

Company Registration No. 05835638 (England and Wales)

RFL (Governing Body) Limited
Annual Report And Financial Statements
For The Year Ended 31 December 2019

RFL (GOVERNING BODY) LIMITED

CONTENTS

	Page
Strategic report	1 - 5
Directors' report	6 - 9
Directors' responsibilities statement	10
Independent auditor's report	11 - 13
Group statement of comprehensive income	14
Group balance sheet	15
Company balance sheet	16
Group statement of changes in equity	17
Company statement of changes in equity	18
Group statement of cash flows	19
Notes to the financial statements	20 - 39

RFL (GOVERNING BODY) LIMITED

COMPANY INFORMATION

Directors

Ms K E Moorhouse
Mr C C Brindley
Mr C J Hurst
Mr S H Johnson
Mr R W J Rimmer
Mrs S Lindsay (Appointed 8 October 2019)
Miss R Akhtar (Appointed 11 October 2019)

Secretary Ms K E Moorhouse

Company number 05835638

Registered office

Red Hall
Red Hall Lane
Leeds
LS17 8NB

Auditor

Garbutt & Elliott Audit Limited
33 Park Place
Leeds
LS1 2RY

RFL (GOVERNING BODY) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the strategic report for the year ended 31 December 2019.

Principal activities

The principal activity of RFL (Governing Body) Limited ("the RFL") throughout the year was the promotion of the game of Rugby League. The RFL organises and promotes competitions to maximise returns to members. The RFL is also the governing body for the sport of Rugby League in Great Britain and Ireland.

Business Model

The primary remit of the Board is to lead the RFL and the sport by focusing on four key areas of the business: strategic issues facing the RFL and Rugby League generally; monitoring and review of executive performance; approval of changes to the regulatory framework; and finally representing the RFL externally when appropriate and required.

Day to day management of the RFL is delegated to the executive management team under the leadership of the Chief Executive Officer. The Board of Directors receive presentations and reports from members of the executive management team at each Board meeting and may also request updates or attendance at Board meetings from an individual departmental manager if there are significant issues to discuss in an area.

Management of the business is organised via the Chief Executive Officer through four key executive areas managed by; the Chief Regulatory Officer, Chief Commercial Officer, Chief of On Field and the Chief Operating Officer.

The RFL Strategic Plan provides a road map for Rugby League up to the end of 2021. This plan covers distinct areas of activity and its primary objectives are;

- i. More players;
- ii. More spectators;
- iii. More viewers;
- iv. More digital;
- v. England winning;
- vi. Financial sustainability, and
- vii. Excellence governance

Over the period of the current plan, performance against it is and will be closely monitored by the Board.

The Super League clubs are also members of Super League (Europe) Ltd which acts as a vehicle for the distribution of revenues earned by the Super League from broadcasting, commercial partnerships and the staging of events. The RFL is a shareholder in Super League (Europe) Ltd with key rights over specific issues.

The Championship and League 1 clubs meet at least three times a year to discuss matters of common interest.

The RFL also has a Community Board which comprises representatives from various sections of the community game including youth and adult participation, schools, universities, and armed services. This Board meet four times a year to discuss matters of importance in the community game.

Business review and results

The consolidated accounts for the RFL show a profit for the financial year of £75k for the year ended 31 December 2019 (2018: loss £327k). The RFL has maintained an aggregate positive cash balance throughout the year. At 31 December 2019, this aggregate balance was £4,868k (2018: £4,516k).

During 2019, short-term cash flow has been carefully managed. The medium-term external finance arranged in 2017 is still in place. This will support the cash flow of the business for the foreseeable future. As part of the RFL's move to the Etihad Campus in 2021, its office in Leeds is held for sale and the proceeds from the sale will make a significant positive impact on cashflow. In the meantime, cash flow is monitored closely and the adopted budget for 2020 generates a profit of £109k to further increase cash and reserves.

Therefore, at the time of approval of the Financial Statements, the directors are satisfied regarding the funding of the RFL for the foreseeable future. Future expectations for the financial position of the RFL are positive, and the Board expect to build reserves in accordance with the Financial Reserves Policy increasing the liquidity of the Group over the next three years up to and including the Rugby League World Cup in 2021.

RFL (GOVERNING BODY) LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Key performance indicators

The Board monitors executive performance with reference to the Strategic Plan by measuring key performance indicators (“KPI’s”). The KPI’s of the RFL are reviewed by the executive team at its weekly meetings and by the directors at each Board meeting. These KPI’s have been chosen as they allow the directors to closely monitor the performance of the RFL against the targets set in the Strategic Plan.

Principal Risks and Uncertainties

Following a loss of £327k in 2018, the RFL made a profit of £75k in 2019. The Board and executive team had budgeted to make a profit in order to continue the financial turnaround from the previous two years. The budgeted result was impacted by the financial performance of the Coral Challenge Cup Final which, due to the lower than anticipated ticket revenue, generated a profit for the RFL which was over £358k below expectations. This was mitigated in part by management of costs. The pre Covid-19 budget for 2020 aimed to generate a profit of £109k, however this has been materially impacted by the post balance sheet event, further details of which can be found later in this report.

Detailed Analysis of Trading

Year on year turnover has decreased by 2% from £23,391k to £22,876k which can be attributed in the main to the absence of a home international test series in 2019 as opposed to the New Zealand Test Series occurring in 2018. This drove Match income to decrease to £2,203k in 2019 from £2,919k in 2018 – a reduction of 25% and Sponsorship income increased to £1,896k (2018: £1,773k) – an increase of 7%.

Government funding through Sport England has increased from £4,166k in 2018 to £4,898k – an increase of 18% mainly due to grants received by Rugby League World Cup 2021 Limited in support of preparations for the Rugby League World Cup which is to be held in England in 2021.

The existing BBC and Sky broadcast contracts continued in 2019. Overall broadcast income reduced from £10,338k in 2018 to £9,907k in 2019. The reduction is due to additional broadcast income earned in 2018 by selling the rights to screen the New Zealand Test Series. There were no home international series held in 2019. In partnership with Super League (Europe), the RFL is currently in negotiations with Sky ahead of the expiry of the current broadcast rights contract at the end of 2021.

Within the RFL accounts, the cost of sales heading is broken down into two sections. The first being the external, third party costs of making the sale and the second being the cost of sales that are internal to the RFL’s stakeholders such as payments directly made to clubs. External cost of sales decreased in 2019 by 20% from £6,932k in 2018 to £5,524k in 2019, this reduction is attributable to the higher costs of staging a home international series in 2018.

