital data collection.

At Twickenham Stadium, we continuously reduce our environmental

impact. The commencement of a carbon footprint calculation and environmental materiality assessment includes a plan to tackle behaviour, business operations and asset performance, and will facilitate the setting of mid to long-term targets. The RFU continues to demonstrate a commitment to outstanding occupational health, safety and wellbeing management, successfully obtaining the 2021 British Safety Council 5-star award and prestigious BSC Sword of Honour.

During the season, Twickenham hosted three Autumn Internationals without any major incident. The Tonga game attracted a crowd of almost 73,000, and we approached capacity for the Australia and South Africa games. At Christmas time we hosted Big Game 13, which included a Harlequins Women's match, with some 73,000 fans attending. Tests against Wales and Ireland in the Guinness Six Nations saw almost capacity crowds before the Varsity Match and Army v Navy game. The Quins Big Summer Kick-Off brought 42,500 to Twickenham and the HSBC London Sevens weekend brought in some 73,500. The Gallagher Premiership final had approaching 74,000 fans attending and England v the Barbarians almost 50,000. The planned Barbarians v Samoa match in November 2021 was cancelled late due to coronavirus issues within the Barbarians men's squad. All ticket



ENGLAND
CHAMPIONS 2022

ANNUAL REPORT 2022



payments were rapidly refunded but the Barbarians Women still played a Springbok Women's XV with a record 29,581 crowd for a women's international.

WAYS OF WORKING

We continue to offer hybrid working since our survey showed that 93% of those usually based at the stadium wanted the option of balancing working from home and office, within a high-performance culture. Colleagues are inspired by and effectively working in an environment which recognises both the needs of the business and the individual. It is also most welcome to see our Social Committee able to organise whole staff gatherings once again.

LOOKING FORWARD TO 2022/23 OUR STRATEGIC TARGETS

We continue to measure our progress using the 16 Strategic Targets that were developed in FY20/21. These are split by Core Activity, Game Objectives and Driving Objectives, and are tracked on a quarterly basis by the RFU Board and Executive Team.

The principles we used when developing these targets are: our targets should align to our Core Activity or

WE CONTINUE TO OFFER HYBRID WORKING SINCE OUR SURVEY SHOWED THAT 93% OF THOSE USUALLY BASED AT THE STADIUM WANTED THE OPTION OF BALANCING WORKING FROM HOME AND OFFICE, WITHIN A HIGH-PERFORMANCE CULTURE.

Strategic Objectives; we must be able to measure the target accurately; and our activity must be able to impact change in the target.

For the Targets that measure our Core Activity and Driving Objectives, we have developed consistent year-on-year measurements throughout FY21/22, which build on the baselines set in FY20/21. We have baselined our Game Objective targets in FY21/22, as for the most part, due to COVID-19, there was no rugby being played in FY20/21.

For FY22/23, all 16 Targets will be measured, with the Targets set by the RFU Board in conjunction with the Executive Team. More detail on our Strategic Targets for 2022/23 can be found on our website [here](#).

I would like, in closing, to thank all colleagues and the whole game for their resilience in challenging times and for their continuing support.

RISK MANAGEMENT & INTERNAL CONTROL

RISK MANAGEMENT PROCESSES ARE VITAL TO THE ONGOING SUCCESSFUL OPERATION OF THE RFU. THROUGH ACTIVE AND CONTINUOUS MONITORING OF RISKS, WE CAN ENSURE CONTINUED INVESTMENT INTO THE COMMUNITY AND PROFESSIONAL GAME, AS WELL AS ENABLE THE SUCCESS OF OUR STRATEGY, INCLUDING CORE AND STRATEGIC OBJECTIVES.

The RFU Risk Management Framework is available on our website [here](#). This process ensures the identification of risks across the organisation, including strategic risks. The most significant risks are included in this report.

Significant risks across the RFU have been reviewed, including the impact on our core and strategic activities:

SAFEGUARDING

Safeguarding continues to be a high priority for the RFU, with policies, procedures and education regularly reviewed and refreshed. Safeguarding structures are in place across Constituent Bodies (CBs) and professional clubs/academies. Further details on the continued efforts of safeguarding at RFU can be found at <https://www.englandrugby.com/governance/safeguarding>.

PLAYER WELFARE

Player welfare continues to be a high priority for the RFU and for rugby stakeholders across the game, from World Rugby to constituent bodies and clubs. This includes injury due to the physical nature of the game. Head impact prevention is a high priority for both the professional and community game, with significant investment into research, education and communication at all levels to minimise the risk of occurrence and ensure correct protocols and treatments are in place to mitigate long-term injury. This continued work is supported by engagement with external stakeholders, including World Rugby to ensure consistent and timely communication.

The RFU continues to work actively to provide education and support including provision of well-recognised programmes such as Pre-Hospital Immediate Care in Sport courses. Additional protocols and research are being undertaken across the community and professional game which will inform future age-appropriate impact exposure guidelines.

PARTICIPATION

The community game, including Men's, Women's and age grade competition, has been significantly impacted by COVID-19. A noted decline in return to play has been identified within adult numbers. Resources have been deployed to support the clubs and CBs, including the Adult Male Rugby Recovery Plan, Growing the Girls' Game Guidance, and the National Participation Campaign. In addition, a new Adult Male Competition Structure has been introduced for 2022/23 season subsequent to significant review by the Future Competition Structure Group.

Insights show that there is a continued risk of loss of players aged between 16-24 due to varying socio-economic reasons, which will compromise the continued growth and diversity of the game. Resources are available to clubs and CBs to assist with age grade to adult transition, and further research and insights are being undertaken to steer activity to combat the loss of players.

Work continues to grow the women and girls' game, capitalising on increased profile of AP15s and Red Roses' success, and the upcoming Rugby World Cup in New Zealand. Participation campaigns such as "Allianz Inner Warrior" and "Play Together, Stay Together" will help inform and drive further sustainable growth.

The competitive community game relies on the availability of trained match officials. Amended training has been launched to make refereeing more accessible to those entering into the role. Work to increase young and female match officials is in place.



OPERATING TWICKENHAM

Revenues derived from events at Twickenham Stadium are a significant revenue stream for the Group. Substantial risks regarding fire safety, stadium maintenance and terrorism may impact the ability of the stadium to operate. These risks are actively mitigated through a series of activities driven through the Health & Safety lead within Venue Operations including:

- i. revision and implementation of fire safety strategy and risk assessments
- ii. retention of British Safety Council 5 Star Occupational Health & Safety Audit status
- iii. review of Business Continuity processes and improvements planned for FY22/23
- iv. statutory compliance tracker monitoring by Exec and Board
- v. mandatory training for all employees

FINANCIAL STABILITY

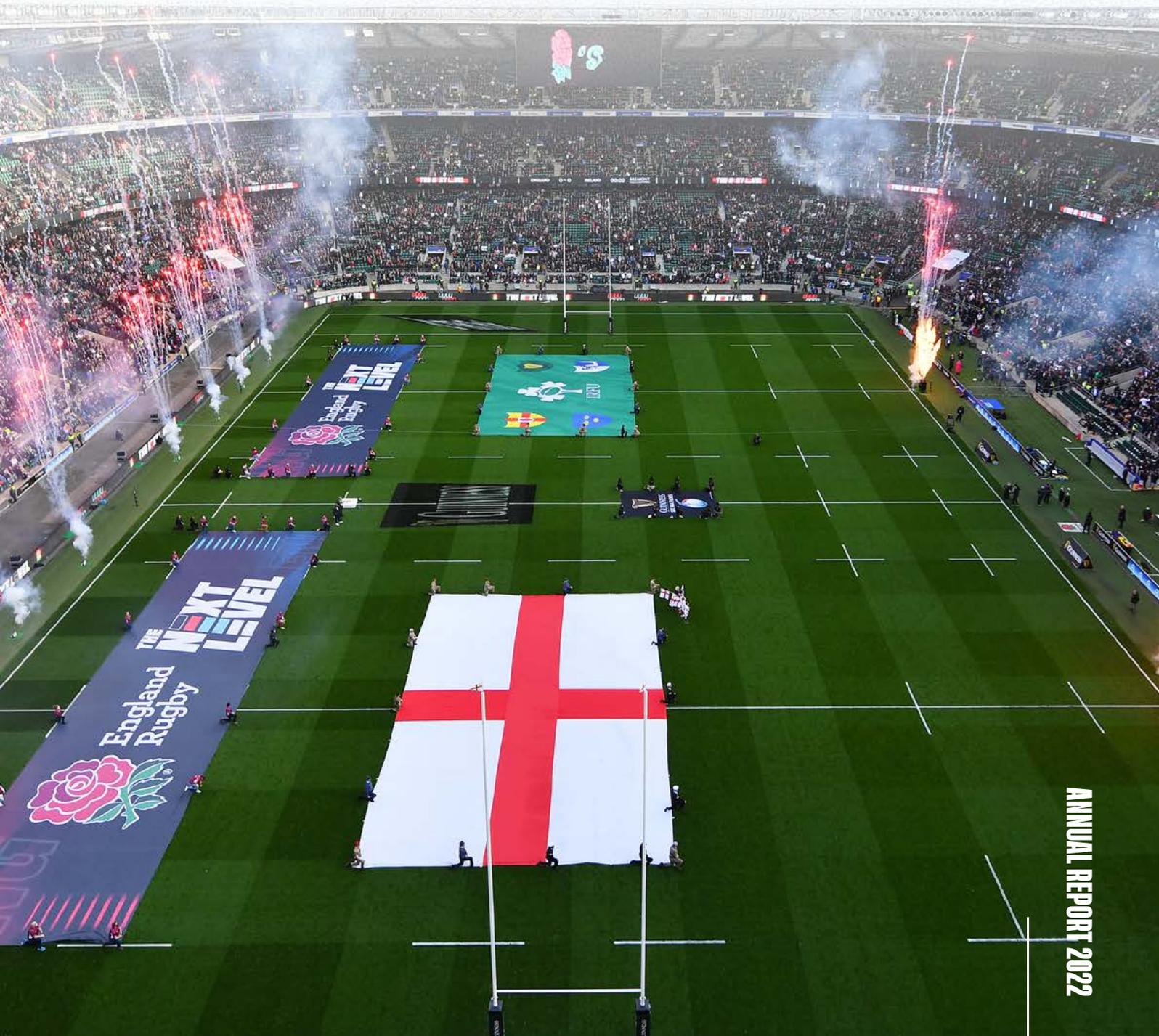
Revenue streams such as broadcast continue to be depressed post COVID-19. Management continue to work with related parties to ensure best opportunities are sought for the game.

Due to inflation, significant increases in the cost of core supplies are a concern including, but not limited to, energy and event day staffing requirements. Continuous monitoring of costs and usage of brokers to mitigate rises and fix rates has been implemented to minimise the impact on the business and game. Insurance markets continue to prove to be challenging across all areas.

CYBER SECURITY AND DATA

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

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



STAKEHOLDER ENGAGEMENT

STAKEHOLDER ENGAGEMENT DISCLOSURES

SECTION 172 STATEMENT

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

STAKEHOLDER ENGAGEMENT

The RFU has identified its key stakeholders and considered how they are engaged.

Key stakeholders include member clubs, Constituent Bodies, local and national government, players, the workforce, and commercial partners.

In each year's Annual Report we select one group of stakeholders to describe in greater detail. Last year we described our engagement with government.

This year, as rugby has returned, the role of the volunteers within rugby has become front and centre. Therefore for this year's report we have chosen our engagement with them as an example of how we engage with key stakeholders.

WHY ARE THEY IMPORTANT TO THE RFU?

Volunteers are the lifeblood of the sport; without their time, the game, especially at grassroots level, would simply not

exist. One of the specific areas within the RFU's Strategic Plan is to "provide support to club and CB volunteers, helping them attract new, diverse volunteers and developing clubs to be fit for the future and self-sustaining."

KEY TOPICS OF INTEREST

During this season, there was a key focus on the burden faced by volunteers, particularly as the game returns following the COVID-19 pandemic. A key concern is the ongoing recruitment and retention of volunteers within the game.

Another key area of focus was the impending implementation of the Future Competition Structure, a project which from the 2022/23 season will change the structure of adult male competitions.

HOW THE RFU ENGAGED WITH THOSE STAKEHOLDERS

Senior RFU management and directors have regular structured and ad hoc dialogue with a range of volunteers, whether representatives of clubs and Constituent Bodies or otherwise, to understand the challenges faced by them in the game. Examples of this dialogue are:

- During the autumn of 2021, the programme of roadshows across the country that took place prior to the COVID-19 pandemic was restarted. This involved directors and senior management meeting representatives of over 80 clubs, as well as Constituent Body and other volunteers throughout the country.
- There continues to be a volunteer recognition programme, sponsored by Honda. This provides grassroots rugby clubs, Constituent Bodies and the rugby community with opportunities to recognise and reward the volunteers who make up an integral part of the game. This programme is delivered in a number of ways, including acknowledgements at England senior teams' matches and an annual Volunteer of the Year awards evening.

- The Board of Directors also restarted its programme of holding at least one meeting outside Twickenham, with its meeting in March being held in Bristol. As with previous such meetings, this was accompanied by sessions with other stakeholders, including a community-focused event the previous day at Clifton RFC where the Board and senior management could engage with local volunteers.

WHAT FEEDBACK WAS HEARD FROM THE ENGAGEMENT

There is consistent feedback regarding the burden on volunteers and how this has increased over recent years. The burden of legislative requirements, such as GDPR, as well as decreasing numbers of volunteers (exacerbated by COVID-19), means that those volunteers at grassroots clubs in general must do more with fewer people.

WHAT ACTIONS WERE TAKEN AS A RESULT

Programmes which help develop the next generation of volunteers continue. For example, the Rugby Leaders Network enables key volunteers to connect, exchange ideas and collectively develop clubs that are fit for the future. This programme includes leadership development modules, virtual networking sessions, webinars, and virtual workshops.

A series of materials are available to clubs to help recruit and retain volunteers, which includes a safer recruitment toolkit, and plans for inclusive marketing.

A task group, reporting to the Community Game Board, was established specifically to look at the volunteer burden. This has made a number of recommendations, including streamlining the approvals which Constituent Bodies are required to give.

Within safeguarding, a centralisation of the In Touch courses, being delivered virtually, has meant less travelling time for volunteers. Those courses, together with a clear role description for club

safeguarding officers, are intended to ensure that those volunteers are not given a disproportionately large workload.

Other guidance has been updated, including in relation to incorporation of clubs in order to continue to make this as straightforward as possible.

Finally, a project funded by Sport England as part of the Sports Winter Survival Package, has begun which will help clubs and Constituent Bodies improve their governance and help them generate greater revenues. Improved governance structures should optimise volunteer time.

**THE RUGBY LEADERS
NETWORK ENABLES
KEY VOLUNTEERS
TO CONNECT,
EXCHANGE IDEAS
AND COLLECTIVELY
DEVELOP CLUBS
THAT ARE FIT FOR THE
FUTURE.**



KEY DECISIONS MADE BY THE BOARD

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

Significant events/decisions	Actions and impact
1. The decision to restructure the Premier 15s and to launch a new long term investment programme in the elite women's game	<p>In June 2022, the Board committed to a ten-year strategy for the Premier 15s. The ambition is to transform the league into the most competitive, progressive, and sustainable domestic competition in the world. This will involve a new operating company to manage the league from season 2023/24, with up to £220m being invested in the professional women's game over ten years.</p> <p>This decision also required the approval of Council for the continuation of a ring-fenced league.</p>
Impact on the long-term sustainable success of the RFU	<p>This strategy aims to accelerate the growth of the league and inspire a generation of fans and players through world-class competition. This will assist with the long-term sustainable success of the game as a whole in England, including increasing commercial revenue to drive long-term financial sustainability of the league. In particular, it will underpin the long-term success of the Red Roses, including the player pathway and growth of new audiences, with the ambition of selling out Red Roses matches at Twickenham.</p>
Stakeholder considerations	<p>The Board considered the impact upon the existing and future women's game and consulted in detail with existing and potential Premier 15s clubs, other clubs and with players and their representatives.</p> <p>This was also discussed in detail by the Council throughout the process. The Board also considered the impact on current and future sponsors and consulted with the incumbent commercial partner of the Premier 15s, Allianz.</p>
2. The decision to commit funds through a Strategic Growth Fund	<p>The investment by CVC Capital Partners in the commercial rights of the Six Nations resulted in a capital injection for the RFU as well as for other unions. The RFU Board agreed a framework for use of these funds which will ensure that it is invested in projects that will bring a long-term return, rather than being used for operational expenditure. The four areas of investment will be: (1) Digital, Data and Content; (2) the Women's and Girls' Game; (3) Stadium Masterplanning; (4) long-term investment in the community game.</p>
Impact on the long-term sustainable success of the RFU	<p>The areas of investment are deliberately chosen to safeguard the long-term financial position of the RFU, and to ensure long-term sustainability of the community game. Each of these areas has specific project plans, with specific aims and key performance indicators.</p>
Stakeholder considerations	<p>The Board considered all relevant stakeholders. The approach taken was to begin with a strategic analysis to examine the extent to which any projects fit in with the current Strategic Plan and what the benefits are. Different projects will involve a different level of engagement with different stakeholders. For example, community investment will take into account the longer-term analysis of the clubs of the future, which involves establishing a commission involving stakeholders from across the community game. The work on Stadium Masterplanning, on the other hand, will involve consideration of other stakeholders such as the local Twickenham community, transport authorities and central and local government.</p>

