

**Company Registration No. 05835638 (England and Wales)**

**RFL (Governing Body) Limited**  
**Annual Report And Financial Statements**  
**For The Year Ended 31 December 2021**

# RFL (GOVERNING BODY) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Ms K E Moorhouse Mr S H Johnson Mr R W J Rimmer Mrs S Lindsay Miss R Akhtar
<b>Secretary</b>	Ms K E Moorhouse
<b>Company number</b>	05835638
<b>Registered office</b>	Gate 13 Rowsley Street Etihad Campus Manchester M11 3FF
<b>Auditor</b>	Azets Audit Services Limited 33 Park Place Leeds LS1 2RY

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# RFL (GOVERNING BODY) LIMITED

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# RFL (GOVERNING BODY) LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present the strategic report for the year ended 31 December 2021.

#### **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 2030. This plan covers distinct areas of activity and its guiding principles are;

- i. Player centric
- ii. Outstanding elite competitions
- iii. Fan focused
- iv. Well governed and inclusive

The grassroots underpins all the above including Rugby League's ability to deliver positive social impact in our communities. 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 before tax for the financial year of £1,008k for the year ended 31 December 2021 (2020: £25k). The RFL has maintained an aggregate positive cash balance throughout the year.

At 31 December 2021, this aggregate balance was £15,485k (2020: £10,634k).

# RFL (GOVERNING BODY) LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### **Impact of COVID-19**

The impact of Covid-19 has been significant for Rugby League. The key areas which directly affect the RFL's trading activities are as follows:

#### **Central events**

The restrictions placed on the ability to stage events in front of spectators has significantly impacted the RFL's ticket income. The measures put in place by the Government have seen reduced spectators at both the Betfred Challenge Cup Semi-Finals and Final in 2021, as well as the postponement of the Rugby League World Cup 2021.

#### **Broadcast income**

The RFL and SLE in 2021 paid SKY a rebate due to the lack of ability to deliver live content in 2020 as a result of restrictions placed on the hosting of live sporting events.

Super League fixtures resumed from August 2020 behind closed doors (BCD) and have continued as such until the Government roadmap allowed some fans into stadia from 17th May 2021. Matches played BCD has allowed the sport to honour its broadcast contract with SKY and has secured the contracted 2021 broadcast revenue from SKY and BBC.

#### **Cashflow management**

During 2021, short-term cash flow has been carefully managed, and the medium-term external finance arranged in 2017 remained in place. In addition to this, the RFL has been successful in applying for the DCMS Rugby League Professional Sport Support Fund, for a loan of £4.5m which has been approved by an independent Loan Committee made up of officials from DCMS, the RFL and Sport England. 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 May 2021 its office in Leeds was sold and this has made a significant positive impact on the RFL's cashflow along with reducing expected long-term estates liabilities. Cash flow is continuously monitored, and the budget approved by the Board for 2022 generates a small profit to further increase cash and reserves.

#### **Key performance indicators**

The Board monitors executive performance with reference to the Strategic Plan by measuring key performance indicators ("KPI's") as part of the RFL's Operational Plan. 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**

The Board and Executive team had budgeted to make a profit in 2021 (£817k) in order to continue the financial turnaround from the previous two years and to build reserves for future DCMS loan repayments. Strict cost control and management of spend by the Executive has enabled the Group to deliver to budget in a challenging year where the impacts of Covid-19 continued to effect trading.

#### **Detailed Analysis of Trading**

It is important to note that these statements are consolidated and incorporate the results of Rugby League World Cup 2021 Limited and RFL Investments 2020 Limited, both wholly owned subsidiaries of RFL (Governing Body) Limited. The reader should take this into account when reviewing year-on-year results in all areas, but it is mainly costs which are impacted in 2021 with the bulk of the revenue and costs of RLWC2021 being recognised in 2022, the year of the event. RFL Investments 2020 Limited is the vehicle for the administration of the Sport's loan funding from DCMS and its Balance Sheet reflects the long-term liability to DCMS for the loans made to eligible entities in 2020 and 2021. The accounts of both these subsidiaries are reported in full and filed at Companies House.

Year on year turnover has increased by 32% from £18,801k to £24,764k which can be attributed in the main to the impact of reduced restrictions on spectators at events as a result of Covid-19 and the inclusion of some Match Income derived from central events in 2021. Sponsorship income also saw some recovery, increasing to £1,668k from £860k.

Government funding from Sport England has increased from £5,662k in 2020 to £8,351k – an increase of 47% 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 2022.

# RFL (GOVERNING BODY) LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The existing BBC and Sky broadcast contracts continued in 2021. Overall broadcast income increased from £8,777k to £9,434k in 2021. The increase is due to the rebate payable to SKY due to non-delivery of televised fixtures in 2020 arising from restrictions placed on live sporting events due to Covid-19.

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 increased in from £3,520k in 2020 to £5,800k in 2021. This increase is attributable to the increase in match costs due to the easing of government restrictions in relation to staging central events

Grant funded activities expenditure has increased from £2,059k in 2020 to £3,125k in 2021 reflecting the level of programme activity delivered in 2021, and its associated income.

Payments to and on behalf of clubs is made up of the cost of sales element of £1,204k (2020: £1,841k) and a further amount of £7,153k (2020: £5,860k) shown below Gross Profit on the Profit and Loss Account, which in 2021 brought the total payable to and on behalf of clubs to £8,356k (2020: £7,701k).

In 2021, Operating Costs have increased to £10,055k from £8,275k in 2020. This is due to the classification of grant funded expenditure in Rugby League World Cup 2021 Limited as operating costs as activity and planning of the event begin to increase.

Group Staff Costs have significantly increased from £6,096k in 2020 to £6,847k in 2021. This is due to the impact of Covid-19 in 2020 as well as increase in staff costs relating to the preparations for RLWC2021. Director remuneration has slightly increased from £440k in 2020 to £455k in 2021. Costs of the Non-Executive Board have increased slightly due to the timing of recruitment of Non-Executive Directors in 2019.

Interest receivable by the RFL in 2021 was £169k (2020: £7k). In 2021, £169k was received by RFLI 2020 Limited in respect of interest repayments from Clubs who received support from the Sport Survival Package. This is repayable to DCMS after the balance sheet date.

At the RFL Council Meeting on 8 December 2021, RFL Council Members agreed the formal plan for realigning the governance of the sport. The realignment will see the formation of a new joint venture company, to be named RL Commercial. This new company will focus on driving commercial revenues into the sport, and will aggregate all commercial, events and media rights from both the RFL and SLE. This new structure is expected to take form at the start of 2023.

#### **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 Tackle It action plan.

The RFL is committed to ensuring that Rugby League is an inclusive sport and we 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. In 2020, the RFL launched Tackle It, a sport-wide action plan to make Rugby League a truly inclusive sport by tackling all forms of discrimination and breaking down any barriers to involvement. The plan sets out four strategic goals and, crucially, the specific and measurable actions that will be taken to achieve them.