Grant funded activities expenditure has increased by 12% from £2,583k in 2018 to £2,903k in 2019 reflecting the level of programme activity delivered and its associated income. Sport England funded expenditure within this line has decreased in the year shadowing the financial profile of the current Sport England award.

Payments to and on behalf of clubs is made up of the cost of sales element of £2,537k (2018: £2,580k) and a further amount shown below Gross Profit on the Profit and Loss Account, which in 2019 brought the total payable to and on behalf of clubs to £9,210k (2018: £10,268k).

In 2019, Operating Costs have increased to £7,921k from £6,737k in 2018. This is due to the tapering of Sport England back office funding and therefore less income to offset against the RFL’s back office costs. This is part of Sport England’s drive towards more financially sustainable NGB’s. The classification of grant funded expenditure in Rugby League World Cup 2021 Limited as operating costs has also contributed to this increase as activity and planning of the event begin to ramp up.

Staff costs have significantly reduced from £6,719k to £5,754k in 2019 – a decrease of 14%. This is driven primarily by a reduction in head count as well as director remuneration decreasing by 13% from £515k in 2018 to £450k in 2019. In order to continue to manage costs in response to Covid-19, further temporary cost savings have been made in relation to Executive and Non-Executive Director’s salaries in 2020 whilst the Executive continue to plan for the delivery of the RFL’s core objectives post pandemic

Interest receivable by the RFL in 2019 was £17k (2018: £24k).

RFL (GOVERNING BODY) LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Our People

Our People are at the heart of our sport. The RFL recognises that without their commitment, professionalism, and expertise in delivering customer service excellence it would be unable to achieve its goals. We are committed to providing ongoing investment to their learning and development to achieve the highest standards. We fully support all opportunities for employment, career progression and development, irrespective of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (including colour, nationality, and ethnic or national origin), religion or belief, sex (gender) and sexual orientation through our Inclusion and Diversity action plan. The RFL is committed to ensuring that we are an inclusive sport and have a proud history that supports this. To ensure we continue to meet the wider objectives of the sport by increasing participation and engagement from the communities, Inclusion and Diversity sits at the forefront of this enabling us to promote our sport and encourage new interest whilst retaining the commitment and passion we currently have. An Inclusion and Diversity Advisory Group has been established to support the RFL in its delivery of the plan. The group, made up of both internal and external members, seeks to provide strategic advice and support to the organisation.

An example of the work we have done to increase participation and engagement can be seen in Women's Rugby League. In 2018 the Women's Super League was launched, and the number of female community rugby league players increased by 30% from the 2017 figure. This was built upon in 2019 with a further increase in excess of 15%. The early signs are that the progress will continue in 2020, with the Super League expanding to ten teams, and new teams also joining Championship and League One. The RFL has also introduced physical and learning disabilities rugby league with both becoming member leagues of the RFL. An international programme is currently being developed for PDRL in preparation for Festival of World Cups in 2021. The RFL is also engaged with a number of clubs to run pilot programmes to support increased engagement with BAME participants including Keighley, Featherstone and Swinton.

Our Communities

As a leading National Sports Governing Body, we are committed to transforming our local communities by delivering an approach to corporate social responsibility encompassing cash donations, support for volunteering, environmentally friendly practices and investment in our people. In line with this commitment we have continued to support several sports related charities including the RFL Benevolent Fund, the RFL Facilities Trust, Rugby League Cares, and the Rugby League Heritage Trust. We support these organisations in cash and in kind.

Corporate Governance

The RFL is committed to high standards of corporate governance and is continually looking at ways to improve this function. This is evidenced in the Directors Report through the operation of Board Committees and through the RFL's commitment to compliance with UK Sport and Sport England's A Code for Sports Governance. The RFL has further enhanced this commitment through continuing to manage itself through the Non-Executive Chair and Non-Executive Director Board structure, the carrying out of an external evaluation of the Board (and the publication of that reviews' findings) along with the continued rollout of its Inclusivity and Diversity Plan and its engagement in an internal audit programme. The internal audit programme is carried out by an independent third party and reports directly to the Audit and Risk Committee. It is a wide ranging programme and it provides transparency for members alongside the statutory external audit programme.

Review of 2019

Women's Super League and Challenge Cup

The women's game continued its rapid recent development, with a number of significant landmarks.

Both major competitions were sponsored for the first time – the Coral Women's Challenge Cup, and the Betfred Women's Super League.

The Coral Women's Challenge Cup Final was played in July as part of a triple header at the University of Bolton Stadium, before the two semi-finals of the men's competition. Leeds Rhinos surprised Castleford Tigers in an all-Yorkshire clash which was streamed live by the BBC, with extensive highlights shown on BBC1, and even more exposure on BBC news bulletins that night.

Castleford finished top of the Betfred Women's Super League table, and regularly attracted four figure crowds to their fixtures at the Mend-a-Hose Jungle, while fixtures were regularly shown on the RFL's Our League platform.

The Grand Final was played at the Totally Wicked Stadium in St Helens and shown live by Sky Sports on the Friday night before the Betfred Super League Grand Final at Old Trafford. Again, Castleford faced Leeds – and again, the Rhinos emerged triumphant, generating extensive media coverage.

RFL (GOVERNING BODY) LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

The previous weekend, the Leeds captain Courtney Hill had been named the Daily Telegraph Woman of Steel – the award securing sponsorship in its second season.

England and Great Britain

The Great Britain Rugby League team returned after a 12-year absence for a four-Test tour of New Zealand and Papua New Guinea. However, after the loss of a number of senior players to injury, such as the 2018 Golden Boot winner Tommy Makinson and the South Sydney forward Sam Burgess, the Rugby League Lions were beaten by Tonga, New Zealand twice and finally the Kumuls in Papua New Guinea.

After a review of the tour, the RFL appointed Shaun Wane as the new England Head Coach on a two-year contract running until the end of the 2021 Rugby League World Cup.

It was a year of significant progress for the England Women and Wheelchair teams, also building towards home World Cups in 2021.

England Women participated in the Downer World Nines in Sydney, then made a memorable two-match tour of Papua New Guinea, with captain Emily Rudge scoring four tries in the opening victory in Lae only for the Orchids to hit back and equalise the series in Port Moresby.

England Wheelchair swept all before them on an historic Ashes tour of Australia, winning all five fixtures including two against Australia's Wheelaroos – leading to their captain Jack Brown, of Halifax, being awarded the first Wheelchair Golden Boot awarded by International Rugby League at a ceremony at Emerald Headingley in January 2020.