Significant events/decisions	Actions and impact
<p>3. The decision to approve the drawing down of the Winter Sports Survival Package funding and to operate the loan element through a subsidiary, England Rugby Limited.</p>	<p>The RFU Board formally approved the arrangements with Sport England and the Department of Digital, Culture, Media and Sport for £40 million of funding to support grassroots clubs. This allowed up to £22m of loan funding to support the survival of community club assets, as well as grant and loan funding to support survival costs.</p>
<p>Impact on the long-term sustainable success of the RFU</p>	<p>While this funding is passed through a company that is part of the RFU group, it is provided directly to clubs and so does not represent additional revenue for the RFU. It is designed to assist with the sustainable success of community clubs, and thereby the game as a whole.</p>
<p>Stakeholder considerations</p>	<p>Consideration was given to the community clubs themselves, as well as other community rugby stakeholders. Work was undertaken to make the loan documentation from Sport England and the Department of Digital, Culture, Media and Sport as suitable as possible for grassroots clubs, and that the management of this process was manageable for those clubs.</p>
<p>4. The decision to establish a joint venture with World Rugby to deliver the World Cup in England in 2025</p>	<p>The RFU had decided to bid to host the Rugby World Cup in 2025, which will be the first time that the women's tournament had been held in England since 2010. The RFU was announced as the preferred bidder. The Board agreed to enter into a joint venture arrangement with World Rugby, which would mark a change from the previous model of the hosting union being given local rights in return for bearing the financial risk of a tournament.</p>
<p>Impact on the long-term sustainable success of the RFU</p>	<p>It is hoped that this tournament will be the biggest and most successful women's Rugby World Cup, with the ambition of selling out Twickenham for the final. While the tournament is not expected to generate a profit for either the RFU or World Rugby, the joint venture structure will appropriately limit the financial exposure of the parties.</p> <p>More significantly, it is designed to deliver a legacy for the game, with an increase in female players, coaches and match officials, and delivering new fans for the game.</p>
<p>Stakeholder considerations</p>	<p>The Board considered the impact on other international stakeholders, as well as the undoubted benefits this will bring as a legacy for the game. As the fuller legacy plans are developed, the RFU will continue to work with domestic stakeholders, including local clubs and Local Authorities.</p> <p>The Board also considered the relationship with UK Sport, who have agreed to contribute significantly to the funding of the tournament and its legacy.</p>



KEY DECISIONS MADE BY THE COUNCIL

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

Significant events/decisions	Actions and impact
1. The decision to co-opt additional members to the Council from more diverse communities	The Council has the ability to co-opt additional members to the Council. During season 2021/22, it exercised this ability to co-opt a total of five new members, including a member of the World Rugby Women’s Leadership Scholarship programme. These new Council Members have brought a more diverse range of voices to the Council.
Impact on the long-term sustainable success of the RFU	This co-option is designed to help with the decision-making in the Council and also through the committee structure as the new Council Members join that structure.
Stakeholder considerations	The Council considered the role it plays in the game. Although the new co-opted Council Members do not represent a constituency in the same way that the majority of Council Members do, it considered how the new members may be able to give a voice to others within the game.
2. The decision that all adult players will be required to affiliate annually, with an effective date (July 2023 at the earliest) to be subsequently decided by the Council.	While the Council will in general approve regulations on a season-by-season basis shortly in advance of the following season, in this case Council confirmed that this regulation change will come into force in the future. It made this decision to give certainty to the game, to allow the technological solution required to proceed, and for the regulations required to bring this principle into effect to be fully thought through.
Impact on the long-term sustainable success of the RFU	This decision was made with a focus on the long-term sustainable success of the game as a whole. Two of the key strategic objectives within the current Strategic Plan is to build a deep understanding of players, volunteers and fans to shape the future of the game, and to connect and grow the rugby community and create exceptional experiences. Improved knowledge of those playing the game will enable this to happen in a much better way, and will assist clubs, Constituent Bodies and the RFU in making data-driven decisions for the benefit of the game as a whole.
Stakeholder considerations	The Council considered the needs of clubs and players, particularly the younger generations of current and future players. It also considered the regulatory framework and the extent to which mandatory registration could be a barrier to participation, and therefore what mitigations are needed to minimise this.

On 29 July 2022, after the end of the 2021/22 season, the Council agreed to implement a new Gender Participation Policy. This followed a consultation exercise, a review of the current scientific position and scientific briefings for Council. Further information on the information considered by the Council can be found on the RFU website together with the new policy.



INCLUSION AND DIVERSITY

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

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

While encouraging diversity and celebrating inclusivity during the Guinness Six Nations and TikTok Women's Six Nations, we have also featured inclusive and diverse groups in sport across Guinness' social media channels, including the first gay rugby club, the Steelers, and Black Girls Ruck. Key commercial branding rights have helped us to promote campaign messaging through the likes of LEDs and big screen advertising at Twickenham. We have also tackled discrimination in stadia and online by working with social media platforms such as Twitter to eradicate negative comments during competitions. We will also be participating in wider quantitative and qualitative research with each Home Union to deliver industry leading research.

Game Play – Improving inclusivity, reducing discrimination and increasing access for under-represented groups, therefore growing the game overall.

A bespoke I&D education module for the elite and professional game has been created to be delivered before the end of the upcoming season in collaboration with the Rugby Players' Association and Premiership Rugby. Three phases will include: an online element, introducing the principles and importance of I&D;



in-person workshops, club by club, team by team, to establish local needs and action plans; and webinars to guide clubs and teams on tools which can be implemented to drive change. Additionally, over the past two years, a community I&D Survey has provided an understanding of who is participating in rugby, their experiences of doing so, and whether they have experienced or witnessed discrimination. This is being launched again this year, alongside a similar survey for the professional game.

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

A raft of changes have been made to our recruitment processes, including: updating the way we advertise jobs and working with a wide range of job boards, ensuring the language we use in adverts is inclusive; moving away from traditional requirements like CVs and covering letters; implementing a new tracking system to more effectively measure the diversity of applicants through to those we offer jobs to. Additionally, our annual I&D staff engagement survey measures inclusivity and sentiment, providing a basis from

which to address issues and build a more inclusive culture. We also rolled out an education and training programme for all employees, Executives and Board members.

Game Leadership – Improving diversity and inclusion within the volunteer leadership and governance structures within the game.

Over the past 18 months, five new Council Members have been co-opted from a range of diverse backgrounds and guidance has been produced on inclusive meeting practices for all committees, as well as inclusive recruitment toolkits for clubs and CBs. Additionally, an I&D training programme was launched for Council Members and a Council and National Youth Council mentoring programme was introduced, with 30 I&D Leads appointed across our CBs. Council will also be looking to set targets around diverse representation.

Four key enablers have been established to drive change, with an agreed set of milestones and actions for each over the coming three years to deliver our ambitions:

PEOPLE, DATA & INSIGHTS

Developing insights to help us understand the perceptions of rugby within the fan, player, participant and volunteer base, using them to address and remove any barriers to access and building them into our actions. Examples include reflecting on the Women and Girls, Youth Insights, and developing further insights on Ethnically and Socially diverse communities.

EDUCATION & TRAINING

Establishing an ongoing and evolving culture of education and training for everyone across the game, to develop inclusive leaders and instil greater understanding of diversity in all its forms. Examples include our Fantail inclusive leadership programme – across all levels of the organisation – and the I&D education module being developed for the professional game.

ENGAGEMENT

Understanding our insights to engage effectively with under-represented communities, developing stories that celebrate the diversity existing within our game, while creating best practice tools and sharing spaces for everyone involved with the game to learn from one another. Examples include our new inclusive recruitment systems, implementing Project Rugby and Rugby United – programmes designed for engagement and to increase participation amongst under-represented groups.

LEADERSHIP & ADVOCACY

Proactively engaging with our partners and stakeholders, seeking collaborations where possible, and being transparent about our progress. Examples include the Guinness Never Settle Campaign – a collaboration during the Six Nations against all forms of discrimination – and our ongoing work with O2, which includes behind the scenes with England players, and taking the game into under-represented communities across the country.

HEADLINE GOALS WITHIN EACH WORK AREA:

FANS, FOLLOWERS & PARTNERS

Fan Interest Share			
	2021/22	2022/2023 Target	2025 Target
Women & Girls	27%	35%	40%
Ethnically Diverse Communities	6%	6%	6%
Low Socio-Economic Groups	32%	35%	37%

EMPLOYEES & BOARD

Increase Diversity of Executive & Leadership Team and RFU Employees		
	2021/22	2025 Target
Executive & Leadership Team Women	40.9% (38% in 20/21)	42%
Executive & Leadership Team Ethnically Diverse	9.09% (4% in 20/21)	11%
RFU Employees from under-represented groups	44.7% (41% in 20/21)	50%

GAMEPLAY

Rugby Participation		
	2021/22	2025 Target
Women and Girls	37,329	60,000
Players from low-SEB	84,000 (17-19 data)	170,000

GAME LEADERSHIP

OVER THE PAST 18 MONTHS:

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

ENVIRONMENTAL IMPACT

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

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

The focus on waste improvements has continued. The stadium has operated under a "Zero waste to landfill policy" for the past seven years. This is achieved by all the stadium's food waste being composted using an anaerobic digestion

unit that produces both electricity and fertiliser. All recyclables are sent to a state-of-the-art recycling plant operated by Grondon for recycling. Any waste unsuitable for recycling is incinerated to provide energy back to the National Grid. We are also changing our forklift fleet to electric from diesel next season.

Since the introduction of the reusable EcoCup programme, the stadium has saved some 15 million cups from land fill, with an objective that only 5% of plastic waste is single use. Single use plastics have been reduced by 80% with the target increasing incrementally on an annual basis.

Twickenham avoids the use of bottled water where possible. In partnership with Levy UK, 95% of our food is now prepared and cooked onsite using at least 80% British ingredients and all cooking oil is recycled, while we are introducing new filter technology to our fryers to reduce the amount of disposable oil. Unused

food is donated to Charities City Harvest or the Felix project and, as part of our commitment to the environment, we have also introduced a new food waste management tool, which supports the monitoring and reporting of food waste to assist with reduction.

SINCE THE INTRODUCTION OF THE REUSABLE ECOCUP PROGRAMME, THE RFU HAS SAVED IN EXCESS OF 15.0 MILLION SINGLE-USE PLASTIC CUPS FROM ENTERING LANDFILL

OVER THE PAST YEAR

21 TONNES

OF FOOD WASTE COMPOSTED FOR ELECTRICITY AND FERTILISER

ANNUALLY

ALL COOKING OIL RECYCLED

70% OF FRUIT AND VEGETABLES SOURCED FROM UK

FRESH BREAD FROM LESS THAN 12 MILES AWAY

WALKING, CYCLING AND PUBLIC TRANSPORT PROMOTED

95% OF FOOD PREPARED AND COOKED ONSITE

NO PLASTIC STRAWS, STIRRERS OR SAUCE SACHETS

ECOCUPS SAVED MORE THAN 15 MILLION SINGLE-USE PLASTIC CUPS FROM LANDFILL

23.5 TONNES OF GLASS SENT FOR RECYCLING

FLEET OF ELECTRIC SHUTTLE BUSES FOR FANS

ENERGY USAGE

Controls implemented in recent years have continued, including meeting the International Standards Organisation ISO 20121 for sustainable event management, the Carbon Reduction Commitment Energy Efficiency Scheme, and Energy Saving Opportunity Scheme. Energy usage in 2021 was unusually low due to reduced use of the stadium during the COVID-19 pandemic.

		2022			2021		
		Units	KgCO ₂ e	% of total	Units	KgCO ₂ e	% of total
Gas	kWh	12,379,001	2,512,565	43.36%	5,534,917	1,290,411	33.80
Electricity	kWh	13,012,611	2,762,968	47.69%	9,100,781	2,121,756	55.60
Cars	miles	1,373,059	415,089	7.16%	588,279	309,034	8.10
Water	m ³	216,671	91,214	1.57%	23,935	62,425	1.60
Waste	kg	632,800	12,336	0.22%	140,715	35,464	0.90
			5,794,172	100.00		3,819,090	100.00

Waste is either recycled or energy recovery is performed, which removed 153,321 kgCO₂ from our emission. The RFU in the past year generated 155 MWh of electricity from waste energy recovery.





SUE DAY COO/CFO

After 18 months of restrictions, we were delighted to see the return of capacity crowds at Twickenham for the men's Autumn Internationals in November 2021 (and indeed for the 2022 Six Nations). Men's 15s internationals played at Twickenham Stadium remain the main driver of RFU revenues, so the return to full capacities meant a return to significantly higher revenues than the prior year. We are extremely thankful that the rugby community turned out in their droves to cheer on our teams and help us generate much needed revenues to support our investment back into the game of rugby.

While we celebrate the removal of restrictions and spectators returning to the stadium, it is also important to sound a note of caution for the future. Although revenues are much higher than last year, they remain lower than our pre-pandemic forecasts and, across the four-year cycle from July 2020 to June 2024, we expect our overall revenues to be £150m (19%) lower than we were forecasting before the pandemic hit. We also know that we are facing immediate and significant cost inflation challenges, particularly in relation to utilities. And so, as we rebuild post-pandemic and face into the impact of lower revenues and cost inflation, it will be critical that we continue to keep a tight control on our cost base, to make sure we are spending our money wisely and where it will make the greatest difference to our game.

In this report last year I outlined a number of 'unusual' items that were impacting our finances in the short term. Three of those remain relevant in the year to 30 June 2022. Those are: the Six Nations agreement with CVC for the sale of shares in the Six Nations, the debenture donation programme, and government COVID-19 emergency schemes.

THE SIX NATIONS AGREEMENT WITH CVC

As detailed in this report last year, in November 2021 the Six Nations Agreement with CVC was finalised. That Agreement means that CVC will, in effect, become a seventh partner, along with the Unions, in the Six Nations and will hold a 14.3% stake in the New Six Nations Company. The RFU will receive £90.8m in net proceeds from the transaction in five tranches over five financial years. The first tranche was received in November 2021.

These are capital proceeds so cannot be used to fill the short-term revenue gap created by COVID-19. That would be unsustainable. The funds must instead be invested in revenue generating projects to grow our revenues for the long term. The Board has identified – and begun to invest in – a small number of those long-term revenue generating projects, including stadium development, digital and data development, and the Women's game. Some of the proceeds will also be ring-

fenced for direct investment into club facility projects, enabling participating clubs to increase their own ongoing revenues.

Accounting for the transaction is complex and will have a significant impact on our financial statements over the five-year period. Although the transaction took place in year, the full consideration receivable is not recognised as profit in year as accounting standards require us to adjust for the time value of amounts received in future years (known as discounting). For this reason, £87.6m of the £90.8m profit has been recognised in 2021/22 as a 'Gain on sale of shares in subsidiary' and a further £1m has been recognised as interest income as the discount unwinds in year.

The balance will be recognised as interest income over the following years as the remainder of the discount 'unwinds' as the cash is received.

From a cash perspective, £14.4m was received in year and a further £19.1m has been received post year end in July 2022. The remainder will be received in equal instalments of £19.1m across the following years with the final payment being received in July 2025.

The cash and P&L impacts across all five financial years can be summarised as follows:

Financial Year Ending	Date of proceeds receivable	Cash impact			P&L impact		
		Gross proceeds receivable £m	Costs £m	Net proceeds receivable £m	Profit recognised £m	Interest income recognised £m	Total £m
June 22	Nov 21	19.1	(4.7)	14.4	87.6	0.9	88.5
June 23	July 22	19.1		19.1		1.1	1.1
June 24	July 23	19.1		19.1		0.8	0.8
June 25	July 24	19.1		19.1		0.4	0.4
June 26	July 25	19.1		19.1		-	-
		95.5	(4.7)	90.8	87.6	3.2	90.8

COVID-19 EMERGENCY SCHEMES

Working closely with the Government and Sport England, we were able to secure COVID-19 government loan funding for community rugby clubs. During the year, 91 loans totalling £8.4m were issued through England Rugby Limited. These loans are enabling clubs to undertake asset development projects that will drive revenues and improve their long-term financial position post-COVID-19.

The RFU itself also benefited from COVID-19 business rates relief of £1.4m in year. We are immensely grateful and would like to record our thanks to the Government for the support received both for the RFU itself and for so many of our community rugby clubs.

DEBENTURE DONATION PROGRAMME

In this programme, we asked our

debenture holders to consider selling their debenture loans at present value back to the RFU and donating the proceeds to the Rugby Football Foundation (RFF). I described this programme in detail in this report last year and the majority of the impact was reflected in the prior year. The programme, however, did continue until October 2021 and the final donations are reflected in this year's financial statements. From July to October 2021 a further 453 debentures were donated, resulting in a £2.6m debenture waiver credit and £1.0m of revenue split £0.8m donation and £0.2m Gift Aid.

FINANCIAL OVERVIEW

Comparing our financial performance with the prior year is complex due to the unusual circumstances in which we find ourselves.

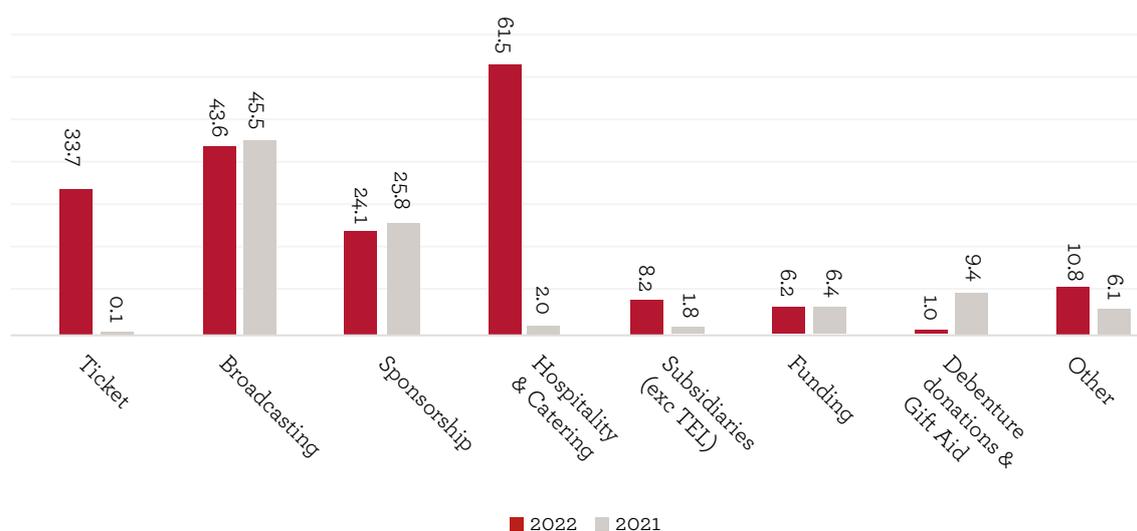
- Last year was severely impacted by

COVID-19 with capacities ranging from 0% to 12% of the usual 82,000 attendance figure.