An Inclusion Board - chaired by Miss Rimla Akhtar (RFL Non-Executive Director) - has been established to support the RFL in its delivery of the Tackle It! action plan. The group, made of up both internal and external members, seeks to provide strategic advice and support to the organisation.

# RFL (GOVERNING BODY) LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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Covid-19 impacted particularly heavily on rugby league's disability sports during 2020. With Wheelchair RL being an indoor sport with particular challenges and significant numbers of Learning and Physical Disability players being amongst the more vulnerable groups and in many cases having to shield, no rugby league activity was able to take place at all during 2020. The focus, as in other areas, was to keep participants active and engaged through online activity. In the case of our learning disability players this included producing a skills journal and working with partner Community Integrated Care to develop a 33-week programme linking to the RLWC2021.

In 2021, Covid-19 continued to impact on rugby league's disability sport offers although we were able to deliver a limited adapted programme of activity across Wheelchair RL, Physical Disability RL and Physical Disability RL after a delayed start to the season. With respect to diversifying the participant and volunteer playing base there are strong indicators that the Covid-19 affected 2021 season will not impact significantly on the accelerated growth we have seen in the women and girls' game or the disability variants of our sport.

#### **Our Communities**

As a leading National Sports Governing Body, we are committed to transforming our local communities by delivering an approach to positive 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, and Rugby League Cares. 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 Code for Sports Governance. The RFL has further enhanced this commitment through continuing to manage itself through its 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 Tackle It 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. The RFL is pleased to report that it received a very positive outcome from Sport England's Assurance Audit in 2021 which reviewed the RFL's Governance and Finance matters in significant detail. The review was carried out by finance and governance consultants from professional services firm BDO who were appointed by Sport England. In its executive summary, BDO noted 'The Rugby Football League has robust governance structures in place supported by a strong Board that effectively monitors and scrutinises the strategy, performance and finances of the organisation. An effective sub-committee structure has been established with Board representation to ensure clear reporting of issues and recommendations.'

#### **Review of 2021**

The 2021 season marked the return of something approaching normality, after the significant disruption caused to the 2020 season by the Covid-19 pandemic.

Both the Betfred Challenge Cup Final and the Betfred Super League Grand Final welcomed back attendances of 40,000 and more, albeit Covid remained a factor through the majority of the season, significantly restricting the capacity at Wembley in July – although Rugby League benefited from inclusion in the Government's Events Research Programme.

There was also a return for the Betfred Championship and League One competitions, which has both ended early in the 2020 campaign, and of the AB Sundecks 1895 Cup, and the Community Game. Women's and Girls' Rugby League, another victim of Covid-19 in 2020, resumed its encouraging momentum with more teams and more players than ever, regular live streaming of Betfred Women's Super League matches and a record crowd at the Grand Final at Headingley.

Covid's most damaging impact on the 2021 season was the postponement of the Rugby League World Cup which had been scheduled for England in the autumn. However the England Men's, Women's and Wheelchair teams who had been due to compete each returned with international fixtures in the summer and autumn, and RLWC2021 was rescheduled in the same format for the autumn of 2022.

# RFL (GOVERNING BODY) LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### ***Betfred Super League***

Seldom can a club have dominated a domestic season in the way St Helens did in 2021. They became the first team to do the double since Leeds Rhinos in 2015, beating Castleford Tigers in the Challenge Cup Final at Wembley in July, then holding off Catalans Dragons in a compelling Super League Grand Final at Old Trafford in October.

But for the first time, the club were able to claim a double double, as their Women's team also clinched Challenge Cup and Super League titles – their first major trophies.

Under the inspirational leadership of Jodie Cunningham, who was named Woman of Steel, Saints beat York City Knights 34-6 in the Challenge Cup Final at Leigh Sports Village, then shut out Leeds Rhinos 28-0 at Headingley.

The Saints men had gone 13 years since their last Challenge Cup triumph, so celebrated euphorically after their 26-12 win against Castleford – whose full-back Niall Ewalds was awarded the Lance Todd Trophy as Man of the Match.

In contrast, their 12-10 Grand Final win against Catalans completed a hat-trick of Super League titles – the first club to do that since Leeds from 2007-9.

Despite the defeat, it was also an historic season for the Dragons who won the League Leaders' Shield with 19 wins from their 23 matches, and went on to earn their first Grand Final appearance by beating Hull KR in the Play-Offs on a memorable night in Perpignan.

The leading role played by Sam Tomkins for the Dragons was recognised as he was named Man of Steel for the second time, nine years after he previously won the award as a Wigan player.

Hull KR were the big improvers as they climbed to sixth after finishing bottom in 2020, while Warrington Wolves, Wigan Warriors and Leeds Rhinos also made the Play-Offs – with Leigh Centurions struggling on their return to the elite after being selected to fill the vacancy left by the demise of Toronto Wolfpack, and relegated back to the Betfred Championship.

They would be replaced in the 2022 Super League by Toulouse Olympique, who dominated the 2021 Championship season and sealed promotion by beating Featherstone Rovers 34-12 in the Million Pound Match.

Featherstone had become the second winners of the 1895 Cup, the competition launched in 2019 to offer a second and more realistic chance to non-Super League clubs of playing at Wembley. Rovers beat York City Knights 41-34, with Craig Hall winning the Ray French Award as man of the match.

Cumbrian clubs dominated Betfred League One, with Barrow Raiders earning automatic promotion as champions, and Workington Town coming through the Play-Offs to join them in the Championship in 2022 – replacing Swinton Lions and Oldham.

#### ***International Matters***

It was ultimately a frustrating year for the England Men's, Women's and Wheelchair teams, all of whom had maintained their preparations for home World Cups in the autumn despite Covid complications – until the tournament was postponed in July after Australia and New Zealand indicated that they were not prepared to travel.

However there was consolation as all three England teams returned to action.

When Rugby League action resumed, England's Men played the Combined Nations All Stars, a team which was expected to be selected from overseas players employed in the Super League, reviving the traditions established by Other Nationalities and more recently the Exiles.

However owing to significant reduction in selection options, Tim Sheens, the experienced Australian coach who took charge of the team, ended up turning to a number of England-qualified players who had been omitted from Shaun Wane's squad – and one of them, the Huddersfield wing Jermaine McGillvary, excelled in a 26-24 win for the All Stars at Warrington's Halliwell Jones Stadium.



# RFL (GOVERNING BODY) LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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That was the second part of a double header which kicked off with an emphatic 60-0 win for England's Women against Wales, with their captain Emily Rudge scoring two tries in England's first home international since the 2013 World Cup.

The following day, England Wheelchair were even more prolific in a 102-22 win against Wales at the English Institute of Sport in Sheffield, with their captain Tom Halliwell of Leeds Rhinos marking his elevation to the captaincy with a hat-trick – although Wales's Wheelchair team, like their Women, were far from disgraced in a battling performance.