Coral Challenge Cup and AB Sundecks 1895 Cup

St Helens returned to Wembley for the first time since 2008, but were beaten 18-4 by Warrington Wolves in the first time the old local rivals had met in a major final, with the Wolves hooker Daryl Clark winning the Lance Todd Trophy as man of the match.

The match was followed by the first final of the AB Sundecks 1895 Cup, a new competition created by the RFL to give non-Super League clubs a more realistic chance of playing at Wembley – with Sheffield Eagles enjoying their biggest day since they stunned Wigan in the 1998 Challenge Cup Final, by beating Widnes Vikings 36-18. Anthony Thackeray was voted man of the match and received the inaugural Ray French Award, named in honour of the popular and respected former player and broadcaster.

Betfred Super League

St Helens claimed their seventh Super League title, and their first since 2014, with a 23-6 win against a Salford Red Devils team who had made a fairy tale run to a first Grand Final appearance. The Saints prop Luke Thompson won the Harry Sunderland Trophy as man of the match.

Championship and League One

Toronto Wolfpack dominated the regular season and held their nerve in the Million Pound Match at home to Featherstone Rovers at a packed Lamport Stadium to secure promotion to the Super League.

Whitehaven were the Betfred League 1 champions and were joined in promotion to the Championship by Oldham, who beat Newcastle Thunder in the League 1 Play-Off Final.

Community Game

In 2019 the number of people regularly participating in rugby league increased from 102,304 to 109,536. This increase means the sport is on track to achieve its Sport England target of 5% year on year growth. It also represents the third successive year of growth during this funding cycle (2017-2021) against a 2017 baseline of 95,000 active participants. Importantly, it is the first time during this funding cycle we have achieved growth across junior, youth and open age settings in the same season.

We have seen significant growth in secondary schools' activity and continue to perform strongly in terms of the diversity of people participating. The women and girls' game has continued to grow and we continue to be a leading inclusive sport further developing our Physical Disability RL, Learning Disability RL and Wheelchair offers.

The RFL remains a key NGB in terms of providing sporting opportunities for players from lower socio-economic groups with the value of the sport evidenced in 'The Rugby League Dividend Report' produced during the year. The expanded England Community Lions Programme provided great rugby league experiences for such players with the tour to New Zealand a particular highlight.

RFL (GOVERNING BODY) LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Events after the balance sheet date

Subsequent to the year end, Covid-19 has resulted in a pandemic affecting businesses globally, including within the UK. The speed and severity of the impact has been unprecedented and while the UK Government has introduced considerable measures to help businesses through this extremely challenging time, the full impact of Covid-19 on the Sport is currently unknown.

Rugby League within the UK was suspended from 15 March 2020. While the Betfred Championship and League 1 seasons will not resume in 2020, Super League fixtures have now recommenced, albeit behind closed doors, from August 2020. The intention is to complete as much of the suspended competition as is practically possible with a revised Super League season structure. Although income will be relatively modest given there will be no ticketing income for clubs or the league, it will enable Rugby League to continue to honour its broadcast contract with SKY.

Management have put in place business plans which cover various scenarios covering the period from now until the end of October 2021. Some revenue streams are materially impacted by the current situation and the impact of various scenarios have been modelled to show the effect on cashflows along with the areas of mitigation available to management to maintain a cash position to continue to operate the business.

The key assumption which drives cashflow and the Broadcast income revenue stream is that Super League fixtures (as the main element of broadcast content) will be played behind closed doors, ensuring income from the key broadcast contract will be received. Where further restrictions prevent fixtures being played behind closed doors and subsequently Rugby League honouring the broadcast contract, more fundamental restructuring of the governing body would be required. Based on current information, risk assessment and plans, the board are confident that the sport will be able to continue to play fixtures behind closed doors.

In addition to the above, the board have already taken advantage of various government assistance schemes, including CJRS and deferral of some tax payments to aid cashflow management. The board has also been successful in securing additional funding to support cashflow via direct discussions with the Department for Digital, Culture, Media and Sport. This new facility, coupled with facilities already available and the continued support of broadcast contracts and funding from Sport England provides the necessary working capital for at least the next 12 months, provided that the sport can resume as discussed above. Accordingly, based on the current models and forecasts, as detailed in the going concern note on page 21, the board remain satisfied that the RFL is a going concern.

Signed on behalf of the Board

Simon Johnson

Mr S H Johnson

Director

Date: 13/10/2020

RFL (GOVERNING BODY) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the year ended 31 December 2019.

Principal activities

The principal activity of RFL (Governing Body) Limited ("the RFL") throughout the year was the promotion of the game of Rugby League. The RFL organises and promotes competitions to maximise returns to members. The RFL is also the governing body for the sport of Rugby League in Great Britain and Ireland.

Business Review

The RFL group has made a profit for the financial year of £75k for the year ended 31 December 2019 (2018: loss £327k). The RFL has maintained an aggregate positive cash balance throughout the year. At 31 December 2019, this aggregate balance was £4,868k (2018: £4,516k). Therefore, at the time of approval of the Financial Statements, the directors are satisfied regarding the funding of the RFL for the foreseeable future.

Directors

The RFL has a Board of Directors that is totally independent of any club or member involvement. The Board is currently comprised of two Executive Directors, and five Non-Executive Directors – including the Non-Executive Chairman.

All non-executive directors are subject to election by the RFL Council at the first opportunity after their appointment, and to re-election every three years. Non-Executive directors retire by rotation and may offer themselves for immediate re-election.

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Ms K E Moorhouse

Mr C C Brindley

Mr C J Hurst

Mr S H Johnson

Mr R W J Rimmer

Mrs S Lindsay

Miss R Akhtar

Mr B R Barwick

(Appointed 8 October 2019)

(Appointed 11 October 2019)

(Resigned 24 July 2019)

The Board undertakes a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors. This includes a review of whether each director continues to contribute effectively and demonstrate a commitment to the role (including commitment of time for Board and committee meetings and any other duties). The evaluation process is used constructively as a mechanism to improve Board effectiveness, maximise strengths and address areas of improvement.

RFL (GOVERNING BODY) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Board Committees

The Board has established four specific committees, each with defined terms of reference. Minutes of the meetings are circulated to and reviewed by the Board.