- Our revenues were much lower than we would have expected in a 'normal' year because of those reduced capacities. Our costs were also lower than usual both because lower capacity events cost less to put on and because far less rugby activity took place in general across the year. This means that our prior year figures are not useful comparators when we look to measure performance; and
- The profit for this year ended 30 June 2022 is significantly inflated by the combination of the three 'unusual' items outlined above. Our Profit to Reserves is £95.0m, compared to an 'underlying' profit figure of £1.6m. These profit figures reconcile as follows:

	2021/22 (£m)
Profit to Reserves	95.0
One off Income	
Gain on sale of shares in subsidiary	(87.6)
Interest receivable in relation to sale of shares in subsidiary	(0.9)
Debenture waiver credit	(2.6)
RFF Income on Debenture Waiver	(1.0)
One off Cost Savings	
Business rates relief	(1.4)
Underlying Profit to Reserves	1.5

REVENUE (£m)



The return of restriction free crowds at Twickenham was the main driver behind 95% year-on-year overall revenue growth (from £97.0m in the prior year to £189.1m in 2021/22).

Ticket income exceeded £30m for the first time in three years, as there were no capacity restrictions on our matches.

The reduction in Broadcast revenues (£43.6m vs £45.5m in the prior year) is because the prior year includes broadcast revenues attributable to the delayed 2020 Six Nations against Italy that was played in October 2020 due to COVID-19.

Sponsorship income remains down on our pre-pandemic revenues. The year-on-

year reduction is driven by the end of our commercial partnerships with NatWest, Quilter and Mitsubishi, but we are delighted to have extended our agreement with O2 and we welcome Honda as our new motor vehicle provider.

Revenues from Hospitality and Catering were our highest ever (£61.5m) with the return of fans to the stadium and with it being the first full year that we have been able to operate the new East Stand development uninterrupted (FY20 was its first full year of operations, which had no Men's Autumn Internationals and was impacted by the beginning of the pandemic). We expect further growth in 2022/23 with the four Men's Autumn Internationals and three home Men's Six

Nations fixtures scheduled.

Income from our other subsidiaries – RFU Hotel Limited, RFU Health and Leisure Limited, and England Rugby Travel Limited – was severely impacted by COVID-19 restrictions in 2020/21. Although we saw many of these restrictions lifted in 2021/22, profits from those businesses are yet to return to pre-pandemic levels.

External Funding which includes funding from World Rugby and Sport England amounted to £6.2m in 2021/22. The details of our funding from Sport England are presented in the table below.

	2022	2021
Total Sport England Income	2.8	2.9
Related spend		
School Transition	0.2	1.6
Convert, Maintain and Grow in Universities	0.2	0.5
Direct Club/Constituent Body Support	1.2	0.3
Coaches, MO's & Medics Training/Qualifications	0.6	0.0
Women and Girls/Talent Development	0.6	0.5
Total spend	2.8	2.9



Our other revenues increased year-on-year largely as a result of stadium hires with the return of Big Game, Army v Navy, Varsity, and the Premiership Final, plus the inaugural Big Summer Kick Off.

COST OF SALES

As was the case with revenue, our cost of sales have significantly increased year-on-year due to the return of hosting restriction free events at Twickenham (£38.2m vs £3.6m). Gross profit margin has returned to pre-pandemic levels of c80% as our revenue ‘mix’ has returned to normal with a much greater portion of our revenue generated through matchday events than in 2020/21.

OVERHEADS

Our overhead expenses, which include all administration and non-matchday stadium costs, have increased significantly from the prior years (£58.5m vs £43.9m) but

remain down on pre-pandemic levels due to continued effort to control costs (£62.3m in 2018/19).

The one-off savings we were able to achieve in 2020/21 through mothballing parts of the stadium, a reduction in customer service and ticketing costs, a reduction in temporary staff requirements, and so on, was not able to continue into the current year.

Like many other businesses and households around the country, we have experienced a significant uplift in our energy costs. Although this increase was limited to just three months in 2021/22, it will have a greater impact next year.

PROFESSIONAL RUGBY INVESTMENT

Professional Rugby Investment consists of ‘Club Funding’ (which includes Men’s and Women’s Premiership and Men’s Championship); ‘England’ (including

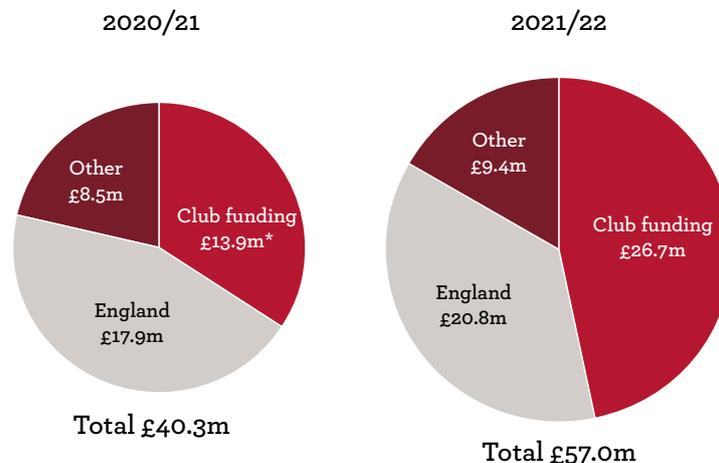
player fees and contracts, XV’s and 7s programmes, pathway and kit), and Other (sports medicine, player welfare, match officials, rugby operations, COVID-19 testing, and events and competitions).

Men’s Premiership Club Funding is directly linked to revenues, which explains the significant year-on-year increase (£26.7m vs £13.9m).

Investment in our England teams increased year-on-year as the England 7s programme returned temporarily post Team GB’s performance at the Tokyo Olympics, as well as increased activity post-COVID-19 in the pathway, and increases in player payments and logistics costs.

The increase in Other is driven by higher insurance costs and increased welfare spend.

PROFESSIONAL RUGBY INVESTMENT



*Note - in the 2020/21 financial review, £1.2m of Championship funding and £0.6m of Women’s Premiership funding was presented within ‘Other’. This has been reclassified to ‘Club Funding’ in the comparison above

RUGBY DEVELOPMENT INVESTMENT

The uplift in Rugby Development Investment is driven by the gradual return of activity at grass roots level.

Temporary savings experienced on insurance and league funding in 2020/21 were not repeated and our IPF contribution

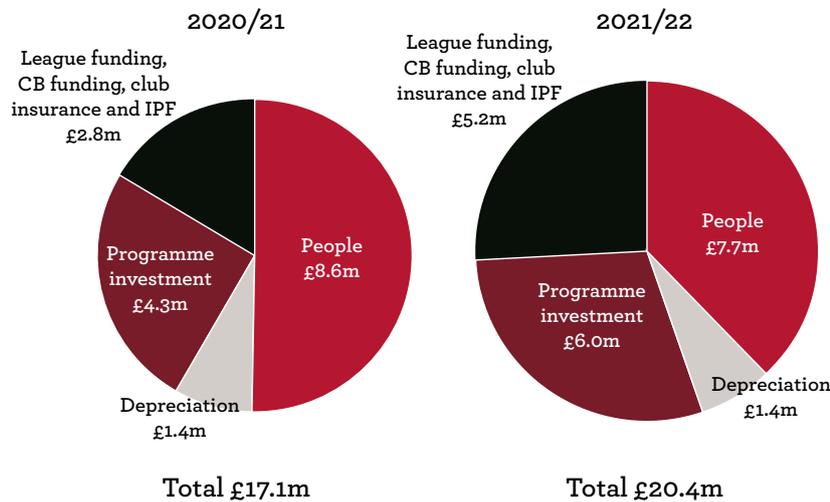
increased through donations arising on ticket sales (£1.0m).

Our 2020/21 People figure includes £1.2m of redundancy costs incurred as part of our cost reduction exercise. Once these are removed, there has been a £0.3m year-on-year increase, which is driven by travel related costs as the workforce were

able to recommence in-person Rugby development work.

Depreciation relates to Artificial Grass pitches remaining consistent year-on-year whilst programme investment increased as activities recommenced.

RUGBY DEVELOPMENT INVESTMENT



OPERATING PROFIT / (LOSS)

Operating profit was £15.0m, compared to a loss of £7.9m in the prior year.

GAIN ON SALE OF SHARES IN SUBSIDIARY

The gain on sale is £87.6m (£nil in the prior year) and relates to the profit on sale of shares relating to CVC's purchase of a 14.3% stake in the Six Nations Limited.

DEBENTURE WAIVER CREDIT

The debenture waiver credit is £2.6m compared to £32.4m in the prior year. The amount relates to the Debenture Donation Programme that remained open for an additional six months in the financial year. The amount represents the difference between the historical cost and the present value of the debentures bought back.

INTEREST RECEIVABLE AND SIMILAR CHARGES

Interest receivable is £0.9m (£nil in the prior year) which results entirely from the Six Nations transaction with CVC. The £1m relates to the discount unwinding on the gain on our sale of investment in Six Nations Rugby Ltd.

INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable is £3.1m compared to £5.9m in the prior year. This includes the interest on drawn down loans, non-utilisation fees and other fees on bank facilities, as well as the implied interest on the future contractual obligation to pay Compass.

The prior year figure also includes charges related to closure of the defined benefit pension scheme to future accruals.

Bank interest and fees payable at £1.7m was reduced from the prior year at £2.1m. Loan balances were lower during the year due to cash inflows from hosting matches at Twickenham returning and because we negotiated a new facility agreement.

The implied interest on the Compass obligation has reduced from £1.6m in the prior year to £1.4m due to a one-year extension being agreed between the parties.

TAX

The tax charge for the year is £0.3m compared with a £0.7m credit in the prior year due to the profitability returning to our commercial subsidiaries post the pandemic. This is also reflected on the balance sheet with a reduction of the deferred tax from £1.5m to £0.9m as losses incurred in the pandemic are utilised to reduce the tax charge.

NET RESULT

After taking account of taxation and adjusting for minority interests, the profit to reserves was £95.0m compared to a profit of £20.5m in the prior year.

This is driven by the gain on sale of shares in Six Nations Rugby Ltd as part of the Project Light deal.

CASH FLOW

Net cash outflow for the year was £3.8m compared to an inflow of £0.6m in the prior year.

Net cash flow from operating activities was £37.7m (£5.0m in the prior year) up from last year due to three factors; the first being the growth in creditors by £14.6m due to tickets being sold for the Autumn Internationals earlier than last year and without restrictions on capacities, and the second being the increase in underlying profits compared to the prior year, and the third being receipts from the Project Light transaction.

Cash flows from investing activities saw a £8.6m inflow compared with £2.3m outflow in the prior year. The increase is due to the cash receipt of the first tranche of the CVC transaction more than offsetting capital investment in the year.

Cash flows from financing activities saw an outflow of £50.1m against a £2.1m outflow in the prior year. The main driver being the repayment of £47.0m of bank loan (offset by fees for the new facility). The second significant outflow was dividends to non-controlling interests of £9m compared to £0.7m in the prior year. This related to the dividend from Twickenham Experience Limited paid to its 40% shareholder, the Compass Group. Partially offsetting these outflows was a new debenture issue that saw an inflow of £8.1m.

Our cash position at year end was £35.2m compared with £39.0m at the end of the previous year, and our net cash position was £18.2m (prior year net debt £24.9m).

BALANCE SHEET

Consolidated capital increased by £103.2m from £172.4m to £275.6m. The largest driver of that increase being the £87.6m gain from the sale of shares in Six Nations Rugby Limited to CVC.

Tangible fixed assets reduced from £279.3m to £267.0m principally due to depreciation of £18.4m exceeding net additions of £6.3m, as no major capital projects were completed in the year.

Debtors and prepayments increased by £82.0m to £99.7m from £17.7m. The main driver is the deferred consideration of £74.5m due from CVC for their investment in the Six Nations (£55.2m >1 year and £19.3m <1 year).

Trade debtors also increased from £8.2m to £14.9m, which is a reflection of the increase in trading activity compared to the prior year.

Creditors falling due within one year increased by £13.6m primarily due to the timing of ticket sales for the Autumn Nations Series, which were able to be sold earlier this year because of reduced uncertainty due to COVID-19. Trade creditors have increased to £8.9m from £3.4m owing to increased activity in the lead up to year end with external venue hires and capital projects being undertaken in the off season.

Creditors due after one year reduced by £45.6m driven mainly by the £47.5m reduction in bank debt (excluding movement in arrangement fees). This is offset by the annual £1.4m increase in the RFU's obligation to buy back Compass Group PLC's shares in TEL in 2029, with the remainder relating to accruals greater than 1 year.

The pension deficit of £1.3m became a pension asset of £6.5m in the year. The asset is recognised for accounting purposes and does not represent a real gain to the RFU, with the benefit unlikely to ever be recognised in cash terms. The main driver for the change is the discount rate applied under IFRS, based on corporate bond rates, which have increased significantly over the year. This has led to a reduction in the defined benefit obligation

from £49.6m to £36.4m and a reduction in the asset value from £48.3m to £42.9m. Given the current volatility in financial markets, we are of course monitoring the impact on our pension assets on a regular basis. At this stage we are happy to report that there has been no negative impact.

Debentures increased by £4.7m from £201.3m to £206.0m due to new debentures issued of £8.11m offset by a decrease due to the Debenture Donation Programme of £3.4m (£2.6m Debenture waiver credit, £0.8m Revenue).

Profit and loss reserve increased by £101.7m from £24.2m to £125.9m driven by the profit for the year and the £1.4m reserve transfer from the other reserve, reflecting the RFU's obligation to buy back Compass Group PLC's shares in TEL 2029.

OVERALL

Our strong trading performance in year coupled with the one-off profit on sale of shares relating to the Project Light transaction means that we have managed to return ourselves to a strong and resilient financial position post-pandemic. It's important to take a moment to acknowledge that but, having done so, also to remind ourselves of the challenges that are to come. Like the rest of society and the rugby community we serve, we are now facing into a myriad of financial challenges: a cost of living crisis for our participants, our employees and our fans, soaring utilities costs at our own stadium and all clubs across the country; inflationary challenges in all aspects of what we do; and the need to continue to invest in important future revenue growth opportunities to make sure that we safeguard the long-term, as well as the short-term, financial sustainability of the game. We are well-placed to face those challenges, alongside our clubs, and will need to be prepared to continue to make prudent, strategic and often difficult financial decisions along the way.

GOING CONCERN

In adopting the Going Concern basis for preparing the Financial Statements, the Directors have considered the business activities of the Group as described in the Strategic Report as well as its principal risks and uncertainties, also included in the Strategic Report as set out on pages 6 to 44.

Based on the Group's cash flow forecasts and projections, which extended for not less than 12 months from the date of approval of the financial statements, the Board is satisfied that the Group will be able to operate within the level of its facilities for the foreseeable future. For this reason, the Group continues to adopt the Going Concern basis in preparing its Financial Statements. Further details with regard to the Board's consideration of the Going Concern basis of preparation are given in note 2 on page 77 of the financial statements.

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



GOVERNANCE REPORT

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

CHAIR'S INTRODUCTION TO THE GOVERNANCE REPORT

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

During 2021/22, both the Board and the Council returned to meeting physically, with the ability of members and attendees to attend virtually should they need to. As the effects of the COVID-19 pandemic subsided, the Board also returned to its normal schedule of meetings. The Board also returned to its previous process of holding at least one Board meeting away from Twickenham each season. This is combined with a visit to a community club to meet and hear from local volunteers. In March 2022, the Board held its meeting in Bristol, which also included an event at Clifton RFC where the Board was able to spend time with local club and Constituent Body volunteers.

BOARD SIZE AND COMPOSITION

During the 2021/22 season, the Board completed its transition from 14 members to 12. This was achieved as two retiring members of the Board, one executive and one Council Elected Director, were not replaced. This process had been agreed with Sport England.

In 2021, the Board stated its intention to have at least two members from ethnically diverse communities. This was achieved with the latest round of Board recruitment from 1 August 2022.

COMPLIANCE WITH THE CODE FOR SPORTS GOVERNANCE

As the National Governing Body of rugby union, the RFU is subject to the Code for Sports Governance (the Code), first published by Sport England and UK Sport in 2017. Following publication of

the Code, the RFU members agreed to a number of changes to its constitution to ensure compliance, and the RFU adopted a number of operational changes to reflect the Code's requirements. After constructive discussions, Sport England agreed that the RFU could make a small number of derogations from the Code to reflect the needs of the RFU as a National Governing Body. Sport England and UK Sport revised the Code in 2021, with the addition of three new elements:

- A requirement for an Inclusion and Diversity Plan. The RFU had already put in place a Inclusion and Diversity Action Plan, supplemented by additional materials and means for individuals to raise issues. Further details can be found here: [Inclusion and Diversity](#)
- The requirement to appoint a lead director with responsibility for Welfare and Safety. The RFU had already nominated Jonathan Webb as the Director with responsibility for player welfare, and the Board agreed to expand this remit as required by the Code. This is in addition to the appointment of Polly Williams, one of the Independent Non-Executive Directors, as a Board Champion for Whistleblowing, and also for Safeguarding (which follows the recommendation of the Sheldon Review in football)
- The requirement to consider their strategic plans for their people on at least an annual basis, managed through the Executive Team. Talent planning, including succession and development plans, have been developed for the Executive team, Leadership Team and critical roles across the organisation. Further detail on the RFU's compliance with the Code is set out in the compliance statement on the RFU's website.