Following the postponement of the World Cup, the RFL moved quickly to arrange internationals for all three teams against France – which were also seen as important as France prepared a bid to stage the 2025 World Cup.

Again, the Men's and Women's fixtures were played as a double header, with England travelling to the Stade Gilbert Brutus in Perpignan.

England's Men won 30-10 with two tries each for John Bateman and Tommy Makinson.

England's Women won 40-4, with Emily Rudge again scoring twice.

England Wheelchair hosted France in a two-Test series in Medway in Kent. They were narrowly beaten in both matches as France underlined their status as favourites to retain the World Cup they won in 2017, but the series completed a breakthrough year for Wheelchair Rugby League as both games were streamed live by BBC Sport and generated considerable media interest.

BBC Sport had also covered the Mid-Season International against Wales, and Leeds Rhinos' victory over the Argonauts from Kent in the Betfred Wheelchair Challenge Cup Final, while Sky Sports covered the Betfred Wheelchair Super League Grand Final in October as the Rhinos completed a double by beating Leyland Warriors.

#### **Community Game**

After significantly impacting on community Rugby League throughout 2020, the ongoing effects of the pandemic led to a delayed start to activity in 2021. However, whilst in many cases competition structures and fixture formats needed adapting, our core community clubs and participants in social formats of the sport were able to take part in competitive activity throughout 2021 as a sense of normality returned throughout the year. Additional care and flexibility was required to support the return of Wheelchair RL, Physical Disability RL and Learning Disability RL given the vulnerable nature of many of the athletes involved but all formats returned to activity during the course of the season although in many cases activity was limited. The reticence of athletes to return to physical activity wasn't witnessed in Rugby League in the same way as many other sports with the numbers of active participants bouncing back well in our disability offers as in the core community game.

In terms of numbers of active participants the impact of Covid-19 was felt most strongly in the education setting exacerbated by activity in those settings starting in September 2020 and continuing through until spring 2021. The restrictions in place during the early part of the education season meant no competitions could run in the usual way and by the time any meaningful activity could resume there was little time to schedule any meaningful activity.

In terms of participation numbers which are reported to Sport England in accordance with our contractual obligations, figures reported at the end of 2021 are at similar levels to 2020 at 81,014. Whilst the numbers of active participants in the core community game were significantly impacted by Covid-19 during 2020 the majority of activity in education settings had already taken place. The opposite has been the case during 2021 with the majority of participants in the core community game returning in 2021 whilst activity in education settings was decimated. The full impact of the pandemic and the recovery at grassroots level will be more evident when the 2022 numbers of active participants are finalised. All the indications are we will see a return to pre-pandemic participation levels in 2022 following the expected two season impact of Covid-19.

# RFL (GOVERNING BODY) LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### Events after the Balance Sheet date

Covid-19 has continued to affect businesses globally, including within the UK. The severity of the impact has been unprecedented and the UK Government has continued its considerable measures to help businesses through this extremely challenging time.

In 2021, Executive have put in place business plans which cover various scenarios covering the period from now until the end of December 2022. The impacts of various scenarios have been modelled to show the impact on cashflows along with the areas of mitigation available to management to maintain a cash position to continue to operate the business. These forecasts indicate that with support from Government, and the Sport Survival Package, the RFL can continue to trade until at least the end of 2022.

On 4th August 2021, the Rugby League World Cup 2021 board agreed that due to the withdrawal of multiple teams it was in the best commercial, reputational and ethical interests of the company and its partners to postpone the tournament until 2022. A successful grant application was made to the Sport Survival Board to cover the additional costs of operating Rugby League World Cup 2021 Limited for a further 12 months to deliver the Tournament in 2022. In support of the postponement of the Rugby League World Cup 2021 until 2022, DCMS have formally agreed a conditional underwrite of the tournament to protect the Governing Body from potential future Covid-19 implications. This covers specific unforeseen impacts on revenues and costs of staging the Tournament, as a result of adverse impacts caused by Covid-19. This was signed 21 July 2022. In terms of ticketing sales to date are strong and in line with expectations. We are now approaching our key sales period, at which time we will be focusing spending on media and advertising.

Based on the current models and forecasts, as detailed in the going concern note on note 1.3, the Board remain satisfied that the RFL is a going concern.

Signed on behalf of the Board

**Mr S H Johnson**

Director

29/09/2022

Date: .....

# RFL (GOVERNING BODY) LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present their annual report and financial statements for the year ended 31 December 2021.

#### 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 and the game. 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 £1,008k for the year ended 31 December 2021 (2020: £25k). The RFL has maintained an aggregate positive cash balance throughout the year. At 31 December 2021, this aggregate balance was £15,485k (2020: £10,634k). 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 Chair.

All non-executive directors are subject to election by the RFL Council at the first opportunity after their appointment and serve for a maximum of nine 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 MBE

(Resigned 13 July 2022)

Mr C J Hurst

(Resigned 13 July 2022)

Mr S H Johnson

Mr R W J Rimmer

Mrs S Lindsay

Miss R Akhtar

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 2021

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#### **Board Committees**

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

#### **The Audit & Risk Committee**

The purpose of the Audit and Risk Committee is to: (a) consider the appointment of the external auditors and their independence; (b) consider the appointment of the internal auditors and review the RFL's internal audit programme; (c) review the Group's financial statements; and (d) review the effectiveness of the internal control systems of the RFL including the process for managing risk.

The Audit and Risk Committee consists of at least 4 members, 2 of whom have to be Non-Executive Directors and one of whom has to be the RFL Executive who is the chief risk officer for the RFL (currently the Chief Operating Officer – Tony Sutton).

The Audit and Risk Committee is chaired by Non-Executive Director Rimla Akhtar who is joined by director member Chris Hurst.

The Audit and Risk Committee met on four occasions in 2021.

#### **The Remuneration Committee**

The Board of Directors consider it important to benchmark Board & senior staff remuneration against other businesses of similar size and against other sports governing bodies. To this end, the Remuneration Committee meets as appropriate, chaired by 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 committee 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 purpose of the Nominations Committee is to: (a) ensure that there is a formal and transparent procedure for appointing new directors, re-appointing directors to the Board of Directors and appointing senior executives (being the Chief Executive Officer and any executive it is envisaged will have a basic salary of £100,000 or more); and (b) keep under review the composition of the Board and Board sub-committees and make recommendations to the Board in relation to the same.

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. During 2021 there were no appointments to roles that fall within the remit of the Nominations Committee; however, it still met two times.

#### **Laws Committee**

The purpose of the Laws Committee is to review the current laws of the game whilst also fully considering the potential impact of the introduction of new laws based on three principles of keeping the game safe, fair and entertaining. Drawing from across the game, the Committee comprises of a range of members who are considered representative of all stakeholders and is chaired by the RFL CEO. The Committee consider it vital to understand the views of all relevant stakeholders (including coaches, players, medical staff, the players' union and match officials) and this is reflected in its composition. The Committee met three times in 2021.