The Audit & Risk Committee

This consists of three non-executive directors along with Executive support and staff members of the RFL. This Committee was chaired by Simon Johnson throughout 2019 and meets four times per year. In addition to the Committee members, it is attended by representatives of the external auditors and other RFL staff as required. The non-executive Chairman, and all other Board directors can be invited to attend as the Committee wishes. The Audit & Risk Committee considers the Annual Report and Accounts before submission to RFL Board for approval. The Committee also reviews accounting practices to ensure compliance with accounting standards. In addition, it recommends the appointment of the external auditors for approval at the AGM, oversees the internal audit programme, considers the scope of past and future audits, deals with matters arising from the audit and reviews internal control procedures. All non-audit services provided by the Group's auditors are considered by the Chairman of the Audit and Risk Committee at the meeting which the external auditors attend.

The Remuneration Committee

The Board of Directors consider it important to benchmark senior staff against other businesses of similar size and against other sports governing bodies. To this end, the Remuneration Committee meets as appropriate under the chairmanship of Chris Brindley and currently comprises Chris Hurst, Sandy Lindsay and Rimla Akhtar. The Committee determines the terms and conditions of employment for executive and non-executive directors and agrees the level of remuneration for senior managers whose earnings are within the committee's prescribed criteria. The objective of the policy shall be to ensure that members of the executive management of the RFL are rewarded, in a fair and responsible manner, for their individual contributions to the success of the RFL.

The Nominations Committee

The RFL believes that there should be a formal and transparent procedure for appointing new members to the Board of Directors. To this end the Board established a Nominations Committee which leads the process for Board appointments. This Committee is chaired by Simon Johnson and includes all Non-Executive Directors. The Committee is responsible for nominating candidates to fill Board vacancies for the approval of the Board as and when they arise. Before considering any appointment, the balance of skills, knowledge and experience on the Board is evaluated, the diversity and make-up of the Board is considered and, in the light of this evaluation, a description of the role and capabilities required for an appointment is prepared. In addition, full consideration is given to succession planning during its work, considering the challenges and opportunities facing the company and the skills and expertise that are therefore needed on the Board in the future as well as regularly reviewing the structure, size and composition (including skills, knowledge and experience) of the Board and making recommendations to the Board with regard to any changes.

Laws Committee

The Committee is chaired by the RFL's CEO. The Committee met twice in 2019. Its role is to review the current laws of the game whilst also fully considering the potential impact of the introduction of new laws based on criteria such as game spectacle, player safety and the international landscape. Drawing from across the game, the Committee comprises of a range of members who are considered representative of all stakeholders.

The Committee consider it vital to understand the views of all relevant stakeholders (including coaches, players, medical staff, the union and match officials) and this is reflected in its composition.

Community Board

By virtue of Article 79 of the Articles of Association of RFL (Governing Body) Limited, the Board has established a Community Board. This Board is accountable to the RFL Board for the management and development of all aspects of the community, grass roots and amateur game of Rugby League. The role of the Community Board is to assist in the organisation and management structure of the RFL, and to bring together all areas of the British Rugby League community, grass roots and amateur game under the governance of the RFL.

RFL (GOVERNING BODY) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Internal Control

The Board is responsible for establishing and maintaining the RFL's system of internal controls. Internal control systems are intended to meet the needs of the organisation and the risks to which it is exposed. By their nature, such systems and procedures are designed to manage rather than eliminate the risk of failure to achieve objectives and can therefore provide reasonable and not absolute reassurance against material loss or misstatement.

Key elements of the internal control systems are:

- Clearly defined management structure and delegation of authority to committees of the Board and the management team.
- High recruitment standards and formal career development and training to ensure the integrity and competence of staff.
- Regular information provided to management and staff, covering financial performance and key performance indicators.
- A detailed budgeting process where departmental managers participate in the budget formation before approval by the Board.
- A streamlined system with an automated workflow for the approval of capital expenditure, investments and all trading purchases.
- Monthly monitoring and re-forecasting of results against budget, with management action taken and recorded against major variances.
- On-going procedures to maintain the risk register, evaluate the risks faced by the business and monitor the systems to control and reduce the risks.

Proposed dividend

The directors do not recommend the payment of a dividend (2018: £nil).

Political contributions

The Company made no political donations or incurred any disclosable political expenditure during the year (2018: £nil).

Other information

An indication of likely future developments in the business and of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 1.

Auditor

A new auditor was appointed by the RFL Board following the recommendation made by the Audit and Risk Committee meeting held on 23rd August 2019. This followed the resignation of KPMG LLP ahead of a competitive tender process. Pursuant to Section 487 of the Companies Act 2006, Garbutt & Elliot Audit Limited took office following the resignation of KPMG on 17th December 2019.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

RFL (GOVERNING BODY) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

On behalf of the board

Simon Johnson

.....
Mr S H Johnson
Director

Date: 13/10/2020
.....

RFL (GOVERNING BODY) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RFL (GOVERNING BODY) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RFL (GOVERNING BODY) LIMITED

Opinion

We have audited the financial statements of RFL (Governing Body) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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.

RFL (GOVERNING BODY) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF RFL (GOVERNING BODY) LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 company'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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

RFL (GOVERNING BODY) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF RFL (GOVERNING BODY) LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Garbutt & Elliott Audit Limited

Chris Butt (Senior Statutory Auditor)
for and on behalf of Garbutt & Elliott Audit Limited

14/10/2020
.....

Chartered Accountants
Statutory Auditor

33 Park Place
Leeds
LS1 2RY

RFL (GOVERNING BODY) LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Turnover	3	22,875,547	23,390,592
Cost of sales	4	(5,523,799)	(6,931,815)
Cost of sales payable to or on behalf of clubs	5	(2,537,453)	(2,580,113)
Total cost of sales		<u>(8,061,252)</u>	<u>(9,511,928)</u>
Gross profit		14,814,295	13,878,664
Payments to or on behalf of clubs and other member organisations	5	(6,672,093)	(7,688,053)
Operating costs		(7,920,922)	(6,737,307)
Total administrative costs		<u>(14,593,015)</u>	<u>(14,425,360)</u>
Operating profit/(loss)	6	221,280	(546,696)
Interest receivable and similar income	10	16,816	23,690
Amounts written off investments	11	(163,241)	-
Profit/(loss) before taxation		<u>74,855</u>	<u>(523,006)</u>
Tax on profit/(loss)	12	-	195,649
Profit/(loss) for the financial year		<u><u>74,855</u></u>	<u><u>(327,357)</u></u>