FURTHER IMPROVEMENTS

While the COVID-19 pandemic was at its height, the Board had to shift its focus to more immediate matters. As the immediate effects of the pandemic have lessened and rugby has returned, the Board has become increasingly able to spend its time in a more strategic way, looking ahead to the future of the organisation and the game. This includes a specific strategy day in December, looking ahead to the needs of the game in ten years' time.

The agendas of Board meetings have also been restructured to allow for greater space for strategic discussions, with less time spent on operational matters. We anticipate that this will become even more the case during the current season.

During the 2021/22 season, Board and Council agreed a number of recommendations to improve ways of working through the committee structure. These are being implemented during the course of the 2022/23 season.

THE BOARD HAS BECOME INCREASINGLY ABLE TO SPEND ITS TIME IN A MORE STRATEGIC WAY, LOOKING AHEAD TO THE FUTURE OF THE ORGANISATION AND THE GAME.

BOARD BIOGRAPHIES AND MEETING ATTENDANCE

The Board had seven formal meetings scheduled for FY2021/22, and also held two additional virtual meetings to consider time-sensitive decisions. The number of meetings set out in the table below refers to the total number of meetings held:

		FY 2021/22
Tom Ilube	Chair of Board	9 of 9
Bill Sweeney	Chief Executive	8 of 9
Sue Day	COO / CFO	9 of 9
Simon Massie-Taylor *	Chief Commercial and Marketing Officer	3 of 3
Paula Carter	Council Elected Director	9 of 9
Chris Cuthbertson	Chair, Governance Standing Committee	9 of 9
Phil de Glanville	Senior Representative, Professional Game Board	9 of 9
Stephen Pearson	Council Elected Director	7 of 9
Dominic Proctor	Independent Non-Executive Director	7 of 9
David Roberts	Chair, Community Game Board	9 of 9
Genevieve Shore	Senior Independent Non-Executive Director	9 of 9
Jonathan Webb	Council Elected Director and World Rugby Representative	8 of 9
Polly Williams	Independent Non-Executive Director	9 of 9
Peter Whiting	Council Elected Director	8 of 9

* Simon Massie-Taylor's term on Board ended on 17 December 2021

THE BOARD



TOM ILUBE

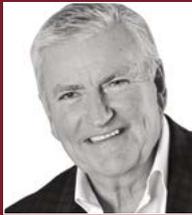
CHAIR OF BOARD

Member, Board Nominations Committee

Member, Remuneration Committee

Appointed 1 August 2021

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



BILL SWEENEY

CHIEF EXECUTIVE

World Rugby Representative

EPCR Representative

Six Nations Representative

British & Lions Representative

Appointed 1 May 2019

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



SUE DAY

COO / CFO

Six Nations Representative

Subsidiary Directorships:

- Twickenham Experience Limited
- Rugby Football Development Limited
- RFU Hotel Limited
- England Rugby Limited

Appointed 1 April 2018

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



PAULA CARTER

COUNCIL ELECTED DIRECTOR

Council Member for Surrey since 2019

Member, Governance Standing Committee

Chair, Head Injury Prevention and Management Subcommittee

Chair, Club Financial Viability Group

Appointed on 1 August 2020

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



BRIGADIER JAMES COOK

COUNCIL ELECTED DIRECTOR

Council Member for Army Rugby Union since 2015

Member, Governance Standing Committee

Chair, Agents Review Board

Former Chair, Rugby Growth Subcommittee

Appointed 1 August 2022

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



CHRIS CUTHBERTSON

CHAIR, GOVERNANCE STANDING COMMITTEE

Council Member for Middlesex since 2003

Appointed 1 August 2014; term on board ended 31 July 2022

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



YASMIN DIAMOND

INDEPENDENT NON-EXECUTIVE DIRECTOR

Member, Board Nominations Committee

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

Appointed 1 August 2022



DOMINIC PROCTOR

INDEPENDENT NON-EXECUTIVE DIRECTOR

Chair, Board Nominations Committee

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

Appointed 1 March 2016; term on Board ended 31 July 2022



PHIL DE GLANVILLE

SENIOR REPRESENTATIVE, PROFESSIONAL GAME BOARD

Member, Remuneration Committee

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

Appointed 1 August 2018



STEPHEN PEARSON

COUNCIL ELECTED DIRECTOR

Oxford University representative on Council since 2010

Member, Audit & Risk Committee

Chair of Trustees, RFU Injured Players Foundation

Appointed 1 August 2017

Chair of Trustees, RFU Pension Fund

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

THE BOARD

CONTINUED



DAVID ROBERTS

CHAIR, COMMUNITY GAME BOARD

Chair, Rugby Football Development Limited

Council Member for Hertfordshire since 2015

Director of England Rugby Limited

Former Chair, Club & CB Development Subcommittee

Member, Head Injury Prevention and Management Subcommittee

Appointed 1 August 2020

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



GENEVIEVE SHORE

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Chair, Remuneration Committee

Member, Board Nominations Committee

Member, Diversity & Inclusion Coordination Group

Appointed 29 September 2017

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



JONATHAN WEBB

COUNCIL ELECTED DIRECTOR & WORLD RUGBY REPRESENTATIVE

Member of Council since 2012

Chair, Medical & Sports Science Technical Advisory Group

Member, Governance Standing Committee

Member, Head Impact Prevention & Management Sub-Committee

Appointed 1 August 2016

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



POLLY WILLIAMS

INDEPENDENT NON-EXECUTIVE DIRECTOR

Chair, Audit & Risk Committee

Chair, Twickenham Experience Ltd

Appointed 1 August 2021

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



**WING COMMANDER
PETER WHITTING**

COUNCIL ELECTED DIRECTOR

Council Representative for the RAF since 2007

Director, England Rugby Travel Limited

Appointed 1 August 2019 (having served

a previous term on Board); term on Board ended 31 July 2022.

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

Simon Massie-Taylor also served on the Board as Chief Commercial and Marketing Officer during the year. His term ended on 17 December 2021.

PRESIDENT'S ASSURANCE STATEMENT

THE COUNCIL PERFORMS AN IMPORTANT ROLE IN THE CONSTITUTION OF THE RFU. ONE OF ITS PRINCIPAL DUTIES IS TO PERFORM A MONITORING AND OVERSIGHT ROLE ON BEHALF OF THE MEMBERS. THIS SECTION SETS OUT HOW THE COUNCIL HAS FULFILLED THAT ROLE DURING SEASON 2021/22.

GENERAL MONITORING AND OVERSIGHT

After a season of virtual meetings, it was a great joy to be able to hold all five formal Council meetings in person throughout season 2021/22. The majority of Council Members attended all meetings in person, but there was the facility for members to attend virtually as necessary. An additional (sixth) Council meeting was called on 31 July, being the recommended gender participation policy; attendance at that meeting was split roughly equally between in person and virtual attendance.

One of the benefits of the more flexible working during the COVID-19 pandemic was that Council had developed a programme of regular briefings in between formal Council meetings, using informal online sessions for debate on larger topics facing the RFU and the game. These continued during 2021/22 and resulted in fuller and wider debates on topics such as:

- Future formats of the game
- AP15s
- The challenges of retaining match officials in the game following the COVID-19 pandemic
- Oversight of the Player Return Task and Finish Group, set up to examine the challenges of ensuring players returned to the game following the COVID-19 pandemic
- Implementation of the Future Competitions Structure work
- The outputs of the strategic review of the Championship

- The role and structure of the RFU as a national governing body
- Gender participation

These debates allowed Council to check and challenge work being undertaken, and to proactively shape key decisions for the game, in particular the community game and the challenges that it faces with its return following COVID-19.

Closed sessions of Council, without management present and one without the Presidential team present, were held before or after a number of Council meetings. These sessions offer Council an additional avenue to express any views and to consider whether there were sufficient means for Council to discharge its monitoring and oversight responsibilities. Council concluded that these means existed, but suggested areas for improvement, such as greater emphasis on structured dialogue between Council and the Council Elected Directors.

The RFU Chair reported on the Board's operation at each formal Council meeting, which included details of Board meetings' agendas and narrative reporting of the Board's priorities. Reporting against the RFU's risk register also allowed the Council to understand how the Board categorised risks faced by the RFU and the strategies the Executive has in place to mitigate them.

The Council was also consulted on key strategic issues. The close working relationship between the Board and Council can be seen in the decision to make a long-term strategic investment in the Premier 15s. The regulatory structure is a matter for Council, whereas the decision to invest and the corporate structure of the joint venture entity to deliver this is a matter for the Board. The Council was given regular updates and the opportunity to check and challenge, which enabled both bodies to approve the way forward.

One further topic for discussion was the extent to which the media could be made aware in advance of recommendations to be discussed at Council meetings, as

it is critical to protect the integrity of the Council vote and to ensure that Council is not seen as purely a "rubber stamping" body. There is now an agreed process for deciding if and how this could happen. The combination of formal and informal meetings, drop-in sessions and regular briefings enabled Council to fulfil its role in general monitoring and oversight.

FINANCIAL MONITORING

The Council received a financial report at each formal meeting, enabling members to ask questions of the Board and Executive and obtain assurance as to the financial position of the RFU. Quarterly updates against budgets and expected out-turns, as well as cash flow reporting, included clear, narrative reporting of variances to budget.

In accordance with the Rules, the Council was also consulted on the RFU's budget and business plan for 2022/23. In common with the previous year, this was broken down by each of the RFU's strategic objectives, allowing the Council to track investment according to the objectives.

COUNCIL'S SPECIFIC RESPONSIBILITIES

While the appointment of the Chair of the Board and the majority of Directors (including the Independent Non-Executive Directors) is a power of the Board, the Council and the members in general meetings have the responsibility of reviewing and approving those appointments. Council reviewed the appointments of Paula Carter as Chair of the Governance Standing Committee and Yasmin Diamond as Independent Non-Executive Director. After scrutiny of the process and the appointments, it approved both.

Council also has the responsibility to appoint Council Elected Directors. During the season, Council also made the appointment of James Cook to the Board and renewed the term of Jonathan Webb. All of these appointments were subsequently approved at the 2022 AGM.

BOARD NOMINATIONS COMMITTEE REPORT

INTRODUCTORY STATEMENT

On behalf of the Board Nominations Committee, I present a report of the Committee's work over the 2021/22 season. This report sets out the principal activities of the Committee during that season and its priorities for the coming season.

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

To allow Yasmin Diamond, as incoming INED, time to integrate into the RFU, as well as to maintain continuity in the work of the Committee, I have assumed the role of chair of the Board Nominations Committee, with a view to Yasmin Diamond becoming chair during or at the end of the 2022/23 season.

While opportunities for greater face-to-face meetings have occurred, the use of hybrid meetings offered the opportunity for more efficient communications and working, in particular with the Council

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



Tom Ilube
Chair, Board Nominations Committee

MEMBERSHIP OF THE COMMITTEE

Name	Role	Member since	Meetings attended
Dominic Proctor	Chair, Senior INED	2017	4 out of 4
Tom Ilube CBE	Chair of the Board	2021	4 out of 4
Genevieve Shore	INED	2017	4 out of 4
Ken Andrews	RFU Council Member (ex officio as Chair of Council Nominations Committee)	2021	4 out of 4

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

MEMBERSHIP, PURPOSE AND RESPONSIBILITIES OF THE COMMITTEE

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

transparent process, and candidates were interviewed by a range of Board and Council members, with the Committee using its Board skills matrix to identify the skills and experience necessary, with Yasmin Diamond CB being selected as the preferred candidate.

The Committee also made the following recommendations to the Board:

- Paula Carter as Chair of the Governance Standing Committee for a term of 1 August 2022 until 31 July 2025
- Phil de Glanville as Senior PGB Representative for a term of 1 August 2022 until 31 July 2024
- Yasmin Diamond CB as Independent Non-Executive Director for a term of 1 August 2022 until 31 July 2025

- Deborah Griffin OBE and Jonathan Webb as World Rugby Representatives for a term of 1 August 2022 until 31 July 2023

These appointments were approved by the Board, and subsequently ratified by the Council and the members at the 2022 AGM.

The Council Nominations Committee also recommended Brigadier James Cook OBE and Jonathan Webb as Council Elected Directors for terms of 1 August 2022 until 31 July 2025, and 1 August 2022 to 31 July 2023 respectively.

INTERNATIONAL REPRESENTATIVES

During the 2021/22 season, the Committee considered the RFU's representatives on international rugby bodies and did not

recommend any changes to the RFU's World Rugby Representatives, instead recommending the re-election of both Jonathan Webb and Deborah Griffin. The need for turnover in these roles is balanced by the benefit of individuals in post who are able to develop longstanding relationships at an international level and thereby increase the RFU's influence with stakeholders.

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

The RFU's representatives on the Six Nations Council are Bill Sweeney and Sue Day, with Sue replacing Simon Massie-Taylor when he departed the RFU in December 2021.

The RFU's representatives on Rugby Europe remain Rob Udwin and Steve Grainger. With Rob Udwin's appointment as the RFU's Junior Vice-President for 2022/23, the Committee will be looking to identify a replacement for the RFU's representative on Rugby Europe for the 2023/24 season.

CHARITY TRUSTEES

The Committee also worked with the Rugby Football Foundation, a charity within the RFU's group, to recommend the appointment of Sanjay Mazumder as an Independent Trustee for the Rugby Football Foundation, with a three-year term ending 31 July 2024. This was approved by the trustees of the Rugby Football Foundation and the RFU Board of Directors.

INCLUSION AND DIVERSITY

During the season, the Committee has considered inclusion and diversity relating to its work both as a specific agenda item in meetings and as part of its day-to-day work. In particular, it considered the Board's stated ambition to have two members from ethnically diverse communities by 2022, which was achieved following the appointment of Yasmin Diamond as INED.



BOARD SIZE

When the Code for Sports Governance came into force, Sport England had provided the RFU a dispensation for a larger Board size provided that this was reviewed. At the 2021 AGM, the Members agreed the Board would transition to a size of 12 over time, with a reduction in the number of Council Elected Directors and the number of Executives on the Board. This was agreed with Sport England and the Board has since been reduced, consisting of 12 members for the 2022/23 season. Further details are set out in the introduction to the Governance section of this Annual Report.

JOINT WORKING AND SUCCESSION PLANNING

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

The Committee also continues to work with the Council Nomination Committee to identify successors for Council Members who are directors of subsidiary companies within the RFU group.

AUDIT & RISK COMMITTEE REPORT

INTRODUCTORY STATEMENT

This has been another busy year for the Audit and Risk Committee covering a wide variety of topics and reviewing the controls and processes in place as the RFU returned to relative normality following the lockdowns of COVID-19.

Any Audit and Risk Committee has a very broad remit, but this is particularly so for this Committee given the wide variety of

operations of the RFU and its relationship with the community and professional games. The Committee works very hard to ensure appropriate focus is given to key financial decisions and processes as well as the broader risk management frameworks and assurance matrices.

I am very grateful for the support I have received from my fellow Committee members and the staff of the RFU, and I would like to pass on my sincere thanks

to them for helping me manage the significant workload.



Polly Williams
Chair, Audit & Risk Committee

MEMBERSHIP OF THE COMMITTEE

Name	Role	Member since	Meetings attended in year
Polly Williams	Chair, INED and RFU Board Member	2021	5 out of 5
Philip Johnson	Independent Committee Member	2017	5 out of 5
Tim Miller	RFU Council Member	2019	4 out of 5
Stephen Pearson	RFU Board and Council Member	2020	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.

MEMBERSHIP, PURPOSE AND RESPONSIBILITIES OF THE COMMITTEE

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

ACTIVITIES OF THE COMMITTEE

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

The Audit Committee received targeted training, focusing on developments in reporting requirements and developments in internal control expectations following

the Department of Business, Energy and Industrial Strategy's consultation.

The Committee's principal activities were as follows:

FINANCIAL STATEMENTS

The Committee reviewed and approved the Annual Report and Financial Statements, including the accounting policies and significant judgements and estimates underpinning their preparation as disclosed in notes 2 and 3 on pages 77 to 83, along with the overall basis of preparation of the financial statements.

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

- Implementation of the accounting for

Project Light (the gain on the CVC investment into the Six Nations)

- Accounting for the loans provided under the Winter Sports Survival Package to community clubs

Other matters of judgment considered were:

- The Group's cash flow forecasts, including downside scenarios and debt facilities to conclude that the Going Concern basis of preparation is appropriate
- The assessment of the application of the revenue recognition policies
- Review of the tax position of the RFU including assumptions made in the recognition and valuation of deferred tax assets

- The assumptions used and the accounting treatment of the defined benefit pension scheme surplus
- The assessment of the need for a provision for litigation and contingent liabilities.

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

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

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

EXTERNAL AUDITORS

BDO LLP have been auditors of the RFU since 2019, when the last audit tender was undertaken. The Committee reviewed the performance of BDO during the previous year’s audits and agreed some areas for improvement in the process.

The Committee recommended the re-appointment of BDO as external auditors to the Board. In turn, the Board recommended this to the members who approved the re-appointment of BDO LLP as the Group’s external auditors for 2022 at the AGM on 17 June 2022.

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

audit work for the RFU.

BDO also have safeguards in place including requirements for audit partner rotation. Ian Clayden is the statutory auditor for the year ended 30 June 2022. The Committee reviewed reports on the actions BDO take to comply with the professional and regulatory requirements and best practice designed to ensure their independence from the RFU. The Committee was satisfied with BDO’s independence.





AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

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

EVALUATION OF THE AUDIT & RISK COMMITTEE

In line with the Committee timetable, a high-level assessment of the Committee's overall effectiveness in the year was managed by Internal Audit. The assessment concluded that the Committee continues to perform effectively and that the improvements from the detailed assessment in the prior year have been implemented during the year. The matters raised in this review were largely administrative which related to quality and timing of papers as well as a focus on reviewing the risk architecture.