# RFL (GOVERNING BODY) LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **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.

The Community Board is made up of representatives of the various sectors of the community game being BARLA; Combined Services Rugby League; Education rugby league settings; Higher Education rugby league settings; Tier Four Leagues; Tier Five and Tier Six Adult Leagues; Tier Five Youth and Junior Leagues and Foundations. The RFL nominates 1 Director to act as Chair, a person to represent Active Participants and 2 other Independent representatives. The current Chair is Sandy Lindsay (who assumed the Chair in September 2020).

### **Whole Game Board (formerly Professional Game Board)**

The purpose of the Whole Game Board is to consider and make non-binding recommendations to the Board in relation to the regulation and operation of the Game on matters that directly or indirectly have impact on rugby league clubs who play in: (i) the Super League; and (ii) the Championship and League 1 and which may have a whole game impact (including potentially on the Community Game). The overriding aim being to drive the Game's objectives.

Its membership is made up of representatives of the RFL, the Super League Clubs, the Championship and League 1 Clubs and the Community Game.

The Committee met twice in 2021.

### **Inclusion and Diversity Board**

In November 2020 the Inclusion and Diversity Advisory Group was formally made a Board sub-committee.

Its purpose is to provide guidance on all equality matters and to monitor the delivery of the RFL's Rugby League versus Discrimination Tackle It Action Plan (the plan). In addition, the Inclusion Board will provide support to the Executive in delivering programmes within the plan and seek to promote a culture of respect for Inclusion, Equality and Anti-Discrimination across Rugby League.

Its present composition is nine external and one internal member, and it is chaired by Rimla Akhtar.

The committee met 4 times in 2021.

### **Clinical Advisory Group**

In February 2021, the Clinical Advisory Group was formally made a Board sub-committee. Its purpose is to make recommendations to the Board; and provide guidance to the Game, on all medical issues impacting the Game.

The core membership drawn from all clinical roles in the Game and levels within the Game (Community and Professional Game). The CMO and Covid Medical Officer are members of the Committee.

The committee met 8 times in 2021.

# RFL (GOVERNING BODY) LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### 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.

### Political contributions

The Company made no political donations or incurred any disclosable political expenditure during the year (2020: £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

The auditor, Azets Audit Services Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### 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.

On behalf of the board

.....  
Mr S H Johnson  
**Director**

Date: 29/09/2022  
.....

# **RFL (GOVERNING BODY) LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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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

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#### 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 2021 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 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 2021 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

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.

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's and parent company'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.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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

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#### **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 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 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.

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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

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#### **Extent to which the audit was capable of identifying irregularities, including fraud**

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management, and from inspection of the company's regulatory and legal correspondence. We discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance during the audit.

The group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, pensions legislation, taxation legislation and further laws and regulations that could indirectly affect the financial statements, comprising employment, environmental and health and safety legislation and, in the current climate, Covid-19 regulations. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These procedures did not identify any potentially material actual or suspected non-compliance.

To identify risks of material misstatement due to fraud we considered the opportunities and incentives and pressures that may exist within the company to commit fraud. Our risk assessment procedures included: enquiry of directors to understand the high level policies and procedures in place to prevent and detect fraud, reading Board minutes and considering performance targets and incentive schemes in place for management. We communicated identified fraud risks throughout our team and remained alert to any indications of fraud during the audit.

As a result of these procedures we identified the greatest potential for fraud in the following areas:

- revenue recognition and in particular the risk that revenue is recorded in the wrong period due to significant amounts of deferred income and multiple revenue streams; and
- subjective accounting estimates including property valuations and bad debt provisioning

These risks arise due to a desire to present stronger results which may enable the group to secure additional finance, tender more favourably for contracts and management to benefit from enhanced incentives. As required by auditing standards we also identified and addressed the risk of management override of controls.

We performed the following procedures to address the risks of fraud identified:

- identifying and testing high risk journal entries through vouching the entries to supporting documentation.
- assessing significant accounting estimates for bias.
- testing the timing and recognition of income and, in particular, that it was appropriately recognised or deferred in relation to the underlying transactions and contracts

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

# RFL (GOVERNING BODY) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF RFL (GOVERNING BODY) LIMITED

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#### 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.



**Chris Butt (Senior Statutory Auditor)**  
**For and on behalf of Azets Audit Services Limited**

Date: 29/09/2022

**Accountants**  
**Statutory Auditor**

33 Park Place  
Leeds  
LS1 2RY

# RFL (GOVERNING BODY) LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

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	Notes	2021 £	2020 £
<b>Turnover</b>	<b>3</b>	24,764,054	18,801,042
Cost of sales	<b>4</b>	(5,800,170)	(3,520,223)
Cost of sales payable to or on behalf of clubs	<b>5</b>	(1,203,500)	(1,841,178)
<b>Total cost of sales</b>		<u>(7,003,670)</u>	<u>(5,361,401)</u>
<b>Gross profit</b>		17,760,384	13,439,641
Payments to or on behalf of clubs and other member organisations	<b>5</b>	(7,152,509)	(5,860,126)
Operating costs		<u>(10,054,721)</u>	<u>(8,274,673)</u>
<b>Total administrative costs</b>		<u>(17,207,230)</u>	<u>(14,134,799)</u>
Other operating income		75,614	549,930
Exceptional item	<b>6</b>	380,000	-
<b>Operating profit/(loss)</b>	<b>7</b>	<u>1,008,768</u>	<u>(145,228)</u>
Interest receivable and similar income	<b>11</b>	169,115	7,371
Interest payable and similar expenses	<b>12</b>	(169,745)	-
Amounts gained/(written off) investments	<b>13</b>	-	163,241
<b>Profit before taxation</b>		<u>1,008,138</u>	<u>25,384</u>
Tax on profit	<b>14</b>	50,861	-
<b>Profit for the financial year</b>		<u><u>1,058,999</u></u>	<u><u>25,384</u></u>

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# RFL (GOVERNING BODY) LIMITED

## GROUP BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	15		446,594		1,798,689
Investment properties	16		750,000		750,000
			<u>1,196,594</u>		<u>2,548,689</u>
<b>Current assets</b>					
Debtors falling due after more than one year	18	18,960,864		7,842,927	
Debtors falling due within one year	18	6,340,707		20,584,584	
Cash at bank and in hand		15,485,041		10,634,014	
		<u>40,786,612</u>		<u>39,061,525</u>	
<b>Creditors: amounts falling due within one year</b>	19	(19,740,361)		(27,515,044)	
<b>Net current assets</b>			<u>21,046,251</u>		<u>11,546,481</u>
<b>Total assets less current liabilities</b>			<u>22,242,845</u>		<u>14,095,170</u>
<b>Creditors: amounts falling due after more than one year</b>	20		(21,274,593)		(14,185,917)
<b>Net assets/(liabilities)</b>			<u>968,252</u>		<u>(90,747)</u>
<b>Capital and reserves</b>					
Revaluation reserve	24		118,993		565,219
Profit and loss reserves	24		849,259		(655,966)
<b>Total equity</b>			<u>968,252</u>		<u>(90,747)</u>