RFL (GOVERNING BODY) LIMITED

GROUP BALANCE SHEET AS AT 31 DECEMBER 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	13		1,914,636		2,022,634
Investment properties	14		750,000		750,000
			<u>2,664,636</u>		<u>2,772,634</u>
Current assets					
Debtors	18	13,152,046		11,992,375	
Cash at bank and in hand	19	4,867,576		4,515,628	
		<u>18,019,622</u>		<u>16,508,003</u>	
Creditors: amounts falling due within one year	20	<u>(20,606,231)</u>		<u>(19,471,623)</u>	
Net current liabilities			<u>(2,586,609)</u>		<u>(2,963,620)</u>
Total assets less current liabilities			<u>78,027</u>		<u>(190,986)</u>
Creditors: amounts falling due after more than one year	21		<u>(194,158)</u>		<u>-</u>
Net liabilities			<u>(116,131)</u>		<u>(190,986)</u>
Capital and reserves					
Revaluation reserve	24		565,219		565,219
Accumulated (deficit)/surplus	24		(681,350)		(756,205)
Total equity			<u>(116,131)</u>		<u>(190,986)</u>

The financial statements were approved by the board of directors and authorised for issue on 14/10/2020
and are signed on its behalf by:



.....
Mr R W J Rimmer
Director

Company Registration No. 05835638

RFL (GOVERNING BODY) LIMITED

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	13	1,615,000		1,615,000	
Investment properties	14	750,000		750,000	
Investments	15	389,861		389,861	
		<u>2,754,861</u>		<u>2,754,861</u>	
Current assets					
Debtors	18	72,280		5,480	
Net current assets			72,280		5,480
Total assets less current liabilities			<u>2,827,141</u>		<u>2,760,341</u>
Provisions for liabilities	22		(62,122)		(62,122)
Net assets			<u>2,765,019</u>		<u>2,698,219</u>
Capital and reserves					
Revaluation reserve	24		565,219		565,219
Accumulated surplus/(deficit)	24		2,199,800		2,133,000
Total equity			<u>2,765,019</u>		<u>2,698,219</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £66,800 (2018 - £72,000 profit).

The financial statements were approved by the board of directors and authorised for issue on 14/10/2020
and are signed on its behalf by:



.....
Mr R W J Rimmer
Director

Company Registration No. 05835638

RFL (GOVERNING BODY) LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Revaluation reserve £	Accumulated defecit £	Total £
Balance at 1 January 2018	428,469	(428,848)	(379)
Year ended 31 December 2018:			
Loss for the year	-	(327,357)	(327,357)
Other comprehensive income:			
Revaluation of tangible fixed assets	170,750	-	170,750
Deferred taxation on revalued assets	(34,000)	-	(34,000)
Total comprehensive income for the year	136,750	(327,357)	(190,607)
Balance at 31 December 2018	565,219	(756,205)	(190,986)
Year ended 31 December 2019:			
Profit and total comprehensive income for the year	-	74,855	74,855
Balance at 31 December 2019	565,219	(681,350)	(116,131)

RFL (GOVERNING BODY) LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Revaluation reserve £	Accumulated surplus £	Total £
Balance at 1 January 2018	428,469	2,061,000	2,489,469
Year ended 31 December 2018:			
Profit for the year	-	72,000	72,000
Other comprehensive income:			
Revaluation of tangible fixed assets	170,750	-	170,750
Deferred taxation on revalued assets	(34,000)	-	(34,000)
Total comprehensive income for the year	136,750	72,000	208,750
Balance at 31 December 2018	565,219	2,133,000	2,698,219
Year ended 31 December 2019:			
Profit and total comprehensive income for the year	-	66,800	66,800
Balance at 31 December 2019	565,219	2,199,800	2,765,019

RFL (GOVERNING BODY) LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	29	302,330		1,289,333	
Income taxes refunded		120,126		12,681	
Net cash inflow from operating activities		<u>422,456</u>		<u>1,302,014</u>	
Investing activities					
Purchase of tangible fixed assets		(87,324)		(100,691)	
Interest received		16,816		23,690	
Net cash used in investing activities			<u>(70,508)</u>		<u>(77,001)</u>
Net increase in cash and cash equivalents			<u>351,948</u>		<u>1,225,013</u>
Cash and cash equivalents at beginning of year		4,515,628		3,290,615	
Cash and cash equivalents at end of year		<u>4,867,576</u>		<u>4,515,628</u>	

RFL (GOVERNING BODY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

RFL (Governing Body) Limited (“the company”) is a company limited by guarantee and domiciled and incorporated in England and Wales. The registered office is Red Hall, Red Hall Lane, Leeds, LS17 8NB.

The group consists of RFL (Governing Body) Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being the parent of a group that prepares publicly available consolidated financial statements, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 ‘Statement of Financial Position’ – Reconciliation of the opening and closing number of shares;
- Section 7 ‘Statement of Cash Flows’ – Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 ‘Related Party Disclosures’ – Compensation for key management personnel.

The company has taken advantage of the disclosure exemptions of Section 33.1A of FRS102 which permit it to not present details of its transactions with members of the group where relevant group companies are all wholly owned.

1.2 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2019. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

RFL (GOVERNING BODY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.3 Going concern

The board are constantly monitoring the financial position of the RFL and the ongoing uncertain situation in respect of Covid-19. A large part of the RFL's income is from its Broadcast, Sponsorship, Ticketing and Sport England funding. While the Betfred Championship and League 1 seasons will not resume in 2020, Super League fixtures have now recommenced, albeit behind closed doors, from August 2020. Income is relatively modest given there will be no ticketing income for clubs or the league in the initial period. Additionally, other commercial activities, including Broadcast and Sponsorship arrangements will be materially reduced on 2019 as a result of the impact of Covid-19 and the ability to stage matches. Accordingly, the pandemic will have a material effect on the RFL's results for 2020.

The board has prepared cash flow projections, which have been stress tested to establish the cash needs over the remainder of 2020 and through to the end of 2021. On the presumption that the sport continues to be played to at least conclude the Super League Season behind closed doors and continuation of the Super League on at least a similar basis next season, these cashflows show that, coupled with already available facilities, the league can continue to settle debts as they fall due. In addition the board has been successful in securing additional funding to support cashflow via direct discussions with the Department for Digital, Culture, Media and Sport. As a consequence, the board are confident that, at the time of approving the financial statements, the RFL has adequate resources to continue in operational existence for the foreseeable future, and not less than one year from the date of approval of the financial statements. Accordingly these financial statements have been prepared on the going concern basis, however, it is important to note that the overall impact of the Covid-19 pandemic cannot yet be predicted and there will be further considerations to be made as we emerge from this stage of the pandemic.