RISK MANAGEMENT AND INTERNAL CONTROL

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

Sources of assurance to the Audit and Risk Committee of the effectiveness of

risk management and internal controls procedures included deep dives with relevant RFU experts on the following topics:

- The controls over the process to approve Grants and Loans under the Winter Sports Survival Package
- Cyber security
- Risk Management Process and Reporting
- Insurance
- Whistleblowing
- Tax Strategy
- Safeguarding
- Planned response to a significant reputational incident
- GDPR controls
- Health and Safety processes

Internal audit provides useful independent insight on the key controls and framework of risk management. A review will take place in the current year on whether any changes need to be made to assurance map in the light of the external guidance, whilst being mindful of the size and scope of the RFU.

INTERNAL AUDIT

Internal audit is an independent and objective assurance function which aims to assess and recommend improvements in the RFU's overall control framework. Internal audit at the RFU is undertaken by RSM, an independent accountancy firm. The Committee defines the responsibility and scope of the internal audit function and approves its annual plan and budget,

which focuses on a number of the key risks faced by the RFU.

RSM performed seven internal audits during the year, covering:

- Data Warehouse Project
- Business Interruption
- Commercial Subsidiary Financial Controls
- Financial Controls
- Strategic Projects and Programmes
- Assurance Mapping
- IT General Controls

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

REMUNERATION COMMITTEE REPORT

INTRODUCTORY STATEMENT

On behalf of the Board, I am pleased to present our 2021/22 Remuneration Report. The Remuneration Report provides a comprehensive picture of the purpose, structure and decisions made by the Committee during the year.

Considerable work has been undertaken to ensure the sustainability of the governing body for future generations and these plans are covered throughout this report. A key part of this strategy is the need to attract and retain the calibre of executive talent which can deliver to expectations.

The Committee has continued to

consolidate and formalise work to ensure that senior level pay at the RFU is appropriate and affordable, closely aligned to the organisation's strategy, and adopts the main principles of good corporate governance while still recognising that the organisation is a membership society with wide ranging responsibilities to its members.

The Committee has also considered the reward frameworks for the wider workforce ensuring that our remuneration programmes align with the RFU's strategic priorities, support the interests of all stakeholders and are aligned to our culture and values.

The Committee has continued to

work with and support the Executive's team commitment to performance. Performance measures and targets are set to be sufficiently stretching in the short term to drive performance over a sustained period, and the Committee has encouraged the balance of collective RFU success with a clear line of sight for individual performance that can be measured fairly, effectively and in a way that is easy to understand.



Genevieve Shore
(Chair, Remuneration Committee)

MEMBERSHIP OF THE COMMITTEE

Name	Role	Member since	Meetings attended in year
Genevieve Shore	Chair, INED and RFU Board Member	2019	5 out of 5
Phil de Glanville	RFU Board and Council Member	2020	5 out of 5
Tom Ilube CBE	Chair of the RFU Board	2021	5 out of 5
Naomi Sutcliffe	Independent Committee Member	2018	5 out of 5
Simon Wakefield	RFU Council Member	2021	5 out of 5

Note: The Remuneration Committee held five meetings during the year, which were all run as conference calls. The maximum number of scheduled meetings held during the season that each member could attend is shown next to the number attended. Additional meetings were held as required.

MEMBERSHIP, PURPOSE AND RESPONSIBILITIES OF THE COMMITTEE

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

DECISIONS TAKEN BY THE COMMITTEE

APPOINTMENTS:

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

- Appointment of England Senior Men's Forwards Coach
- Appointment of England Senior Men's Attack Coach

Following the resignation of the Chief Commercial Officer and the subsequent restructure of the Executive Team,

remuneration was also agreed for the following new roles:

- Appointment of Director of Engagement and Business Growth to the Executive Team
- Appointment of Director of Venue to the Executive Team
- Appointment of Director of Communications to the Executive Team

Executive bonus structure and KPIs

The Committee reviewed and approved the Executive bonus structure, targets, goals, and measures for 2021/22. Following extensive market benchmarking, the annual bonus opportunity was increased from 45% to 50% for the CEO, and for the Executive Team from 37.5% to 42.5%.

Introduction of a Long-Term Incentive Plan (LTIP) for Executive Team

The Committee also approved the introduction of a one-off Long-Term Incentive Plan for the Executive Directors for the period FY21/22 to FY23/24. Awards will be vested at the end of the three-year performance period and targets are closely aligned to both the intensive recovery plan required post COVID-19 and the longer-term strategic plan. An amount of £0.4m has been accrued under this scheme in year based on best estimates of whether the LTIP targets will be achieved in 23/24.

INED remuneration and entitlements review and implementation

Following a review by the Committee, no changes were made to INED remuneration. However, the Committee proposed a change to benefit entitlements to align INEDs with Council members, which was approved by the Board.

REMUNERATION DECISIONS

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

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

	2022 £000	2021 £000
Bill Sweeney, Chief Executive Officer	668	540
Simon Massie- Taylor, Chief Commercial Officer	150	334
Sue Day, COO / CFO	491	368
Total	1,309	1,242*

* The 2021 figures include three months of pay reductions and 50% reduction in bonus entitlement due to COVID-19. (The Executive Directors took salary reductions of 20% from April to September inclusive in 2020. The total voluntary salary reductions amount to £98k for the six-month period. In addition the bonus entitlement of Executive Directors was reduced by 50% for the 2021 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.

Total remuneration that each of the Non-Executive Directors on the Board are entitled to in 2021/22 is as follows:

	2022 £000	2021 £000
Paula Carter	25	23
Chris Cuthbertson	25	25
Phil De Glanville	25	25
Stephen Pearson	25	25
Dominic Proctor	30	30
David Roberts	25	23
Genevieve Shore	30	30
Jonathan Webb	25	25
Tom llube (joined August 21)	73	
Polly Williams (joined August 21)	28	
Peter Whiting	25	25
Total	336	345

OTHER ACTIVITIES

Talent and Performance Management

The Committee have provided direction and feedback for the Executive Team talent plan, including the focus on succession planning and development opportunities for the wider leadership team and critical roles. The Committee has also supported and reviewed the ongoing development of performance and development plans and processes across the business.

Culture and Staff Engagement

The Committee have reviewed all the employee engagement surveys (including the specific Inclusivity & Diversity survey), provided insight and input into the analysis, proposed action plans and the

resulting outcome.

Head Coach Succession planning

The relevant leaders in our Performance Team have consulted the Committee on their approach to succession planning for our senior team Head Coaches. This will allow the Committee to support the benchmarking and decision-making for any future recruitment considerations.

Gender Pay reporting:

The RFU published its latest Gender Pay Reporting Statistics in line with government legislation in April 2022. Through our Inclusion & Diversity initiatives, we aim to reflect the diversity of society within English Rugby as well as our own workforce. Increasing the number of women in roles across our organisation forms part of our I&D plan and we have established several goals to achieve this. The Gender Pay Report can be found at the following link: englandrugby.com/about-rfu/annual-reports

In addition, the Committee covered the following topics: an annual review of the RFU Pension Plans & Policy, and the development of a Board and Executive Remuneration Policy. They supported the drive to ensure all employees and casual workers (including TEL/Compass) are aligned to the London Living Wage.



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

OPINION

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Entity's affairs as at 30 June 2022 and of the Group's profit and the Parent Entity's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014 and the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969.

We have audited the financial statements of the Rugby Football Union (the 'Parent Entity') and its subsidiaries (the 'Group') for the year ended 30 June 2022 which comprise the Group and Parent profit and loss accounts, the Group and Parent statements of comprehensive income, the Group and Parent balance sheets, Group and Parent statements of changes in equity, the Group cash flow statement and the notes to the financial statements, including a summary of significant accounting policies.

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

BASIS FOR OPINION

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

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

Independence

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

CONCLUSIONS RELATING TO GOING CONCERN

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

- Evaluation of the directors' intent: Through enquiry and review of minutes, evaluation of available funding, significant commercial transaction income and key cost assumptions.
- Evaluation and challenge of Directors' key assumptions and judgements made in respect of their going concern assessment. We did this by considering the reasonableness of the assumptions and judgements made by Directors based on our understanding of the Entity's and Group's business: challenging these with reference to actual historic performance and expectations of future changes. Where appropriate, we vouched assumptions regarding key inflows to supporting documentation.
- Historical comparisons: Assessing historic cash flow forecasts against actual cash flows achieved in the year and in previous years to assess historical reliability of data.

- Sensitivity analysis: Considering key inputs into the cash flow forecasts and assessing the Group's sensitivity to reasonably possible downside scenarios that could arise individually and collectively whilst considering the effect on the level of available financial resources. Challenging the directors on the appropriateness of expected revenue volumes, timing, growth rates, and expected costs by comparing to historical trends and our knowledge of the business and sector it operates in.
- Reviewing third-party finance documentation and testing forecast covenant compliance, assessing the sensitivity and headroom.
- Identifying potential unrecorded liabilities that may exist in the Group: procedures included inspection of Director meeting minutes, post year end payments and invoice sampling, inspection of correspondence with the in-house legal team including obtaining internal and external legal confirmation of no material claims or litigations which the audit team were not previously aware of, as well as challenging new contracts taken out in the year in order to identify any unrecorded liabilities or conditions not otherwise met by the Group.
- Assessing transparency: Assessing the completeness and accuracy of the going concern disclosures with reference to the directors' going concern assessment.

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

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

OVERVIEW

Coverage¹	100% (2021: 100%) of Group profit before tax 100% (2021: 100%) of Group revenue 100% (2021: 100%) of Group total assets	
Key audit matters	2022	2021
	Revenue recognition	✓
	Accounting for complex transactions*	✗
	* Principally relates to the accounting treatment of the sale of a 1/7th stake in 6 Nations media rights.	
Materiality	Group financial statements as a whole £2.6m (2021: £2.3m) based on 3% (2021: 3%) of profit before rugby investment over the current year (2021: a 3 year average).	

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

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

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

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

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

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

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of

resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

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

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

Given the nature and complexity of revenue we considered there to be a

significant risk arising in respect of the completeness and existence of revenue in all revenue streams.

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

How we addressed the matter in our audit

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

- Testing a sample of sponsorship contracts to invoice or agreement and to bank to gain assurance over completeness and existence of revenues recognised
- Reviewing external correspondence with counterparties in order to determine the extent to which contract rights had been fulfilled and amounts were recoverable
- Testing on a sample basis management's approach to the apportionment of contract values through review of the contract and management's workings and rationale for assigning certain values to particular events
- Reviewing broadcasting contracts, vouching amounts to bank and observing third party correspondence with broadcasters (which stated the amounts due) to assess management's recognition of broadcasting income
- Reviewing the timing of completion of matches, along with correspondence and other evidence from broadcasters, to confirm the timing of recognition of broadcasting revenues, in particular with regard to competitions spanning accounting periods
- Reviewing the timing of completion of matches and other events, to confirm the timing of recognition of ticket and catering income
- Reconciliation of catering income for the year to cash receipts
- Reviewing correspondence with

funders to determine the timing of recognising grant income and checking that it was recognised in the correct period

- Testing on a sample basis the appropriateness of management's deferral of ticketing income through vouching, on a sample basis, to invoice
- Vouching a sample of year end receivables to receipt of cash after year end
- Testing on a sample basis management's deferral of seasonal box income based on the delivery of box rights against future events

Key observations

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

Accounting for complex transactions

The Rugby Football Union enters into contractual arrangements and transactions with a diverse range of suppliers and business partners. By nature, some of these arrangements and transactions are complex and the terms can require the exercise of judgement in determining the most appropriate accounting treatment. In planning our audit we therefore identified accounting for complex transactions as a key audit matter. In the current year, the following was specifically considered:

The sale of a 1/7th stake in 6 Nations media rights to CVC Capital Partners

As disclosed in note 9, in November 2021, CVC Capital Partners became a seventh partner along with the Unions in the Six Nations through acquisition of a 14.3% stake in the New Six Nations Company from the 6 Nations Unions. Consideration comprises both deferred and contingent elements.

How we addressed the matter in our audit

Our audit procedures over the recognition of the gain on disposal if this investment included, but were not limited to:

- Confirmation of the terms of the transaction to underlying legal documentation
- Assessment of the accounting policy applied to deferred consideration, in particular the conclusion that the deferral represents a financing transaction in accordance with Section 11 of FRS102
- Assessment of the discount rate applied by the Directors to deferred consideration through comparison to market rates for similar instruments as at the date of the transaction
- Assessment of the likelihood of receipt of contingent consideration through review of New Six Nations Limited financial forecasts, including review and challenge of assumptions and sensitivities applied
- Assessment, through recalculation, of the recognition and measurement of the gain on disposal and amounts disclosed as current and non-current receivables
- Confirmation to bank statements of consideration received to date and assessment of recoverability of outstanding amounts, considering CVC credit rating and settlement of payments due to date
- Assessment of transparency: review of completeness and accuracy of disclosures within the financial statements for consistency with FRS102 requirements.

Key observations

As a result of our procedures, we did not identify anything to suggest that management's judgements over the sale of a 1/7th stake in 6 Nations media rights to CVC Capital Partners is inappropriate.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of

reasonable users that are taken on the basis of the financial statements.

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

performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their

occurrence, when evaluating their effect on the financial statements as a whole.

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

	Group financial statements		Parent company financial statements	
	2022 £	2021 £	2022 £	2021 £
Materiality	2,600,000	2,300,000	2,300,000	2,000,000
Basis for determining materiality	3% of profit before rugby investment after interest. Current year profit was considered a more appropriate measure than three year average on account of significantly reduced impacts of Covid-19.	3% of normalised profit before rugby investment after interest averaged over a three year period.	3% of profit before rugby investment after interest. Current year profit was considered a more appropriate measure than three year average on account of significantly reduced impacts of Covid-19.	3% of normalised profit before rugby investment after interest averaged over a three year period.
Rationale for the benchmark applied	We consider this to be the principal consideration in assessing the financial performance of the Group as the Group considers profit before rugby investment to be one of their key performance indicator.	We consider this to be the principal consideration in assessing the financial performance of the Group as the Group considers profit before rugby investment to be one of their key performance indicator.	We consider this to be the principal consideration in assessing the financial performance of the Parent Entity as the Parent Entity considers profit before rugby investment to be one of their key performance indicator.	We consider this to be the principal consideration in assessing the financial performance of the Parent Entity as the Parent Entity considers profit before rugby investment to be one of their key performance indicator.
Performance materiality	1,950,000	1,725,000	1,725,000	1,500,000

	Group financial statements		Parent company financial statements	
	2022 £	2021 £	2022 £	2021 £
Basis for determining performance materiality	75% of the above materiality thresholds to adequately address the expected total value of known and likely misstatements, our knowledge of the group's internal controls and management's attitude towards proposed adjustments.	75% of the above materiality thresholds to adequately address the expected total value of known and likely misstatements, our knowledge of the group's internal controls and management's attitude towards proposed adjustments.	75% of the above materiality thresholds to adequately address the expected total value of known and likely misstatements, our knowledge of the group's internal controls and management's attitude towards proposed adjustments.	75% of the above materiality thresholds to adequately address the expected total value of known and likely misstatements, our knowledge of the group's internal controls and management's attitude towards proposed adjustments.

Component materiality

Component materiality ranged from £22,000 to £863,000. In the audit of each component, we further applied performance materiality levels of 75% of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all identified corrected and uncorrected audit differences in excess of £0.1m (2021: £0.1m) (being 3 (2021: 4) per cent of financial statement materiality) together with differences below this threshold that, in our view, warranted reporting on qualitative grounds.

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- proper accounting records have not been kept by the Parent Entity; or
- a satisfactory system of control over the Parent Entity's transactions have not been maintained in accordance with Section 75 of the Co-operative

and Community Benefit Societies Act 2014; or

- the Parent Entity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries, management bias in accounting estimates and improper revenue recognition associated with year end cut-off. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to accrued income and deferred income, actuarial assumptions, useful economic lives of tangible fixed assets, valuation of intangible assets, investment properties, investments, gains on disposal of investments, club loans and relevant provisions thereto such as impairment;
- Focus was made on revenue year end cut-off procedures and the inclusion of revenue in the correct accounting periods;
- Identifying and testing journal entries, in particular any journal entries posted with specific keywords, manual debit entries to revenue and journals posted at weekends;
- Discussions with management, the Audit Committee and Directors, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud
- Review of minutes of Board meetings throughout the period;
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations; and
- Targeted testing of payroll in order to identify potential fraudulent or tax evasive payments.

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

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

USE OF OUR REPORT

This report is made solely to the Parent Entity's members, as a body, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Parent Entity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Entity and the Parent Entity's members as a body for our audit work, for this report, or for the opinions we have formed.

BDO LLP

IAN CLAYDEN

(Senior Statutory Auditor)

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

Date: 17 November 2022

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

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR TO 30 JUNE 2022

	Notes	Group 2022 £m	Group 2021 £m
Revenue	4	189.1	97.0
Cost of sales		(38.2)	(3.6)
Gross profit		150.9	93.4
Overhead expenses		(58.5)	(43.9)
Profit before rugby investment		92.4	49.5
Rugby investment			
Professional rugby investment		(57.0)	(40.3)
Rugby development investment		(20.4)	(17.1)
Total rugby investment		(77.4)	(57.4)
Operating profit/(loss)		15.0	(7.9)
Profit on sale of shares in investment	9	87.6	-
Debenture waiver credit	10	2.6	32.4
Interest receivable and similar income	10	0.9	-
Interest payable and similar charges	11	(3.1)	(5.9)
Gain/(loss) on fair value adjustments to fixed asset investments	16	(0.5)	0.8
Profit on ordinary activities before taxation		102.5	19.4
Tax (charge)/credit on ordinary activities	12	(0.3)	0.7
Profit on ordinary activities after taxation		102.2	20.1
(Profit)/loss attributable to non-controlling interests		(7.2)	0.4
Profit to reserves		95.0	20.5

All profit and loss items relate to continuing operations.