The financial statements were approved by the board of directors and authorised for issue on 29/09/2022 and are signed on its behalf by:



Mr R W J Rimmer  
Director

# RFL (GOVERNING BODY) LIMITED

## COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	15		340,000		1,615,000
Investment properties	16		750,000		750,000
Investments	17		389,861		389,861
			<u>1,479,861</u>		<u>2,754,861</u>
<b>Current assets</b>					
Debtors	18	1,831,300		72,280	
<b>Net current assets</b>			<u>1,831,300</u>		<u>72,280</u>
<b>Total assets less current liabilities</b>			<u>3,311,161</u>		<u>2,827,141</u>
<b>Provisions for liabilities</b>	22		<u>(22,609)</u>		<u>(62,122)</u>
<b>Net assets</b>			<u><u>3,288,552</u></u>		<u><u>2,765,019</u></u>
<b>Capital and reserves</b>					
Revaluation reserve	24		118,993		565,219
Accumulated surplus/(deficit)	24		3,169,559		2,199,800
<b>Total equity</b>			<u><u>3,288,552</u></u>		<u><u>2,765,019</u></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 £523,533 (2020 - £0 profit).

The financial statements were approved by the board of directors and authorised for issue on 29/09/2022 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 2021

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	Revaluation reserve	Profit and loss reserves	Total
	£	£	£
<b>Balance at 1 January 2020</b>	565,219	(681,350)	(116,131)
<b>Year ended 31 December 2020:</b>			
Profit and total comprehensive income for the year	-	25,384	25,384
<b>Balance at 31 December 2020</b>	565,219	(655,966)	(90,747)
<b>Year ended 31 December 2021:</b>			
Profit and total comprehensive income for the year	-	1,058,999	1,058,999
Transfers	(446,226)	446,226	-
<b>Balance at 31 December 2021</b>	118,993	849,259	968,252

---

# RFL (GOVERNING BODY) LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

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	Revaluation reserve £	Accumulated surplus £	Total £
<b>Balance at 1 January 2020</b>	565,219	2,199,800	2,765,019
<b>Year ended 31 December 2020:</b>			
Profit and total comprehensive income for the year	-	-	-
<b>Balance at 31 December 2020</b>	565,219	2,199,800	2,765,019
<b>Year ended 31 December 2021:</b>			
Profit and total comprehensive income for the year	-	523,533	523,533
Transfers	(446,226)	446,226	-
<b>Balance at 31 December 2021</b>	118,993	3,169,559	3,288,552

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# RFL (GOVERNING BODY) LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

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	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	30	(5,821,085)		(8,345,703)	
Income taxes refunded/(paid)		159,061		(318)	
		<hr/>		<hr/>	
<b>Net cash outflow from operating activities</b>		(5,662,024)		(8,346,021)	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(31,108)		(49,912)	
Proceeds on disposal of tangible fixed assets		1,655,524		-	
Interest received		7,525		7,371	
		<hr/>		<hr/>	
<b>Net cash generated from/(used in) investing activities</b>		1,631,941		(42,541)	
<b>Financing activities</b>					
Proceeds from borrowings		8,881,095		14,155,000	
		<hr/>		<hr/>	
<b>Net cash generated from financing activities</b>		8,881,095		14,155,000	
		<hr/>		<hr/>	
<b>Net increase in cash and cash equivalents</b>		4,851,012		5,766,438	
Cash and cash equivalents at beginning of year		10,634,014		4,867,576	
		<hr/>		<hr/>	
<b>Cash and cash equivalents at end of year</b>		15,485,026		10,634,014	
		<hr/> <hr/>		<hr/> <hr/>	
<b>Relating to:</b>					
Cash at bank and in hand		15,485,041		10,634,014	
Bank overdrafts included in creditors payable within one year		(15)		-	
		<hr/> <hr/>		<hr/> <hr/>	

# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### 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 Quay West, Trafford Wharf Road, Manchester, M17 1HH.

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 £1.

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 2021. 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 2021

---

#### 1 Accounting policies

(Continued)

##### 1.3 Going concern

In arriving at their Going Concern assumptions, the Directors have prepared and considered detailed trading forecasts and cashflow projections for at least 12 months from the date of approval of these financial statements. These forecasts indicate that with support from Government, and the Sport Survival Package, the RFL Group can continue to trade until at least the end of 2023. In support of the postponement of the Rugby League World Cup 2021 until 2022, DCMS have formally agreed a conditional underwrite of the tournament to protect the Governing Body from potential future Covid-19 implications. This covers specific unforeseen impacts on revenues and costs of staging the Tournament, as a result of adverse impacts caused by Covid-19.

It is also important to note that RFL Investments 2020 Limited, the subsidiary which administrates the DCMS Loan Programme, bears the liability of any events of default by eligible entities which have borrowed from the programme. However, all applications to the DCMS Loan programme have been subject to the scrutiny and approval of the RFL Fund Management Team and the Loan Committee which consists of representatives of the DCMS, Sport England and the RFL Board.

The Group overall was profitable in 2021 and is forecast to remain profitable in 2022. Cash reserves have improved due to the input of loan funds and repayments will not commence within the next 12 months. A longer term financial forecast for the Group demonstrates that the Group will continue to improve its cash reserves gradually over the next 4 years to a sufficient level to make its loan repayments. Based on the above, the directors believe that it is appropriate to prepare these financial statement on a going concern basis.

##### 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 2021

---

#### 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.

# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

(Continued)

##### 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.

##### 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.

# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

---

#### 1 Accounting policies

(Continued)

##### **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.

##### **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 2021

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#### 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 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 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.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Investment property valuations

As required by FRS 102, the investment property is revalued to fair value at each period end. The directors have made use of external specialists to obtain a market valuation to ensure the value is suitable, however there remains inherent uncertainty.