1.4 Turnover

Income comprises the value of sales excluding VAT of goods and services in the normal course of business, sponsorship monies, grant monies and revenue derived from television broadcasting contracts. Income includes amounts generated as principal and excludes transactions conducted as agent of the Clubs. Income is recognised in the period to which it relates and payments to clubs are recorded as 'payable to clubs' in the period in which the related income is recognised. Government grants are taken to income in order to match them against the related costs. Where amounts have not yet been spent grant monies received are shown as deferred income.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in surplus or deficit or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and losses are recognised in surplus or deficit.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	25 years straightline
Plant and equipment	4 years straightline
Fixtures and fittings	8 years straightline
Computers	4 years straightline

RFL (GOVERNING BODY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss. No depreciation is provided in respect of freehold investment properties applying the fair value model.

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash and cash equivalents

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

RFL (GOVERNING BODY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.10 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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.

RFL (GOVERNING BODY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

RFL (GOVERNING BODY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Provisions

A provision is recognised in the balance sheet when the Entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

1.13 Employee benefits

Termination benefits are recognised as an expense when the company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

1.14 Retirement benefits

The organisation operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the organisation in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

1.15 Leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

1.16 Foreign exchange

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

RFL (GOVERNING BODY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

1.17 Government funding for service delivery

Government funding for service delivery is included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the periods in which the related costs are incurred.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The fair value of the forward contract shown in note 17 is a key estimate.

3 Turnover and other revenue

	2019	2018
	£	£
Turnover analysed by class of business		
Match income	2,203,005	2,918,918
Broadcast	9,906,856	10,338,463
Sponsorship	1,895,515	1,772,909
Government funding	4,897,927	4,165,741
Other	3,972,244	4,194,561
	<u>22,875,547</u>	<u>23,390,592</u>
	2019	2018
	£	£
Turnover analysed by geographical market		
United Kingdom	<u>22,875,547</u>	<u>23,390,592</u>

4 Cost of sales

	2019	2018
	£	£
Match costs	1,723,818	2,994,236
Grant funded activities	2,902,515	2,583,385
Sponsorship and promotional costs	371,516	810,681
Other	525,950	543,513
	<u>5,523,799</u>	<u>6,931,815</u>

RFL (GOVERNING BODY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

5	Payments to or on behalf of clubs and other member organisations	2019	2018
		£	£
	Awards to clubs	4,398,362	5,178,788
	Awards to other sections of the game	115,000	100,000
	Match officials	1,298,445	1,324,385
	Insurance	558,879	628,246
	Disciplinary costs and banned substances testing	104,321	228,469
	Player welfare	197,086	228,165
		<u>6,672,093</u>	<u>7,688,053</u>

In addition to the amounts above, further amounts were paid to or on behalf of clubs relating to events or government funding. These amounts are contained within Cost of sales – payable to or on behalf of clubs and are as follows:

	2019	2018
	£	£
Match costs	1,129,427	1,256,812
Grant funded activities	1,408,026	1,323,301
	<u>2,537,453</u>	<u>2,580,113</u>
Total payments made to or on behalf of clubs	<u>9,209,546</u>	<u>10,268,166</u>

6	Operating profit/(loss)	2019	2018
		£	£
	Operating profit/(loss) for the year is stated after charging/(crediting):		
	Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	188	(4,412)
	Depreciation of owned tangible fixed assets	195,322	196,026
	Operating lease charges	11,184	16,448
		<u>196,694</u>	<u>208,062</u>

RFL (GOVERNING BODY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

7 Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of these financial statements	2,000	2,000
Audit of the financial statements of the company's subsidiaries	23,500	27,100
	<u>25,500</u>	<u>29,100</u>
For other services		
Taxation compliance services	3,500	8,700
Other taxation services	-	3,000
All other non-audit services	3,500	-
	<u>7,000</u>	<u>11,700</u>

In the prior year the total amount of auditor's remuneration was payable to KPMG LLP.

8 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
On field staff	13	8	-	-
Administration staff	119	140	-	-
Total	<u>132</u>	<u>148</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Wages and salaries	5,005,103	5,875,062	-	-
Social security costs	519,263	627,936	-	-
Pension costs	230,411	216,073	-	-
	<u>5,754,777</u>	<u>6,719,071</u>	<u>-</u>	<u>-</u>

RFL (GOVERNING BODY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

9 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	420,092	473,607
Company contributions to money purchase pension plans	30,730	41,804
	<u>450,822</u>	<u>515,411</u>

Included in the above is the remuneration of the independent non-executive board of RFL (Governing Body) Limited. They are detailed as follows:

	2019 £	2018 £
Brian Barwick	45,150	79,765
Simon Johnson	36,133	32,000
Sandra Lindsay	5,897	-
Rimla Akhtar	5,609	-
Clare Morrow	-	16,917
Christopher Brindley	27,000	27,000
Christopher Hurst	26,042	2,230
	<u>145,831</u>	<u>157,912</u>

The aggregate of remuneration receivable of the highest paid director was £174,000 (2018 - £170,000), and company pension contributions of £26,000 (2018 - £38,000) were made to a money purchase scheme on his behalf.

The total remuneration of the Chief Executive and his Senior Management Committee is £580,000 (2018 - £557,000).

	2019 Number of Directors	2018 Number of Directors
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	<u>2</u>	<u>2</u>

10 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Interest on bank deposits	<u>16,816</u>	<u>23,690</u>

RFL (GOVERNING BODY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

10	Interest receivable and similar income	(Continued)	
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	16,816	23,690
		<u> </u>	<u> </u>
11	Amounts written off investments	2019	2018
		£	£
	Fair value gains/(losses) on financial instruments		
	Change in value of financial assets held at fair value through profit or loss	(163,241)	-
		<u> </u>	<u> </u>
12	Taxation	2019	2018
		£	£
	Current tax		
	Tax relating to prior year adjustments recognised in profit or loss	-	(84,338)
		<u> </u>	<u> </u>
	Deferred tax		
	Origination and reversal of timing differences	-	(85,699)
	Changes in tax rates	-	(25,608)
	Adjustment in respect of prior periods	-	(4)
		<u> </u>	<u> </u>
	Total deferred tax	-	(111,311)
		<u> </u>	<u> </u>
	Total tax charge/(credit)	-	(195,649)
		<u> </u>	<u> </u>

RFL (GOVERNING BODY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

12 Taxation

(Continued)