The notes on pages 76 to 105 form part of these financial statements.

PARENT PROFIT AND LOSS ACCOUNT FOR THE YEAR TO 30 JUNE 2022

	Notes	Parent 2022 £m	Parent 2021 £m
Revenue	4	146.9	84.3
Cost of sales		(14.2)	(2.6)
Gross profit		132.7	81.7
Overhead expenses		(51.5)	(39.7)
Profit before rugby investment		81.2	42.0
Rugby investment			
Professional rugby investment		(57.3)	(40.4)
Rugby development investment		(20.4)	(14.2)
Total rugby investment		(77.7)	(54.6)
Operating profit/(loss)		3.5	(12.6)
Profit on sale of shares in investment	9	87.6	-
Debenture waiver credit	10	2.6	32.4
Interest receivable and similar income	10	0.9	-
Interest payable and similar charges	11	(1.7)	(4.4)
Loss on fair value adjustments to fixed asset investments	16	(0.9)	(1.9)
Profit on ordinary activities before taxation		92.0	13.5
Tax credit/(charge) on ordinary activities	12	4.1	0.1
Profit on ordinary activities after taxation		96.1	13.6

All profit and loss items relate to continuing operations.

The notes on pages 74 to 103 form part of these financial statements.

GROUP AND PARENT STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR TO 30 JUNE 2022

	Group 2022 £m	Group 2021 £m	Parent 2022 £m	Parent 2021 £m
Profit on ordinary activities after taxation	102.2	20.1	96.1	13.6
Actuarial gain on defined benefit pension scheme	7.1	1.4	7.1	1.4
Movement on deferred tax relating to actuarial profit	(1.8)	-	(1.8)	-
Other comprehensive income for the year	5.3	1.4	5.3	1.4
Total comprehensive income for the year	107.5	21.5	101.4	15.0
Total comprehensive income attributable to:				
Non-controlling interests	7.2	(0.4)	-	-
Owners of the Parent	100.3	21.9	101.4	15.0
	107.5	21.5	101.4	15.0

All profit and loss items relate to continuing operations.

The notes on pages 76 to 105 form part of these financial statements.

GROUP AND PARENT BALANCE SHEETS

AT 30 JUNE 2022

	Notes	Group 2022 £m	Group 2021 £m	Parent 2022 £m	Parent 2021 £m
Fixed assets					
Intangible fixed assets	13	2.1	2.5	2.0	2.5
Tangible fixed assets	14	267.0	279.3	245.9	256.8
Loans to clubs	15	6.0	7.0	0.5	0.5
Investments	16	7.9	8.4	132.5	132.7
Investment property	17	6.9	6.9	6.9	6.9
Debtors and prepayments due after one year	19	55.4	0.2	55.4	0.2
		345.3	304.3	443.2	399.6
Current assets					
Stock	18	0.3	0.3	-	-
Debtors and prepayments due within one year	19	44.3	17.5	59.5	33.0
Cash at bank and in hand	20	35.2	39.0	19.5	25.0
Deferred tax	12	0.9	1.5	-	-
Pension asset	27	6.5	-	6.5	-
		87.2	58.3	85.5	58.0
Creditors					
Amounts falling due within one year	21	(54.2)	(40.6)	(62.6)	(50.2)
Net current assets		33.0	17.7	22.9	7.8
Creditors					
Amounts falling due after one year	21	(102.7)	(148.3)	(101.9)	(148.0)
Net assets excluding pension liability		275.6	173.7	364.2	259.4
Pension Liability	27	-	(1.3)	-	(1.3)
		275.6	172.4	364.2	258.1
Debentures	23	206.0	201.3	206.0	201.3
Capital and reserves					
Called up share capital	24	-	-	-	-
Debenture reserve	26	38.1	38.1	38.1	38.1
Other reserve	26	(95.7)	(94.3)	-	-
Profit and loss reserve	26	125.9	24.2	120.1	18.7
Total equity funds		68.3	(32.0)	158.2	56.8
Non-controlling interests		1.3	3.1	-	-
Capital employed		275.6	172.4	364.2	258.1

The notes on pages 76 to 105 form part of these financial statements.

The financial statements were approved by the Board of Directors on 17 November 2022, and signed on its behalf by:



Bill Sweeney
Chief Executive Officer



Sue Day
COO/CFO



Tom Ilube
Chair

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR TO 30 JUNE 2022

	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 2020	-	(92.7)	38.1	0.7	(53.9)	4.2	(49.7)
Profit for the year	-	-	-	20.5	20.5	(0.4)	20.1
Other comprehensive income	-	-	-	1.4	1.4	-	1.4
Total comprehensive income for the year	-	-	-	21.9	21.9	(0.4)	21.5
Transfer between reserves	-	(1.6)	-	1.6	-	-	-
Dividends paid	-	-	-	-	-	(0.7)	(0.7)
At 30 June 2021	-	(94.3)	38.1	24.2	(32.0)	3.1	(28.9)
Profit for the year	-	-	-	95.0	95.0	7.2	102.2
Other comprehensive income	-	-	-	5.3	5.3	-	5.3
Total comprehensive income for the year	-	-	-	100.3	100.3	7.2	107.5
Transfer between reserves	-	(1.4)	-	1.4	-	-	-
Dividends paid	-	-	-	-	-	(9.0)	(9.0)
At 30 June 2022	-	(95.7)	38.1	125.9	68.3	1.3	69.6

The notes on pages 76 to 105 form part of these financial statements.

PARENT STATEMENT OF CHANGES IN EQUITY FOR THE YEAR TO 30 JUNE 2022

	Called up share capital £m	Debenture reserve £m	Profit and loss reserve £m	Total equity funds £m
At 1 July 2020	-	38.1	3.7	41.8
Profit for the year	-	-	13.6	13.6
Other comprehensive income	-	-	1.4	1.4
Total comprehensive income	-	-	15.0	15.0
At 30 June 2021	-	38.1	18.7	56.8
Profit for the year	-	-	96.1	96.1
Other comprehensive income	-	-	5.3	5.3
Total comprehensive income	-	-	101.4	101.4
At 30 June 2022	-	38.1	120.1	158.2

The notes on pages 76 to 105 form part of these financial statements.

GROUP CASH FLOW STATEMENT FOR THE YEAR TO 30 JUNE 2022

	2022 £m	2021 £m
Cash flows from operating activities		
Profit on ordinary activities after taxation	102.2	20.1
Adjustments for:		
Amortisation of intangible assets	0.5	0.6
Depreciation of tangible assets	18.4	18.3
Loss on disposal of tangible fixed assets	0.2	0.1
Profit on sale of shares in fixed asset investments	(87.6)	-
Gain on fair value of investment properties	-	(0.4)
Corporation tax charge/(credit)	0.3	(0.7)
Debenture waiver credit	(3.4)	(40.1)
Interest receivable	(0.9)	
Interest charge	3.1	3.8
Net pension adjustment	(0.7)	0.9
Loss/(gain) of fixed asset investments	0.5	(0.8)
Corporation tax paid	(2.0)	(0.5)
(Increase)/decrease in stock	-	0.1
(Increase)/decrease in debtors	(7.5)	3.9
Increase/(decrease) in creditors	14.6	(0.3)
Net cash flows from operating activities	37.7	5.0
Cash flows from investing activities		
Purchase of intangible fixed assets	(0.1)	(0.2)
Purchase of tangible fixed assets	(6.3)	(3.2)
Loans advanced to clubs	(0.3)	(0.1)
Loans repaid by clubs	1.3	1.2
Proceeds from sale of fixed asset investments	14.0	-
Net cash flows from investing activities	8.6	(2.3)
Cash flows from financing activities		
(Repayment)/draw down of bank loans (net of fees)	(47.5)	(10.9)
Debentures issued	8.1	11.6
Interest paid	(1.7)	(2.1)
Dividends paid to non-controlling interests	(9.0)	(0.7)
Net cash flows from financing activities	(50.1)	(2.1)
Net change in cash and cash equivalents	(3.8)	0.6
Cash and cash equivalents at beginning of year	39.0	38.4
Net change in cash and cash equivalents	(3.8)	0.6
Cash and cash equivalents at end of year	35.2	39.0



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 11.40 to 11.48A and section 12 paragraphs 12.26 to 12.29.
- The requirement of section 33 “Related Party Disclosures” paragraph 33.7A.

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

(c) Going concern

In adopting the going concern basis for

preparing the financial statements, the Directors have considered the business activities set out in the Strategic Report on pages 6 to 44 including the Group’s principal risks and uncertainties, together with the Group’s short, medium and long term forecasts.

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

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

In November 2021, the RFU committed to a £90m revolving credit facility split between two banks for a three year period, with an option of up to two further years. This facility is subject to financial covenants and interest and capital repayment terms, which the Board are comfortable will be met. During the year £47m of drawn facilities was repaid. The RFU post year end has good liquidity with cash in the bank and a low level of reliance on the facilities with the full £90m available.

The Directors have reviewed the financial projections for the Rugby Football Union Group, including various scenarios, for the years 2022/23 and 2023/24, these include sensitivities to the economic climate including increasing energy prices, increasing interest rates and high levels of inflation. Consideration has been given to further Covid-19 restrictions returning although its deemed remote it remains a risk while Covid-19 remains in circulation within the general population. In all but remote scenarios the Group will be able to operate within the level of, and in compliance with, the terms of its bank facilities during this period.

Based on the Group’s cash flow projections, which incorporate reasonable sensitivities and contingencies for a period of not less than 12 months from the date of approval of these financial statements, the Board has concluded that the Group has sufficient financial resources to meet its liabilities as they fall due. For this reason the Group continues to adopt the going concern basis in preparing its financial statements.

(d) Basis of consolidation

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

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

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

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

The RFU also has a 25% shareholding in British & Irish Lions Designated Activity Company and a 29% shareholding in Six Nations Rugby Limited. Due to the Group’s inability to exercise significant influence over these investee companies, management do not believe that it is appropriate to equity account these investments. The Group’s share of net surpluses and net assets after settlement of contractual obligations of British & Irish Lions Designated Activity Company and Six Nations Rugby Limited are not material to the Group.

England Rugby Limited (ERL) is a 100% owned subsidiary of the RFU that houses the Winter Sports Survival Programme Loans. In line with FRS102, it has not been consolidated. Ordinarily a 100% subsidiary would be consolidated in line with the Companies Act 2006 section 405 (3) (a), however FRS 102 requires exclusion from consolidation on the grounds of 'severe long-term restrictions that substantially hinder the exercise of the rights of the parent company over the assets or management of that undertaking'. Having entered into the facility agreement with Sport England and DCMS, ERL is restricted from entering into any other transactions other than issuing loans to rugby clubs and holding the loan with Sport England. The key operational and financial decisions of ERL are subsequently made by the "Investment Committee" of which representatives of ERL, Sport England and DCMS are all equal members. The RFU holds 1/3 of the voting rights and DCMS has the deciding vote and can also veto any decisions made. This constitutes 'severe restrictions' from RFU exercising dominant control.

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

(e) Revenue

Revenue 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 fall within the period to which the grant relates.

- Government grants for revenue are accounted for under the performance model and credited to the Profit and Loss Account as revenue in line with satisfaction of the relevant performance condition or conditions. The Coronavirus Job Retention Scheme are accounted for under the performance model with the income recognised in the month of the corresponding payroll expense.
- Donation income is recognised at the point the donation cash is received.
- Subscription income is recognised at the point the transaction occurs.
- Travel revenue is recognised on the commencement of the related tour, being the date of travel.
- Hotel revenue is recognised at the point at which rooms are occupied and food and beverage is sold.
- Health club membership revenue is recognised on a straight-line basis over the membership term with joining fees recognised at the date of granting the membership.
- Fees from the staging of concerts and after match events at Twickenham Stadium are recognised when the relevant event is staged.
- Revenue from barter transactions are recognised at the gross fair value based on the goods and services provided. The offsetting cost of the goods or services is recognised in cost of goods sold.
- Catering income is recognised as at the date of delivery.

(f) Leases

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

A finance lease is recognised at the

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

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

(g) Taxation and deferred taxation

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

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

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

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

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions

available for them, and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

(h) Intangible fixed assets and amortisation

Intangible assets relate to computer software, 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
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Land is not depreciated. Assets under construction are not depreciated until they are brought into use.

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

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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

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

Artificial grass pitches (AGPs)

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

Depreciation is charged from the date the asset is available for use which is deemed to be when a practical completion handover document from the supplier has been signed and handed over to RFDL. The pitch has two layers which are capitalised as separate assets and

depreciated using the straight-line method over their respective economic lives:

Base layer	30 years
Top layer	10 to 12 years

Heritage assets

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

(j) Loans to clubs

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

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

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

(k) Investment property

Investment property is initially measured at cost, which comprises the purchase price less any directly attributable costs. Subsequently the properties are measured at fair value at each reporting date, determined annually by the Directors or external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the

specific asset. No depreciation is provided. Changes in fair value are recognised in the Profit and Loss Account.

(l) Investments in subsidiary and associate undertakings

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

(m) Other investments

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

(n) Investments in joint ventures

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

(o) Unlisted investments

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

(p) Stock

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

(q) Financial assets and liabilities

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

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

assets of the Group after deducting all of its liabilities.

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

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

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

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

(r) Cash and cash equivalents

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

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

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

(s) Pension and other post retirement benefits

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

(i) Defined contribution pension plan

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

(ii) Defined benefit scheme

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

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

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

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

Actuarial gains and losses arising from adjustments due to historical performance

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

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

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

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

(t) Foreign currency translation of transactions and balances

Foreign currency transactions are translated into the Group entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account. Foreign exchange gains and losses which relate to borrowings, cash and cash equivalents are presented in Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and Loss Account within 'other operating income or expense'.

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

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



(u) Derivative financial instruments and hedging activities

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

(v) Debentures

The Group has determined the entity and the debentures meet the criteria set out in Section 34 FRS 102 to be classified as public benefit entity concessionary loans. Initially these are recorded on the Balance Sheet at the value received. Subsequently,

these values are adjusted for any interest receivable or payable on the balance. It is not anticipated that there will be any change in value.

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

(w) Employee termination benefits

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

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

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

(a) 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

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

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

The transaction generated a gain in 2017/18 after associated costs of £31.6m which, in accordance with FRS 102, was recorded in the Profit and Loss Reserve. Compass was granted the irrevocable right to exercise a put option, at a stated price, on the occurrence of an option

event as set out in the contract (for example, the cessation of rugby matches at Twickenham).

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

Professional Game Agreement

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

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

Artificial Grass Pitches (AGPs)

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

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

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

Debtor recovery

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

Impairment of investments

Investments held are reviewed on an annual basis for indicators of impairment and when an indicator exists an impairment review is performed. The requirement for an impairment exists when the carrying amount exceeds the higher of the investment's recoverable amount and value in use. Where an impairment test is carried out, management uses the best information available to assess the likely cash flows available to the relevant asset with sensitivities applied. If the value of the cash flows are lower than the relevant asset these are reviewed by management; 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 applied to scheme liabilities, rate of return on investments, rates of inflation, 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 2022 was conducted by an actuary, using as a basis the most recent actuarial valuation conducted at 30 April 2020, updating the assumptions based on discussions with management.

Deferred taxation asset

There are three principal drivers of the temporary differences that are available for offset against future profits of the Group and which give rise to deferred tax assets. These are 1. capital allowances on Twickenham Stadium and AGP investments; 2. excess charitable donations; and 3. tax losses carried forward.

Various assumptions have been made in assessing the extent to which deferred tax assets will be recovered. Prior to COVID-19, future profits could be more reliably predicted which meant recognition of a deferred tax asset was appropriate. Due to

the uncertainty in the short and medium term, profits cannot be predicted as reliably and as a result, the full deferred tax asset has not been recognised.

Uncertainties, including those pertaining to the current economic climate and relevant market conditions, are taken into consideration when calculating the level of probable deferred tax utilisation. These uncertainties impact the forecasts and the level of deferred tax asset that is recognised.

Estimated useful economic life of tangible fixed assets

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

Investment into Six Nations

CVC Capital Partners has invested up to £365m in exchange for a 1/7 share of

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

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

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

4. REVENUE

Revenue is attributable to the activities as the governing body of rugby in England	Group 2022	Group 2021	Parent 2022	Parent 2021
	£m	£m	£m	£m
Ticket	33.7	0.1	37.5	0.1
Broadcasting	43.6	45.5	43.6	45.5
Sponsorship	24.1	25.8	24.1	25.8
Hospitality and Catering	61.5	2.0	9.7	-
Merchandising and Licensing	3.0	2.5	3.4	2.6
Hotel	4.2	0.2	-	-
Health and Leisure	2.5	1.3	-	-
Travel	1.5	0.3	-	-
Dividend	-	-	13.5	0.8
Recharges	-	-	4.6	4.4
Event hire fees	2.9	0.8	2.9	0.8
Funding	6.2	4.1	3.3	0.3
Coronavirus Job Retention Scheme	-	2.3	-	0.9
Insurance proceeds	-	0.4	-	-
Debenture donations and gift aid	1.0	9.4	-	-
Other	4.9	2.3	4.3	3.1
	189.1	97.0	146.9	84.3

5. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:	Group 2022	Group 2021	Parent 2022	Parent 2021
	£m	£m	£m	£m
Board and Council – RFU administration costs	0.5	0.3	0.5	0.3
Match related expenses	0.5	-	0.5	-
Depreciation of tangible fixed assets	18.4	18.3	15.9	15.9
Amortisation of intangible fixed assets	0.5	0.6	0.5	0.6
Loss on disposal of tangible fixed assets	0.2	0.2	0.2	-
Gain on investment property	-	(0.4)	-	(0.4)
Operating lease rentals	0.5	0.3	0.5	0.2
Auditors' remuneration – audit services	0.2	0.2	0.1	0.1

6. BOARD DIRECTORS' REMUNERATION

	2022	2021
	£m	£m
Emoluments and benefits in kind	1.3	1.4

The highest paid Director received remuneration of £0.7m (2021: £0.5m) 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 (2021: £nil). There is one Director (2021: two) to whom retirement benefits are accruing under the defined contribution pension scheme.