### 3 Turnover and other revenue

	2021	2020
	£	£
<b>Turnover analysed by class of business</b>		
Match income	1,070,614	-
Broadcast	9,433,569	8,776,958
Sponsorship	1,667,522	859,993
Government funding	8,350,910	5,662,117
Other	4,241,439	3,501,974
	<u>24,764,054</u>	<u>18,801,042</u>
	2021	2020
	£	£
<b>Turnover analysed by geographical market</b>		
United Kingdom	24,764,054	18,801,042
	<u>2021</u>	<u>2020</u>
	£	£
<b>Other significant revenue</b>		
Interest income	169,115	7,371
Grants received	34,836	549,930
	<u>169,115</u>	<u>557,301</u>



# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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<b>4</b>	<b>Cost of sales</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Match costs	1,982,671	597,660
	Grant funded activities	3,125,299	2,059,070
	Sponsorship and promotional costs	391,879	261,354
	Other	300,321	602,139
		<hr/>	<hr/>
	Total cost of sales	5,800,170	3,520,223
		<hr/> <hr/>	<hr/> <hr/>

# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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<b>5</b>	<b>Payments to or on behalf of clubs and other member organisations</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Awards to clubs	4,992,129	4,177,562
	Awards to other sections of the game	98,314	100,000
	Match officials	1,062,405	699,860
	Insurance	705,644	610,439
	Disciplinary costs and banned substances testing	94,017	72,265
	Player welfare	200,000	200,000
		<u>7,152,509</u>	<u>5,860,126</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:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Match costs	450,000	421,000
Grant funded activities	753,500	1,420,178
	<u>1,203,500</u>	<u>1,841,178</u>
Total payments made to or on behalf of clubs	<u>8,356,009</u>	<u>7,701,304</u>

<b>6</b>	<b>Exceptional item</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	<b>Income</b>		
	Profit on disposal of fixed assets	380,000	-
		<u>380,000</u>	<u>-</u>

<b>7</b>	<b>Operating profit/(loss)</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Operating profit/(loss) for the year is stated after charging/(crediting):		
	Government grants	(34,836)	(549,930)
	Depreciation of owned tangible fixed assets	107,679	165,859
	Operating lease charges	2,288	5,448
		<u>(24,869)</u>	<u>(378,623)</u>

# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 8 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of these financial statements	2,000	2,000
Audit of the financial statements of the company's subsidiaries	33,850	31,800
	<u>35,850</u>	<u>33,800</u>
<b>For other services</b>		
Taxation compliance services	5,725	5,550
All other non-audit services	4,900	4,750
	<u>10,625</u>	<u>10,300</u>

#### 9 Employees

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

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
On field staff	4	9	-	-
Administration staff	163	131	-	-
	<u>167</u>	<u>140</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	5,848,951	5,274,596	-	-
Social security costs	556,461	514,661	-	-
Pension costs	441,914	306,627	-	-
	<u>6,847,326</u>	<u>6,095,884</u>	<u>-</u>	<u>-</u>

# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 10 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	421,339	407,985
Company contributions to money purchase pension plans	33,816	32,395
	<u>455,155</u>	<u>440,380</u>

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

	2021 £	2020 £
Simon Johnson	48,750	44,375
Sandra Lindsay	24,375	22,187
Rimla Akhtar	24,375	22,187
Christopher Brindley	51,325	38,963
Christopher Hurst	24,375	22,187
	<u>173,200</u>	<u>149,899</u>

Christopher Brindley's remuneration above includes his remuneration in relation to his role as chair of the Rugby League World Cup 2021 Limited and was agreed separately by the Rugby League World Cup Remuneration Committee.

The aggregate of remuneration receivable of the highest paid director was £156k (2020 - £167k), and company pension contributions of £25k (2020 - £26k) were made to a money purchase scheme on his behalf.

The total cost of the Chief Executive and his Senior Management Committee (key management personal) is £545k (2020 - £540k).

# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 10 Directors' remuneration

(Continued)

	2021	2020
	Number of Directors	Number of Directors
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	2	2

### 11 Interest receivable and similar income

	2021	2020
	£	£
<b>Interest income</b>		
Interest on bank deposits	7,525	7,371
Other interest income	161,590	-
Total income	169,115	7,371

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	7,525	7,371
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### 12 Interest payable and similar expenses

	2021	2020
	£	£
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	169,745	-

### 13 Amounts written off investments

	2021	2020
	£	£
<b>Fair value gains/(losses) on financial instruments</b>		
Change in value of financial assets held at fair value through profit or loss	-	163,241

### 14 Taxation

	2021	2020
	£	£
<b>Current tax</b>		
Adjustments in respect of prior periods	(159,061)	-

# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 14 Taxation

(Continued)

	2021 £	2020 £
<b>Deferred tax</b>		
Origination and reversal of timing differences	178,586	-
Changes in tax rates	(70,386)	-
	<u>108,200</u>	<u>-</u>
Total deferred tax		
	<u>108,200</u>	<u>-</u>
Total tax credit	(50,861)	-
	<u>(50,861)</u>	<u>-</u>

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

	2021 £	2020 £
Profit before taxation	1,008,138	25,384
	<u>1,008,138</u>	<u>25,384</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	191,546	4,823
Tax effect of expenses that are not deductible in determining taxable profit	41,335	4,432
Tax effect of income not taxable in determining taxable profit	-	(1,400)
Gains not taxable	(72,200)	-
Tax effect of utilisation of tax losses not previously recognised	-	(23,173)
Effect of change in corporation tax rate	(40,585)	-
Permanent capital allowances in excess of depreciation	-	14,778
Research and development tax credit	(159,061)	-
Other permanent differences	-	504
Under/(over) provided in prior years	(39,513)	-
Other	27,617	36
	<u>(50,861)</u>	<u>-</u>
Taxation credit	(50,861)	-
	<u>(50,861)</u>	<u>-</u>

# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 15 Tangible fixed assets

Group	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers £	Assets held for sale £	Total £
<b>Cost or valuation</b>						
At 1 January 2021	340,000	316,255	450,383	1,059,200	1,275,000	3,440,838
Additions	-	-	-	31,108	-	31,108
Disposals	-	(275,769)	(446,267)	(863,260)	(1,275,000)	(2,860,296)
At 31 December 2021	340,000	40,486	4,116	227,048	-	611,650
<b>Depreciation and impairment</b>						
At 1 January 2021	-	288,746	448,510	904,893	-	1,642,149
Depreciation charged in the year	-	10,692	515	96,472	-	107,679
Eliminated in respect of disposals	-	(275,245)	(446,267)	(863,260)	-	(1,584,772)
At 31 December 2021	-	24,193	2,758	138,105	-	165,056
<b>Carrying amount</b>						
At 31 December 2021	340,000	16,293	1,358	88,943	-	446,594
At 31 December 2020	340,000	27,509	1,873	154,307	1,275,000	1,798,689
<b>Company</b>						
				Freehold land and buildings £	Assets held for sale £	Total £
<b>Cost or valuation</b>						
At 1 January 2021				340,000	1,275,000	1,615,000
Disposals				-	(1,275,000)	(1,275,000)
At 31 December 2021				340,000	-	340,000
<b>Depreciation and impairment</b>						
At 1 January 2021 and 31 December 2021				-	-	-
<b>Carrying amount</b>						
At 31 December 2021				340,000	-	340,000
At 31 December 2020				340,000	1,275,000	1,615,000

# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 15 Tangible fixed assets

(Continued)

Included within the carrying value of freehold property and assets held for sale is land held at the carrying value of £340,000 (2020 - £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:

	<b>Group 2021</b>	<b>2020</b>	<b>Company 2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cost	221,007	975,822	221,007	975,822
Accumulated depreciation	-	-	-	-
Carrying value	<u>221,007</u>	<u>975,822</u>	<u>221,007</u>	<u>975,822</u>

### 16 Investment property

	<b>Group 2021</b>	<b>Company 2021</b>
	<b>£</b>	<b>£</b>
<b>Fair value</b>		
At 1 January 2021 and 31 December 2021	<u>750,000</u>	<u>750,000</u>

Investment property comprises of a sporting stadium that was commercially let. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 18 June 2020 by Sanderson Weatherhall Surveyors, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.



# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 16 Investment property

(Continued)

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

	<b>Group 2021</b>	<b>2020</b>	<b>Company 2021</b>	<b>2020</b>
	£	£	£	£
Cost	963,784	963,784	963,784	963,784
Accumulated depreciation	(213,784)	(213,784)	(213,784)	(213,784)
Carrying amount	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>

#### 17 Fixed asset investments

	<b>Group 2021</b>	<b>2020</b>	<b>Company 2021</b>	<b>2020</b>
Notes	£	£	£	£
Investments in subsidiaries	<b>28</b>	-	389,861	389,861
		<u>-</u>	<u>389,861</u>	<u>389,861</u>

#### Movements in fixed asset investments

<b>Company</b>	<b>Shares in subsidiaries £</b>
<b>Cost or valuation</b>	
At 1 January 2021 and 31 December 2021	389,861
<b>Carrying amount</b>	
At 31 December 2021	<u>389,861</u>
At 31 December 2020	<u>389,861</u>

# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 18 Debtors

	Group 2021	2020	Company 2021	2020
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	538,985	10,932,786	-	-
Amounts owed by group undertakings	-	-	1,831,300	72,280
Other debtors	221,010	5,051,689	-	-
Loans to clubs	735,408	527,837	-	-
Taxation and social security	63,476	-	-	-
Prepayments and accrued income	4,635,437	3,817,681	-	-
	<u>6,194,316</u>	<u>20,329,993</u>	<u>1,831,300</u>	<u>72,280</u>
Deferred tax asset (note 22)	146,391	254,591	-	-
	<u>6,340,707</u>	<u>20,584,584</u>	<u>1,831,300</u>	<u>72,280</u>
<b>Amounts falling due after more than one year:</b>				
Other debtors	18,960,864	7,842,927	-	-
	<u>18,960,864</u>	<u>7,842,927</u>	<u>-</u>	<u>-</u>
Total debtors	<u>25,301,571</u>	<u>28,427,511</u>	<u>1,831,300</u>	<u>72,280</u>

In other debtors due within one year are concessionary loans to clubs and members of £735,408 (2020 - £527,837) and in other debtors due after one year are concessionary loans to clubs and members of £18,843,864 (2020 - £7,565,163).

#### 19 Creditors: amounts falling due within one year

		Group 2021	2020	Company 2021	2020
	Notes	£	£	£	£
Other borrowings	21	1,931,262	-	-	-
Trade creditors		1,440,123	6,752,212	-	-
Corporation tax payable		35,788	35,788	-	-
Other taxation and social security		301,371	1,400,856	-	-
Other creditors		4,058,578	6,408,353	-	-
Accruals and deferred income		11,973,239	12,917,835	-	-
		<u>19,740,361</u>	<u>27,515,044</u>	<u>-</u>	<u>-</u>

# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 20 Creditors: amounts falling due after more than one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Other borrowings	21	21,274,593	14,155,000	-	-
Trade creditors		-	30,917	-	-
		<u>21,274,593</u>	<u>14,185,917</u>	<u>-</u>	<u>-</u>

#### 21 Loans and overdrafts

	Group 2021 £	2020 £	Company 2021 £	2020 £
Other borrowings	23,205,855	14,155,000	-	-
Payable within one year	1,931,262	-	-	-
Payable after one year	21,274,593	14,155,000	-	-
	<u>23,205,855</u>	<u>14,155,000</u>	<u>-</u>	<u>-</u>

Included in other borrowings above is loan funding provided by the department for Digital, Culture, Media and Sport ('DCMS'). These liabilities are ultimately repayable by eligible entities who applied for the DCMS Sport Winter Survival Package. During the year the loan facility was extended (Stage 3) and repayments amended. If loans were extended the original loan (Stage 2) was repaid. At the year end Stage 2 loans outstanding to be repaid was £6,747,865 & outstanding Stage 3 loans £16,457,975.

Stage 2 loan is repayable by the 31 October 2025 and attracted interest at 0.2%. Stage 3 loan is repayable by 30 September 2041 and attracted interest of 2%. Both loans are secured by a fixed and floating charge over the assets of RFL Investments 2020 Limited.

#### 22 Deferred taxation

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

Group	Liabilities 2021 £	Liabilities 2020 £	Assets 2021 £	Assets 2020 £
Accelerated capital allowances	-	-	146,391	254,591
	<u>-</u>	<u>-</u>	<u>146,391</u>	<u>254,591</u>
Company	Liabilities 2021 £	Liabilities 2020 £	Assets 2021 £	Assets 2020 £
Revaluations	22,609	62,122	-	-
	<u>22,609</u>	<u>62,122</u>	<u>-</u>	<u>-</u>

# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 22 Deferred taxation

(Continued)

	Group 2021 £	Company 2021 £
<b>Movements in the year:</b>		
Liability/(Asset) at 1 January 2021	(254,591)	62,122
Charge/(credit) to profit or loss	148,785	(39,513)
Effect of change in tax rate - profit or loss	(40,585)	-
	<u>(146,391)</u>	<u>22,609</u>

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.

The deferred tax rate used to calculate the year end deferred tax position is 25% (2020 - 19%).

### 23 Retirement benefit schemes

	2021 £	2020 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	441,914	306,627
	<u>441,914</u>	<u>306,627</u>

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 20.

# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 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:

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Within one year	140,525	157,142	-	-
Between two and five years	12,874	485	-	-
	<u>153,399</u>	<u>157,627</u>	<u>-</u>	<u>-</u>

During the year £5,448 was recognised as an expense in the profit and loss account in respect of operating leases (2020 - £16,448).

#### 26 Events after the reporting date

On 4th August 2021, the Rugby League World Cup 2021 board agreed that due to the withdrawal of multiple teams it was in the best commercial, reputational and ethical interests of the company and its partners to postpone the tournament until 2022. A successful grant application was made to the Sport Survival Board to cover the additional costs of operating Rugby League World Cup 2021 Limited for a further 12 months to deliver the Tournament in 2022. In support of the postponement of the Rugby League World Cup 2021 until 2022, DCMS have formally agreed a conditional underwrite of the tournament to protect the Governing Body from potential future Covid-19 implications. This covers specific unforeseen impacts on revenues and costs of staging the Tournament, as a result of adverse impacts caused by Covid-19. This was signed 21 July 2022. Ticketing sales to date are strong and in line with expectations. We are now approaching our key sales period, at which time we will be focusing spending on media and advertising.