The actual charge/(credit) for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Profit/(loss) before taxation	74,855	(523,006)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	14,222	(99,371)
Tax effect of expenses that are not deductible in determining taxable profit	22,932	3,463
Tax effect of income not taxable in determining taxable profit	(6,752)	-
Tax effect of utilisation of tax losses not previously recognised	(1,378)	-
Unutilised tax losses carried forward	(21,122)	-
Adjustments in respect of prior years	-	(84,337)
Deferred tax adjustments in respect of prior years	-	(25,608)
Other	(7,902)	10,204
Taxation charge/(credit)	-	(195,649)

13 Tangible fixed assets

Group	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers £	Assets held for sale £	Total £
Cost or valuation						
At 1 January 2019	1,615,000	2,547,743	-	-	-	4,162,743
Additions	-	22,297	-	65,027	-	87,324
Transfers	(1,275,000)	(2,263,917)	465,815	1,798,102	1,275,000	-
At 31 December 2019	340,000	306,123	465,815	1,863,129	1,275,000	4,250,067
Depreciation and impairment						
At 1 January 2019	-	2,140,109	-	-	-	2,140,109
Depreciation charged in the year	-	4,208	6,729	184,385	-	195,322
Transfers	-	(1,865,409)	453,777	1,411,632	-	-
At 31 December 2019	-	278,908	460,506	1,596,017	-	2,335,431
Carrying amount						
At 31 December 2019	340,000	27,215	5,309	267,112	1,275,000	1,914,636
At 31 December 2018	1,615,000	407,634	-	-	-	2,022,634

RFL (GOVERNING BODY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

13 Tangible fixed assets (Continued)

Company	Freehold land and buildings £	Assets held for sale £	Total £
Cost or valuation			
At 1 January 2019	1,615,000	-	1,615,000
Transfers	(1,275,000)	1,275,000	-
At 31 December 2019	<u>340,000</u>	<u>1,275,000</u>	<u>1,615,000</u>
Depreciation and impairment			
At 1 January 2019 and 31 December 2019	-	-	-
Carrying amount			
At 31 December 2019	<u>340,000</u>	<u>1,275,000</u>	<u>1,615,000</u>
At 31 December 2018	<u>1,615,000</u>	<u>-</u>	<u>1,615,000</u>

Included within the carrying value of freehold property and assets held for sale is land held at the carrying value of £340,000 (2018 - £340,000), which is not depreciated.

Land and buildings and assets held for sale with a carrying amount of £1,615,000 were revalued at 31 December 2018 by Knight Frank LLP, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

Revaluation

Assets are periodically valued by independent valuers, The last valuation was carried out for assets held as at 31 December 2018.

The aggregate fair value of the freehold properties was measured taking into consideration their current physical condition subject to existing tenancies and with vacant possession as appropriate.

If freehold land and buildings were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Cost	975,822	975,822	975,822	975,822
Accumulated depreciation	-	-	-	-
Carrying value	<u>975,822</u>	<u>975,822</u>	<u>975,822</u>	<u>975,822</u>

Assets held for sale relate to freehold land and buildings that were in the process of being sold to an unrelated third party at the balance sheet date. The sales process was still ongoing at the date of approval of the financial statements. The carrying value recognised reflects the agreed consideration to be paid for the asset on completion, and is therefore indicative of the fair value of the asset under current market conditions.

RFL (GOVERNING BODY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

14 Investment property

	Group 2019 £	Company 2019 £
Fair value		
At 1 January 2019 and 31 December 2019	750,000	750,000

Investment property comprises of a sporting stadium that was commercially let during the financial year ended 31 December 2019. The fair value of the investment property has been arrived at on the basis of a previous offer to purchase made for the property in 2017. The offer was made in consideration of the assets market value and with reference to market evidence of transaction prices for similar properties.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Cost	1,927,568	1,927,568	963,784	963,784
Accumulated depreciation	(427,568)	(427,568)	(213,784)	(213,784)
Carrying amount	1,500,000	1,500,000	750,000	750,000

15 Fixed asset investments

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in subsidiaries	16	-	-	389,861	389,861

Movements in fixed asset investments

Company	Shares in group undertakings £
Cost or valuation	
At 1 January 2019 and 31 December 2019	389,861
Carrying amount	
At 31 December 2019	389,861
At 31 December 2018	389,861

RFL (GOVERNING BODY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

16 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
The Rugby Football League Limited	England and Wales	Sports promotion	Ordinary	100.00
Rugby League Learning Limited	England and Wales	Education	Ordinary	100.00
Rugby League World Cup 2021 Limited	England and Wales	Sports promotion	Ordinary	100.00
Rugby League Tri-Tournaments Limited	England and Wales	Sports promotion	Ordinary	100.00
ZZ Merchandising Limited (formerly Rugby League Enterprises)	England and Wales	Sports promotion	Ordinary	97.00

Rugby League World Cup 2021 Limited has an address of Quay West Trafford Wharf Road, Trafford Park, Manchester, M17 1HH.

The registered office of all other subsidiaries is the same as RFL (Governing Body) Limited.

17 Financial instruments

	Group 2019 £	2018 £	Company 2019 £	2018 £
Carrying amount of financial liabilities				
Measured at fair value through profit or loss				
- Other financial liabilities	163,241	-	-	-

The other financial liabilities of £163,241 relates to the fair value of an outright forward contract to purchase Australian dollars on 21st March 2021 at an agreed rate of \$1.8425.

The fair value of the forward contract is determined using the interest rate parity theory to calculate the forward exchange rate.

The above other financial liabilities are included in Creditors due after more than one year. The contract was in place at the prior year end, however at that date it was not recognised due to the immateriality of its value at that date.