Directors' bonuses of £0.3m (2021: £0.2m) were awarded for the year ended 30 June 2022. The Remuneration Committee report provides greater detail on Directors' pay and can be found on pages 57 and 59.

The above figures are shown on an accruals basis.

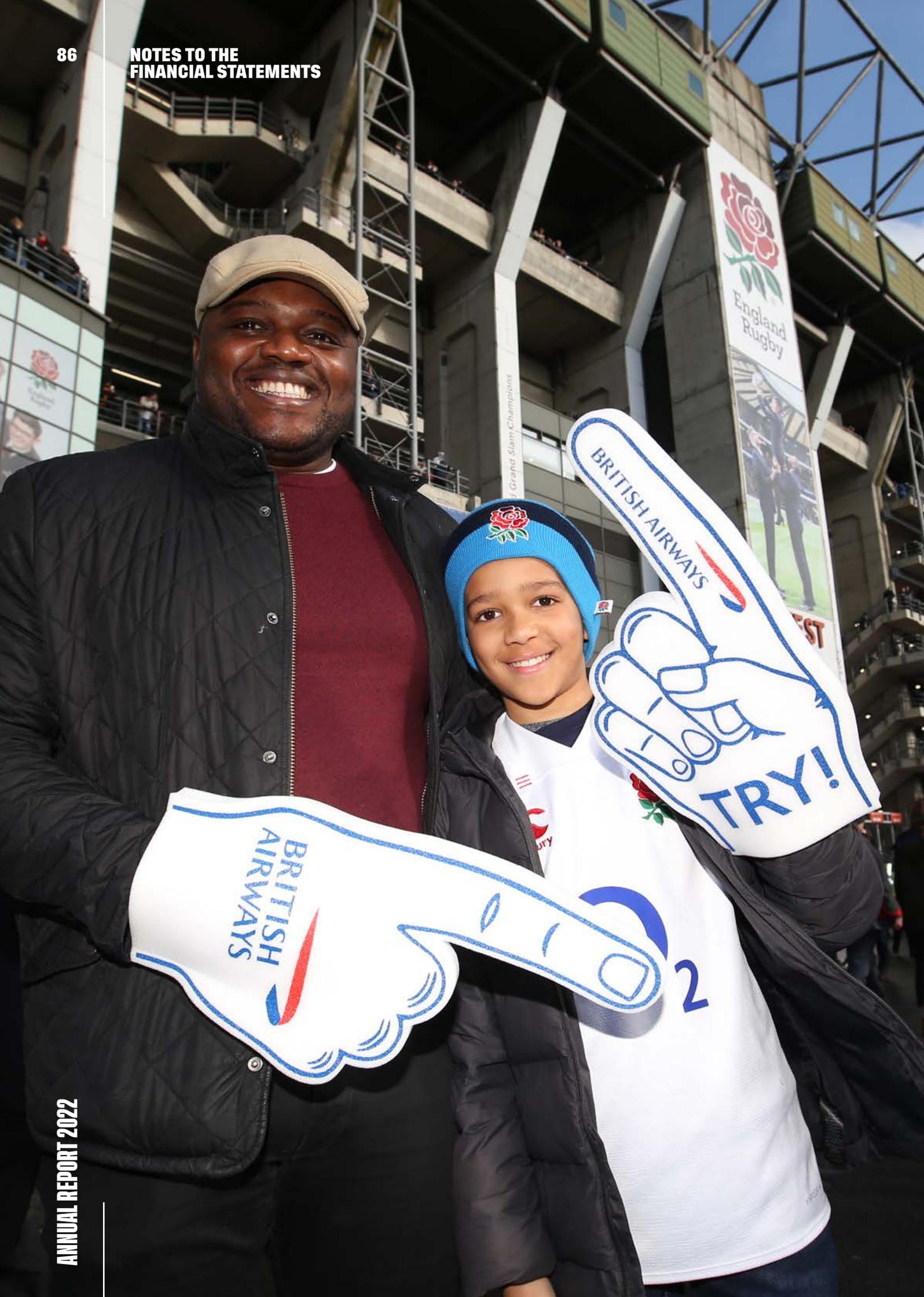
7. STAFF COSTS

	2022	2021
	£m	£m
Direct employee costs		
Wages and salaries	27.3	24.3
Social security costs	3.2	2.8
Defined benefit pension costs	-	0.2
Defined contribution pension costs	3.0	2.6
Restructuring costs	-	2.0
	33.5	31.9
Other staff costs		
Temporary staff	2.5	2.3
Individuals employed by third parties	2.3	1.2
Total staff costs	38.3	35.4

The above figures include bonus payments on an accruals basis.

8. STAFF NUMBERS

	2022	2021
Average monthly number of direct employees (full-time equivalent)		
Stadium, Commercial and Administration	229	215
Professional Rugby	136	114
Rugby Development	132	158
	497	487



9. PROFIT ON SALE OF INVESTMENT

	Group 2022	Group 2021	Parent 2022	Parent 2021
	£m	£m	£m	£m
Gain from sale of share in Six Nations Limited	87.6	-	87.6	-

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

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

10. INTEREST RECEIVABLE AND SIMILAR INCOME

	Group 2022	Group 2021	Parent 2022	Parent 2021
	£m	£m	£m	£m
Interest receivable and similar income	0.9	-	0.9	-
Debenture waiver credit	2.6	32.4	2.6	32.4
	3.5	32.4	3.5	32.4

The debenture waiver credit is due to the Debenture Donation Programme. Debenture holders were offered the opportunity to sell some or all of their debenture loans at their present value to the RFU on the basis that any proceeds were directed to the RFF. Debentures are accounted for at historical cost by the RFU and the above waiver credit is the difference between the present value donated (redemption value) of £0.8m (2021: £7.7m) and the cost value of the redeemed debentures on the balance sheet of £3.2m (2021: £40.1m). The scheme closed in the year.

11. INTEREST PAYABLE AND SIMILAR CHARGES

	Group 2022	Group 2021	Parent 2022	Parent 2021
	£m	£m	£m	£m
Bank interest	1.7	2.1	1.7	2.1
Other interest charge	1.4	1.6	-	0.1
Defined benefit pension curtailment	-	2.2	-	2.2
	3.1	5.9	1.7	4.4

12. TAXATION

	Group 2022 £m	Group 2021 £m	Parent 2022 £m	Parent 2021 £m
(a) Current corporation tax				
UK corporation tax on profit for the period	1.5	-	(2.3)	(0.1)
Total current corporation tax		-	(2.3)	(0.1)
(b) Deferred tax				
Origination and reversal of timing differences	(1.3)	(0.3)	(1.8)	-
Adjustment in respect of previous years	-	-	-	-
Effect of changes in tax rate	0.1	(0.4)	-	-
Total deferred tax	(1.2)	(0.7)	-	-
Taxation on ordinary activities	0.3	(0.7)	(4.1)	(0.1)
(c) Tax included in group statement of total comprehensive income				
Deferred tax current year charge	1.8	-	1.8	-
Total tax included in total comprehensive income	1.8	-	1.8	-
(d) Factors affecting tax charge				
Profit on ordinary activities before taxation	102.5	19.4	92.0	13.5
Tax on profit at standard UK rate of 19% (2021: 19%)	19.5	3.7	17.5	2.6
Effects of:				
Expenses not deductible for tax purpose	4.3	2.4	1.6	1.5
Income not taxable	(22.3)	(2.7)	(21.7)	(0.2)
Capital gains charge	-	(0.1)	-	-
Tax rate changes	0.1	(0.3)	0.3	-
Other	0.5	(3.7)	-	(4.0)
Deferred tax asset not recognised	-	-	-	-
Tax charge/(credit) for the year	2.1	(0.7)	(2.3)	(0.1)

(e) Factors that may affect future tax charges

The substantively enacted tax rate remained at 19% as at the Balance Sheet date of 30 June 2022.

Per the Finance Bill 2021, the corporation tax rate is set to increase to 25% with effect from 1 April 2023. For profits up to £50,000, the corporation tax rate will remain at 19% and for profits over £250,000, the corporation tax rate will be 25%. Marginal relief provisions will also be introduced for profits between the lower and upper limits.

The closing deferred tax assets and liabilities have therefore been calculated at the substantively enacted rate (25%) the rate expected to apply to the unwinding of the asset as at the balance sheet date.

(f) Deferred tax asset	2022
	£m
Group	
At 1 July 2021	1.5
Adjustment from previous periods	-
Deferred tax credit to Profit and Loss account for the year	(0.6)
Deferred tax charge in Other Comprehensive Income for the year	-
At 30 June 2022	0.9
Parent	
At 1 July 2021	-
Adjustment from previous periods	-
Deferred tax credit to Profit and Loss account for the year	-
Deferred tax charge in Other Comprehensive Income for the year	-
At 30 June 2022	-

	Group 2022	Group 2021	Parent 2022	Parent 2021
	£m	£m	£m	£m
The deferred tax asset comprises:				
Fixed asset timing differences	4.6	5.6	4.4	4.9
Short term timing differences	6.2	4.2	6.2	4.2
Losses	1.0	1.8	-	-
	11.8	11.6	10.6	9.1
Deferred tax not recognised	(4.6)	(5.1)	(4.4)	(4.9)
Timing differences - trading	(6.2)	(4.2)	(6.2)	(4.2)
Losses	(0.1)	(0.8)	-	-
	0.9	1.5	-	-

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

13. INTANGIBLE FIXED ASSETS

Group	Software	Total
Cost	£m	£m
At 1 July 2021	6.9	6.9
Additions	0.1	0.1
Disposals	-	-
At 30 June 2022	7.0	7.0
Amortisation		
At 1 July 2021	(4.4)	(4.4)
Charge for the year	(0.5)	(0.5)
On disposals	-	-
At 30 June 2022	(4.9)	(4.9)
Net book value		
At 30 June 2022	2.1	2.1
At 30 June 2021	2.5	2.5
Parent		
Cost		
At 1 July 2021	6.8	6.8
Additions	-	-
Disposals	-	-
At 30 June 2022	6.8	6.8
Amortisation		
At 1 July 2021	(4.3)	(4.3)
Charge for the year	(0.5)	(0.5)
On disposals	-	-
At 30 June 2022	(4.8)	(4.8)
Net book value		
At 30 June 2022	2.0	2.0
At 30 June 2021	2.5	2.5

14. TANGIBLE FIXED ASSETS

Group	Land and buildings £m	Long-term leasehold property £m	Fixtures, fittings and equipment £m	Assets in the course of construction £m	Total £m
Cost					
At 1 July 2021	244.5	0.4	226.4	0.4	471.7
Additions	0.2	-	6.1	-	6.3
Disposals	-	-	(0.3)	-	(0.3)
Impairment	-	-	-	-	-
Transfer between asset classes	-	-	0.4	(0.4)	-
At 30 June 2022	244.7	0.4	232.6	-	477.7
Depreciation					
At 1 July 2021	(98.2)	(0.3)	(93.9)	-	(192.4)
Charge for the year	(6.3)	-	(12.1)	-	(18.4)
On disposals	-	-	0.1	-	0.1
At 30 June 2022	(104.5)	(0.3)	(105.9)	-	(210.7)
Net book value					
At 30 June 2022	140.2	0.1	126.7	-	267.0
At 30 June 2021	146.3	0.1	132.5	0.4	279.3
Parent					
Cost					
At 1 July 2021	221.0	0.4	210.5	0.4	432.3
Additions	0.2	-	5.0	-	5.2
Disposals	-	-	(0.3)	-	(0.3)
Impairment	-	-	-	-	-
Transfer between asset classes	-	-	0.4	(0.4)	-
At 30 June 2022	221.2	0.4	215.6	-	437.2
Depreciation					
At 1 July 2021	(93.8)	(0.3)	(81.4)	-	(175.5)
Charge for the year	(4.9)	-	(11.0)	-	(15.9)
On disposals	-	-	0.1	-	-
At 30 June 2022	(98.7)	(0.3)	(92.3)	-	(191.3)
Net book value					
At 30 June 2022	122.5	0.1	123.3	-	245.9
At 30 June 2021	127.2	0.1	129.1	0.4	256.8

14. TANGIBLE FIXED ASSETS CONTINUED

There are no assets in the course of construction as at 30 June 2022. Amounts held at 1 July 2021 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 (2021: £4.5m). The amount of interest capitalised during the year was £nil (2021: £nil). The total amount of interest capitalised to date is £13.7m (2021: £13.7m). The interest rate was 2.3% (2021: 2.3%).

15. LOANS TO CLUBS

	Group 2022 £m	Group 2021 £m	Parent 2022 £m	Parent 2021 £m
At 1 July	7.0	8.1	0.5	0.6
Advances during the year	0.3	0.1	0.4	0.1
Repayments during the year	(1.3)	(1.2)	(0.4)	(0.2)
At 30 June	6.0	7.0	0.5	0.5

16. INVESTMENTS

Group	Unlisted investments £m	Other fixed asset investments £m	Total £m
Cost or valuation			
At 1 July 2021	-	8.4	8.4
Additions	-	-	-
Disposals	-	-	-
Gain/(loss) on fair value of fixed asset investments	-	(0.5)	(0.5)
At 30 June 2022	-	7.9	7.9

Included in other fixed asset investments are investments held by RFU Injured Players Foundation of £7.9m (2021: £8.4m). The investment portfolio is in the following proportions: equities 92% and cash 8% (2021: equities 92% and cash 8%).

Parent	Subsidiary undertakings £m	Capitalised loans to Group undertakings £m	Other fixed asset investments £m	Total £m
Cost or valuation				
At 1 July 2021	125.9	6.7	0.1	132.7
Additions	1.4	0.9	-	2.3
Disposals	-	(1.6)	-	(1.6)
Impairment	-	(0.9)	-	(0.9)
At 30 June 2022	127.3	5.1	0.1	132.5

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

16. INVESTMENTS CONTINUED

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

	Country of incorporation	% holding of shares	Status	Year end	Principal activities
Rugby House, 200 Whitton Road, Twickenham, TW2 7BA					
Twickenham Experience Limited	Great Britain	60%	Subsidiary	30 June	Hospitality services
England Rugby Limited	Great Britain	100%*	Associate	30 June	Community 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-subsubsidiary	30 June	Player welfare
IPF Trading Limited [^]	Great Britain	100%	Subsidiary	30 June	Player welfare
RFF Trading Limited [^]	Great Britain	100%	Subsidiary	30 June	Community Rugby
Yorkshire Rugby Academy	Great Britain	100%	Subsidiary	30 June	Community Rugby
Great Britain Rugby Sevens Limited	Great Britain	33%	Joint venture	30 June	Olympic Games Sevens rugby team
1st Floor, Simmonscourt House, Simmonscourt Road, Ballsbridge, Dublin 4, Ireland					
British & Irish Lions DAC	Rep of Ireland	25%***	Associate	30 June	Overseas rugby tours
New Six Nations Rugby Limited	Rep of Ireland	31%****	Investment	30 June	Competition management
The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle, Delaware, 19801, USA					
Rugby Football Union USA	USA	100%	Subsidiary	30 June	Holding company

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

* England Rugby Limited is not consolidated in line with FRS102, on the grounds of 'severe long-term restrictions that substantially hinder the ability of the parent to exercise their rights over the assets or management undertaking.

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

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

**** New Six Nations Rugby Limited's share capital is beneficially owned by the six unions and CVC Capital Partners. The six unions are The Rugby Football Union, the Irish Rugby Football Union Limited, the Welsh Rugby Football Union Limited, the Scottish Rugby Union Limited, La Federation Francaise de Rugby and La Federazione Italiana Rugby.

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

17. INVESTMENT PROPERTY

Group and Parent	Freehold investment property
Valuation	£m
At 1 July 2021	6.9
Fair value adjustments	-
At 30 June 2022	6.9

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

	2022	2021
	£m	£m
Cost	1.4	1.4
Depreciation	(0.4)	(0.3)
	1.0	1.1

18. STOCK

	Group	Group	Parent	Parent
	2022	2021	2022	2021
	£m	£m	£m	£m
Goods for resale	0.3	0.3	-	-

19. DEBTORS AND PREPAYMENTS

	Group	Group	Parent	Parent
	2022	2021	2022	2021
	£m	£m	£m	£m
Amounts falling due within one year				
Trade debtors	14.9	8.2	8.4	4.3
Amounts owed to Group undertakings	-	-	24.3	21.6
Other debtors	3.3	2.6	1.7	2.4
Prepayments and accrued income	6.8	6.7	5.9	4.7
Deferred consideration	19.3	-	19.2	-
	44.3	17.5	59.5	33.0

19. DEBTORS AND PREPAYMENTS CONTINUED

	Group 2022	Group 2021	Parent 2022	Parent 2021
	£m	£m	£m	£m
Amounts falling due after one year				
Deferred consideration	55.2	-	55.2	-
Other debtors and accrued income	0.2	0.2	0.2	0.2
	£55.4	£0.2	£55.4	£0.2

Based on a review of the age and nature of debtors and prior experience, a bad debt provision of £0.1m (2021: £0.4m) has been recognised.

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

20. CASH AT BANK AND IN HAND

Cash at bank and in hand includes £2.7m (2021: £2.0m) held in restricted funds by the Group's two charities, the RFU Injured Players Foundation and Rugby Football Foundation.