RFL (GOVERNING BODY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

18 Debtors

	Group 2019	2018	Company 2019	2018
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	9,290,558	9,642,486	-	-
Corporation tax recoverable	-	84,338	-	-
Amounts owed by group undertakings	-	-	72,280	5,480
Other debtors	22,116	436,272	-	-
Loans to clubs	183,592	252,223	-	-
Taxation and social security	65,861	53,822	-	-
Prepayments and accrued income	606,645	1,268,961	-	-
	<u>10,168,772</u>	<u>11,738,102</u>	<u>72,280</u>	<u>5,480</u>
Deferred tax asset (note 22)	254,273	254,273	-	-
	<u>10,423,045</u>	<u>11,992,375</u>	<u>72,280</u>	<u>5,480</u>
Amounts falling due after more than one year:				
Trade debtors	176,535	-	-	-
Other debtors	598,599	-	-	-
Prepayments and accrued income	1,953,867	-	-	-
	<u>2,729,001</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred tax asset (note 22)	-	-	-	-
	<u>2,729,001</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total debtors	<u>13,152,046</u>	<u>11,992,375</u>	<u>72,280</u>	<u>5,480</u>

19 Cash and cash equivalents

	Group 2019	2018	Company 2019	2018
Cash at bank and in hand	4,867,576	4,515,628	-	-
	<u>4,867,576</u>	<u>4,515,628</u>	<u>-</u>	<u>-</u>

RFL (GOVERNING BODY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

20 Creditors: amounts falling due within one year

	Group 2019 £	2018 £	Company 2019 £	2018 £
Trade creditors	5,983,692	1,396,156	-	-
Corporation tax payable	35,788	26	-	-
Other taxation and social security	922,699	239,632	-	-
Other creditors	4,319,472	6,929,187	-	-
Accruals and deferred income	9,344,580	10,906,622	-	-
	<u>20,606,231</u>	<u>19,471,623</u>	<u>-</u>	<u>-</u>

21 Creditors: amounts falling due after more than one year

	Group 2019 £	2018 £	Company 2019 £	2018 £
Trade creditors	30,917	-	-	-
Derivative financial instruments	163,241	-	-	-
	<u>194,158</u>	<u>-</u>	<u>-</u>	<u>-</u>

22 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2019 £	Liabilities 2018 £	Assets 2019 £	Assets 2018 £
Accelerated capital allowances	-	-	254,273	254,273
	<u>-</u>	<u>-</u>	<u>254,273</u>	<u>254,273</u>

Company	Liabilities 2019 £	Liabilities 2018 £	Assets 2019 £	Assets 2018 £
Accelerated capital allowances	62,122	62,122	-	-
	<u>62,122</u>	<u>62,122</u>	<u>-</u>	<u>-</u>

There were no deferred tax movements in the year.

The deferred tax asset set out above is expected to reverse within the next 5 years and relates to the utilisation of tax losses against future expected profits of the same period. The deferred tax liability set out above is relates to accelerated capital allowances that are expected to mature within the same period.

RFL (GOVERNING BODY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

23 Employee benefits

	2019	2018
	£	£
Charge to profit or loss in respect of defined contribution pension plans	179,000	216,000

The company operates several defined contribution pension plans. There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

24 Reserves

Profit and loss reserves

Revaluation reserve

Where tangible fixed assets are revalued or reclassified as investment property, the cumulative increase in the fair value of the property at the date of reclassification in excess of any previous impairment losses is included in the revaluation reserve.

Accumulated deficit

A reconciliation of the accumulated surplus can be found in the Statement of Changes in Equity on page 17.

25 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Within one year	16,548	16,448	-	-
Between two and five years	5,241	32,896	-	-
	<u>21,789</u>	<u>49,344</u>	<u>-</u>	<u>-</u>

During the year £11,184 was recognised as an expense in the profit and loss account in respect of operating leases (2018 - £16,448).

RFL (GOVERNING BODY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

26 Events after the reporting date

Subsequent to the year end, Covid-19 has resulted in a pandemic affecting businesses globally, including within the UK. The speed and severity of the impact has been unprecedented and while the UK Government has introduced considerable measures to help businesses through this extremely challenging time, the full impact of Covid-19 on the Sport is currently unknown.

Rugby League within the UK was suspended from 15 March 2020. While the Betfred Championship and League 1 seasons will not resume in 2020, Super League fixtures have now recommenced, albeit behind closed doors, from August 2020. The intention is to complete as much of the suspended competition as is practically possible with a revised Super League season structure. Although income will be relatively modest given there will be no ticketing income for clubs or the league, it will enable Rugby League to continue to honour its broadcast contract with SKY.

Management have put in place business plans which cover various scenarios covering the period from now until the end of October 2021. Some revenue streams are materially impacted by the current situation and the impact of various scenarios have been modelled to show the effect on cashflows along with the areas of mitigation available to management to maintain a cash position to continue to operate the business.

The key assumption which drives cashflow and the Broadcast income revenue stream is that Super League fixtures (as the main element of broadcast content) will be played behind closed doors, ensuring income from the key broadcast contract will be received. Where further restrictions prevent fixtures being played behind closed doors and subsequently Rugby League honouring the broadcast contract, more fundamental restructuring of the governing body would be required. Based on current information, risk assessment and plans, the board are confident that the sport will be able to continue to play fixtures behind closed doors.

In addition to the above, the board have already taken advantage of various government assistance schemes, including CJRS and deferral of some tax payments to aid cashflow management. The board has also been successful in securing additional funding to support cashflow via direct discussions with the Department for Digital, Culture, Media and Sport. This new facility, coupled with facilities already available and the continued support of broadcast contracts and funding from Sport England provides the necessary working capital for at least the next 12 months, provided that the sport can resume as discussed above. Accordingly, based on the current models and forecasts, as detailed in the going concern note on page 21, the board remain satisfied that the RFL is a going concern.

27 Related parties

RFL (Governing Body) Limited has significant influence over Rugby League Cares (RLC).

At 31 December 2019 within trade debtors £nil (2018 - £167,399) is owed to the RFL by RLC.

At 31 December 2019 within loans to clubs £nil (2018 - £125,000) is owed by RLC to RFL.

At 31 December 2019 within other debtors £417,000 (2018 - £359,066) is owed by RLC to RFL.

At 31 December 2019 within accruals and deferred income £80,925 (2018 - £184,593) is owed by RFL to RLC.

RFL (Governing Body) Limited has significant influence over The RFL Benevolent Fund (RLB).

At 31 December 2019 within other creditors £nil (2018 - £17,533) is owed by RFL to RLB.

At 31 December 2019 within accruals and deferred income £nil (2018 - nil) is owed by RFL to RLB.

RFL (GOVERNING BODY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

28 Company limited by guarantee

The company is limited by guarantee and does not have share capital. The liability of the members in the event of the company being liquidated is limited to £1 per member.

29 Cash generated from group operations

	2019 £	2018 £
Profit/(loss) for the year after tax	74,855	(327,357)
Adjustments for:		
Taxation charged/(credited)	-	(195,649)
Investment income	(16,816)	(23,690)
Depreciation and impairment of tangible fixed assets	195,322	196,026
Amounts written off investments	163,241	-
Movements in working capital:		
(Increase)/decrease in debtors	(1,231,969)	1,029,315
Increase in creditors	1,117,697	610,688
Cash generated from operations	<u>302,330</u>	<u>1,289,333</u>