21. CREDITORS

	Group 2022	Group 2021	Parent 2022	Parent 2021
	£m	£m	£m	£m
Amounts falling due within one year				
Trade creditors	8.9	3.4	6.2	3.0
Amounts owed Group undertakings	-	-	26.5	24.9
Corporation tax	-	0.5	-	-
Other taxes and social security	2.2	2.0	1.2	0.8
Other creditors	0.4	0.7	-	0.5
Accruals and deferred income	42.7	34.0	28.7	21.0
	54.2	40.6	62.6	50.2

	Group 2022	Group 2021	Parent 2022	Parent 2021
	£m	£m	£m	£m
Amounts falling due after one year				
Bank loans (see note 22)	16.4	63.9	16.4	63.9
Other creditors	85.5	84.1	85.5	84.1
Accruals and deferred income	0.8	0.3	-	-
	102.7	148.3	101.9	148.0

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

22. BANK LOANS

	Group 2022	Group 2021	Parent 2022	Parent 2021
	£m	£m	£m	£m
Amounts falling due within one and two years	16.4	63.9	16.4	63.9

At the start of the year the RFU had a £50m term loan, a £14m revolving credit facility (RCF) and two government backed Coronavirus Large Business Interruption Loans Scheme (CLBILS) RCFs, the first for £19m and the second for £31m. At 30 June 2021 the term loan of £50m was fully drawn as was the £14m of the non-CLBILS RCF. The term loan had interest payable at 2.25% above LIBOR on drawn down funds, the RCF had interest payable at 1.75% above LIBOR on drawn down funds and a non-utilisation margin of 0.70% on the available commitment not drawn down, and both CLBILS RCFs had interest payable at 1.38% above LIBOR on drawn down funds and a non-utilisation margin of 40% on the available commitment not drawn down.

In October 2021, the RFU refinanced all of its borrowings and entered into an unsecured £90m committed revolving credit facility with two banks, Nat West and Santander. The term of the facility is three years with an extension option available for up to two further years. Interest is payable at 1.75% above SONIA on drawn down funds and at 0.70% on the available commitment not drawn down.

23. DEBENTURES

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

	Group & Parent 2022	Group & Parent 2021
	£m	£m
Analysis of maturity		
Debentures 2075	8.8	8.8
Debentures 2076	6.3	6.4
Debentures 2077	3.4	3.4
Debentures 2078	17.0	17.1
Debentures 2079	4.4	4.6
Debentures 2080	11.0	11.1
Debentures 2081	22.1	22.1
Debentures 2083	6.4	6.4
Debentures 2085	12.8	13.0
Debentures 2086	8.9	9.1
Debentures 2087	3.1	3.3
Debentures 2088	23.5	23.7
Debentures 2089	4.9	6.0
Debentures 2090	0.1	0.1
Debentures 2091	31.8	32.2
Debentures 2092	9.0	9.3
Debentures 2093	5.1	5.2
Debentures 2095	8.1	8.5
Debentures 2096	11.2	11.0
Debentures 2098	8.1	-
	206.0	201.3

During the year, 793 debentures of the same class (2021: 1,141) were issued for a total consideration of £8.1m (2021: £11.0m).

23. DEBENTURES CONTINUED

In December 2020, the RFU approached existing debenture holders offering them the opportunity to sell some or all of their debenture loans at their present value to the RFU on the basis that the RFU direct any proceeds due to them to the Rugby Football Foundation (RFF). The purpose of the campaign was to secure additional funding for grassroots rugby.

The majority of the programme completed in the prior year, but an additional 453 debentures with a present value of £0.8m were donated in the year to June 2022, and a further £0.2m of Gift Aid was claimed. This brought the total number of debentures donated to 6,014, the total present value of debenture proceeds donated to the RFF to £8.5m, and the total value of gift aid claimed by RFF to £1.9m. The £1m total of the present value of debenture proceeds donated in year and the Gift Aid claimed in year is recognised in revenue (see note 4).

The debenture liability reduced by £3.4m during the year as debentures are held at historical cost, and the £2.6m difference between the historical cost and the redemption value (the present value of the outstanding liability) is credited to Profit and Loss under debenture waiver credit.

24. SHARE CAPITAL

	2022	2021
	£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 2022. Each member of the Rugby Football Union must hold one share which is subject to forfeiture upon ceasing to be a member.

25. OPERATING LEASE AND OTHER COMMITMENTS

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

	2022	2021
	£m	£m
Lease arrangements where Group and Parent are lessees		
Motor vehicles		
Within one year	0.5	0.1
Between two and five years	0.9	-
	1.4	0.1

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 2021/22 season is the second season where the level of investment is wholly linked to the revenue of the RFU and this will be the case for the remaining two years of the agreement. Further details on this agreement are found on page 82.

26. RESERVES

Debenture reserve

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

Other reserve

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

Profit and loss reserve

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

27. DEFINED BENEFIT PENSION SCHEME

The RFU operates a defined benefit pension scheme in the UK, which is now closed to new entrants and future accruals. There is a separate trustee administered fund which holds the pension scheme assets to meet long term pension liabilities. The most recent full actuarial valuation was carried out at 30 April 2020 with the assumptions updated to 30 June 2022 in the most recent FRS102 valuation by a qualified actuary, independent of the scheme's sponsoring employer. The valuation shows a £6.5m asset as at 30 June 2022 compared with a £1.3m liability as at 30 June 2021. The major assumptions used by the actuary are shown below.

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

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

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

	2022	2021
	£m	£m
Balance sheet impact		
Fair value of plan assets	42.9	48.3
Present value of defined obligations	(36.4)	(49.6)
Defined pension asset/(liability)	6.5	(1.3)
Reconciliation of the opening and closing balances of the defined benefit obligation		
Defined benefit obligation at start of period	49.6	48.4
Current service cost	-	0.1
Interest expense	0.9	0.9
Contributions by plan participants	-	-
Actuarial loss	(12.6)	(1.1)
Benefits paid	(1.5)	(0.9)
Losses/(gains) on curtailments	-	2.2
Defined benefit obligation at end of period	36.4	49.6
Reconciliation of the opening and closing balances of the fair value of scheme assets		
Fair value of plan assets at start of period	48.3	46.9
Interest income	0.9	0.9
Actuarial gains	(5.5)	0.3
Contributions by the RFU	0.7	1.2
Contributions by plan participants	-	-
Benefits paid	(1.5)	(1.0)
Fair value of plan assets at end of period	42.9	48.3

The actual return on the plan assets (including interest income) over the period ended 30 June 2022 was a loss of £4.6m (2021: £1.1m gain).

	2022	2021
	£m	£m
Defined benefit costs recognised in the profit and loss account		
Current service cost	-	0.1
Net interest cost	-	-
Loss (gains) on curtailments	-	2.2
Defined benefit costs recognised in profit and loss account	-	2.3

	2022	2021
	£m	£m
Defined benefit costs recognised in other comprehensive income		
Return on plan assets (excluding amounts included in net interest cost) – gain	(5.5)	0.3
Experience gain and losses arising on the plan liabilities – (loss) gain	(2.0)	0.7
Effects of changes in the demographic and financial assumptions underlying the present value of the plan liabilities – gain (loss)	14.6	0.4
Total amount recognised in other comprehensive income - gain/(loss)	7.1	1.4

	2022	2021
	£m	£m
Assets		
Cash and cash equivalents	2.7	3.0
Equity instruments	14.0	14.4
Debt instruments	9.5	10.2
Real estate	1.5	1.5
Other	15.2	19.1
	42.9	48.3

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

Assumptions	2022	2021
	% per annum	% per annum
Discount rate	3.8	1.9
Inflation (RPI)	3.2	3.3
Inflation (CPI)	2.8	2.9
Salary Growth	n/a	n/a
Allowance for revaluation of deferred pensions (RPI or max 5%)	3.2	3.3
Allowance for pension in payment increases (RPI or max 5%)	3.0	3.1
Allowance for pension in payment increases (CPI or max 3%)	2.1	2.3
Allowance for commutation of pension for cash at retirement	75% of Post A Day	75% of Post A Day

Life expectancy at age 60

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

	2022	2021
Male retiring in 2022	27.0	26.9
Female retiring in 2022	28.9	28.8
Male retiring in 2042	28.5	28.4
Female retiring in 2042	30.5	30.4

The best estimate of contributions to be paid by the Company to the scheme for the period commencing 1 July 2022 is £625,000.

28. RELATED PARTIES

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

In the year, the RFU was paid £0.6m (2021: £0.3m) by TEL in respect of shared services and lease of catering facilities. During the year the RFU received £4.8m (2021: £0.1m) from TEL in respect of ticket revenue and royalties, and paid £1.7m (2021: £0.1m) to TEL in respect of catering services. The Group paid £14.5m (2021: £2.0m) to the Compass Group in respect of staff costs, royalties and other services. At 30 June 2022 £5.4m (2021: £6.3m) was owed by the RFU to TEL and is shown in amounts owed to Group undertakings in the Parent balance sheet.

During the year, the RFU generated income £nil (2021: £nil) from its subsidiary company England Rugby Travel Limited.

Key management personnel include all Directors and a number of senior managers across the Group who together have authority and responsibility for planning, directing and controlling the activities of the Group. The total compensation (inclusive of social security costs) paid to key management personnel for services provided to the group was £2.5m (2021: £2.6m).

29. FINANCIAL INSTRUMENTS**Financial risk factors**

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

Foreign exchange risk

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

Interest rate risk

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

Credit risk

The Group has one significant concentration of credit risk that being CVC Capital Partners for the deferred consideration from them buying into the Six Nations. Management are comfortable with the risk after following the policy and performing checks. The policy is before any sales to new customers commence appropriate credit checks must be performed and documented.

The Group only invests with financial institutions that have a minimum A credit rating.

29. FINANCIAL INSTRUMENTS CONTINUED

Liquidity risk

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

Borrowing facilities

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

	2022	2021
	£m	£m
Expiring between one and two years	-	19.0
Expiring between two and five years	73.0	31.0

Details of refinancing agreed post year end are given in Note 21.

Financial instruments

	Group	Group	Parent	Parent
	2022	2021	2022	2021
	£m	£m	£m	£m
Financial assets measured at fair value through profit or loss				
Investment at fair value	7.9	8.4	-	-
Financial assets that are debt instruments measured at amortised cost				
Trade debtors	14.9	8.2	8.4	4.3
Amounts owed by group undertakings	-	-	24.3	21.6
Bank accounts	35.2	39.0	19.5	25.0
Other debtors (including non-current)	78.0	2.8	93.7	2.6
Loans to club	6.0	7.0	0.5	0.5
	142.0	65.4	146.4	54.0
Financial liabilities measured at amortised cost				
Trade creditors	8.9	3.4	6.2	3.0
Amounts owed to group undertakings	-	-	26.5	24.9
Debentures	206.0	201.3	206.0	201.3
Other creditors (including non-current)	85.9	84.8	85.5	84.6
Bank loans	16.4	63.9	16.4	63.9
Accruals	19.2	13.2	12.8	7.8
	336.4	366.6	353.4	385.5

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

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

30. ANALYSIS OF GROUP CHANGES IN NET DEBT

Group	At 1 July 2021 £m	Cash flows £m	Other non-cash changes £m	At 30 June 2022 £m
Cash and cash equivalents				
Cash	39.0	(3.8)	-	35.2
Borrowings				
Debt due within one year	-	-	-	-
Debt due after one year	(63.9)	47.5	-	(16.4)
	(63.9)	47.5	-	(16.4)
Total	(24.9)	43.7	-	18.8

31. CONTINGENT LIABILITY**Potential litigation**

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

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

32. 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	2022	2021
	£m	£m
Donations received	19.6	23.5
Direct charitable activities	(18.9)	(14.4)
Surplus/(deficit) for the year	0.7	9.1
Balance sheet	2022	2021
	£m	£m
Loans due from clubs	5.5	6.5
Debtors	18.5	14.3
Cash at bank and in hand	2.4	1.9
Loans due to Group undertakings	(10.7)	(6.7)
Creditors falling due within one year	(5.1)	(6.1)
	10.6	9.9
Represented by:		
Unrestricted funds	8.6	9.7
Restricted funds	2.0	0.2
	10.6	9.9

33. RFU INJURED PLAYERS FOUNDATION

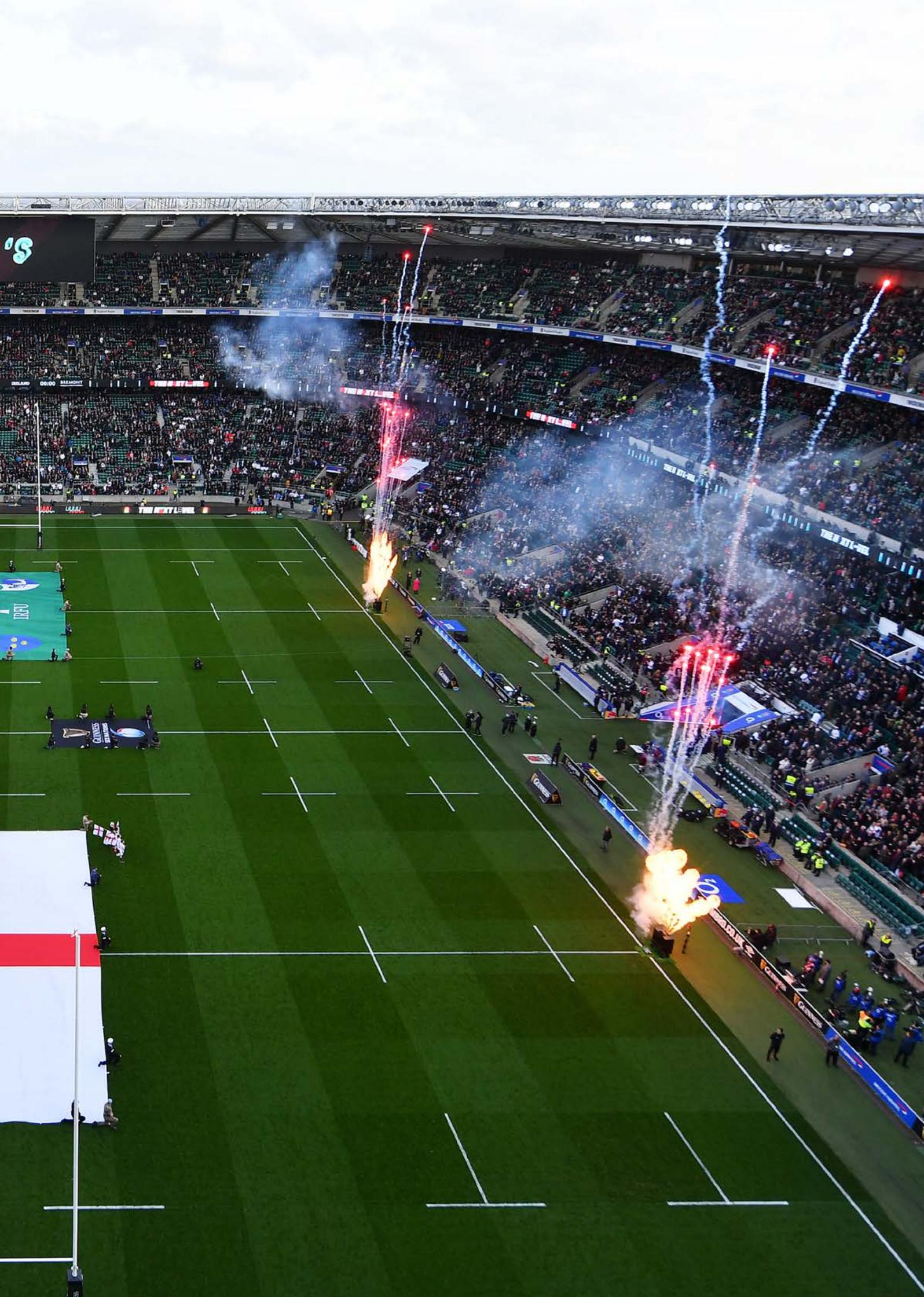
The financial results and position of the RFU Injured Players Foundation (IPF), which are included in the Group financial statements, are provided on the grounds that its funds may only be utilised in the pursuit of achieving its charitable objective. The primary objective is the provision of financial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

Statement of financial activities	2022	2021
	£m	£m
Donations received	1.7	0.1
Direct charitable activities	(0.9)	(0.5)
Operating profit/(loss)	0.8	(0.4)
Investment income	0.3	0.1
Investment gain/(loss)	(0.5)	0.9
Surplus for the year	0.6	0.6
Balance sheet	2022	2021
	£m	£m
Investments	7.8	8.3
Debtors	2.8	2.1
Cash at bank and in hand	0.3	0.1
Creditors	(2.5)	(2.7)
	8.4	7.8
Represented by:		
Unrestricted funds	2.2	1.0
Restricted funds	6.2	6.8
	8.4	7.8

Four Year Summary	2022	2021	2020	2019
	£m	£m	£m	£m
Revenue	189.1	97.0	167.0	213.2
Costs	(96.7)	(47.5)	(83.1)	(97.8)
Profit before rugby investment	92.4	49.5	83.9	115.4
Professional rugby investment	(57.0)	(40.3)	(66.4)	(65.6)
Rugby development investment	(20.4)	(17.1)	(28.3)	(34.9)
Operating profit/(loss)	15.0	(7.9)	(10.8)	14.9
Net finance income/(cost)	87.5	27.3	(3.9)	(3.0)
Profit/(loss) on ordinary activities before taxation	102.5	19.4	(14.7)	11.9
Tax (charge)/credit on ordinary activities	(0.3)	0.7	(7.8)	(1.9)
Attributable to non-controlling interests	(7.2)	0.4	(4.6)	(6.1)
Profit/(loss) for the year	95.0	20.5	(27.1)	3.9
Summary of Group Balance Sheet	2022	2021	2020	2019
	£m	£m	£m	£m
Fixed and other non-current assets	345.3	304.1	319.7	331.5
Other net current (liabilities)/assets	(8.7)	(21.1)	(18.7)	(23.3)
Net debt (bank loan less cash)	18.8	(24.9)	(36.4)	(30.9)
Creditors amounts falling due after one year	(86.3)	(84.4)	(83.0)	(81.4)
Pension (liability)/asset	6.5	(1.3)	(1.5)	0.5
Profit and loss reserve	125.9	24.2	0.7	28.6









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