Based on the current models and forecasts, as detailed in the going concern note on note 1.3, the Board remain satisfied that the RFL is a going concern.

#### 27 Related party transactions

RFL (Governing Body) Limited (RFLGB), has significant influence over Rugby League Cares (RLC) and The Rugby Football League Limited (RFL).

At 31 December 2021 within other debtors £217,044 (2020 - £317,092) is owed by RLC to RFL.

At 31 December 2021 within trade creditors £nil (2020 - £65,327) is owed by RFL to RLC.

At 31 December 2021 within accruals and deferred income £nil (2020 - £16,167) is owed by RFL to RLC.

# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 28 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 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
RFL Investments	England and Wales	Providing concessionary loans	Guarantee	100.00

Rugby League World Cup 2021 Limited has an address of Bonded Warehouse, 18 Lower Byrom Street, Manchester, England, M3 4AP

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

### 29 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.

### 30 Cash absorbed by group operations

	2021 £	2020 £
Profit for the year after tax	1,058,999	25,384
<b>Adjustments for:</b>		
Taxation credited	(50,861)	-
Finance costs	169,745	-
Investment income	(169,115)	(7,371)
Gain on disposal of tangible fixed assets	(380,000)	-
Depreciation and impairment of tangible fixed assets	107,679	165,859
Other gains and losses	-	(163,241)
<b>Movements in working capital:</b>		
Decrease/(increase) in debtors	3,179,330	(15,275,147)
(Decrease)/increase in creditors	(9,736,862)	6,908,813
<b>Cash absorbed by operations</b>	<b>(5,821,085)</b>	<b>(8,345,703)</b>

# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 31 Analysis of changes in net debt - group

	1 January 2021 £	Cash flows £	Interest £	31 December 2021 £
Cash at bank and in hand	10,634,014	4,851,027	-	15,485,041
Bank overdrafts	-	(15)	-	(15)
	<hr/>	<hr/>	<hr/>	<hr/>
	10,634,014	4,851,012	-	15,485,026
Borrowings excluding overdrafts	(14,155,000)	(8,881,095)	(169,745)	(23,205,840)
	<hr/>	<hr/>	<hr/>	<hr/>
	(3,520,986)	(4,030,083)	(169,745)	(7,720,814)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Company Registration No. 05835638 (England and Wales)**

**RFL (Governing Body) Limited**  
**Annual Report And Financial Statements**  
**For The Year Ended 31 December 2021**



# RFL (GOVERNING BODY) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Ms K E Moorhouse Mr S H Johnson Mr R W J Rimmer Mrs S Lindsay Miss R Akhtar
<b>Secretary</b>	Ms K E Moorhouse
<b>Company number</b>	05835638
<b>Registered office</b>	Gate 13 Rowsley Street Etihad Campus Manchester M11 3FF
<b>Auditor</b>	Azets Audit Services Limited 33 Park Place Leeds LS1 2RY

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# RFL (GOVERNING BODY) LIMITED

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# RFL (GOVERNING BODY) LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present the strategic report for the year ended 31 December 2021.

#### **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 2030. This plan covers distinct areas of activity and its guiding principles are;

- i. Player centric
- ii. Outstanding elite competitions
- iii. Fan focused
- iv. Well governed and inclusive

The grassroots underpins all the above including Rugby League's ability to deliver positive social impact in our communities. 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 before tax for the financial year of £1,008k for the year ended 31 December 2021 (2020: £25k). The RFL has maintained an aggregate positive cash balance throughout the year.

At 31 December 2021, this aggregate balance was £15,485k (2020: £10,634k).

# RFL (GOVERNING BODY) LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### **Impact of COVID-19**

The impact of Covid-19 has been significant for Rugby League. The key areas which directly affect the RFL's trading activities are as follows:

#### **Central events**

The restrictions placed on the ability to stage events in front of spectators has significantly impacted the RFL's ticket income. The measures put in place by the Government have seen reduced spectators at both the Betfred Challenge Cup Semi-Finals and Final in 2021, as well as the postponement of the Rugby League World Cup 2021.

#### **Broadcast income**

The RFL and SLE in 2021 paid SKY a rebate due to the lack of ability to deliver live content in 2020 as a result of restrictions placed on the hosting of live sporting events.

Super League fixtures resumed from August 2020 behind closed doors (BCD) and have continued as such until the Government roadmap allowed some fans into stadia from 17th May 2021. Matches played BCD has allowed the sport to honour its broadcast contract with SKY and has secured the contracted 2021 broadcast revenue from SKY and BBC.

#### **Cashflow management**

During 2021, short-term cash flow has been carefully managed, and the medium-term external finance arranged in 2017 remained in place. In addition to this, the RFL has been successful in applying for the DCMS Rugby League Professional Sport Support Fund, for a loan of £4.5m which has been approved by an independent Loan Committee made up of officials from DCMS, the RFL and Sport England. 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 May 2021 its office in Leeds was sold and this has made a significant positive impact on the RFL's cashflow along with reducing expected long-term estates liabilities. Cash flow is continuously monitored, and the budget approved by the Board for 2022 generates a small profit to further increase cash and reserves.

#### **Key performance indicators**

The Board monitors executive performance with reference to the Strategic Plan by measuring key performance indicators ("KPI's") as part of the RFL's Operational Plan. 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**

The Board and Executive team had budgeted to make a profit in 2021 (£817k) in order to continue the financial turnaround from the previous two years and to build reserves for future DCMS loan repayments. Strict cost control and management of spend by the Executive has enabled the Group to deliver to budget in a challenging year where the impacts of Covid-19 continued to effect trading.

#### **Detailed Analysis of Trading**

It is important to note that these statements are consolidated and incorporate the results of Rugby League World Cup 2021 Limited and RFL Investments 2020 Limited, both wholly owned subsidiaries of RFL (Governing Body) Limited. The reader should take this into account when reviewing year-on-year results in all areas, but it is mainly costs which are impacted in 2021 with the bulk of the revenue and costs of RLWC2021 being recognised in 2022, the year of the event. RFL Investments 2020 Limited is the vehicle for the administration of the Sport's loan funding from DCMS and its Balance Sheet reflects the long-term liability to DCMS for the loans made to eligible entities in 2020 and 2021. The accounts of both these subsidiaries are reported in full and filed at Companies House.

Year on year turnover has increased by 32% from £18,801k to £24,764k which can be attributed in the main to the impact of reduced restrictions on spectators at events as a result of Covid-19 and the inclusion of some Match Income derived from central events in 2021. Sponsorship income also saw some recovery, increasing to £1,668k from £860k.

Government funding from Sport England has increased from £5,662k in 2020 to £8,351k – an increase of 47% 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 2022.

# RFL (GOVERNING BODY) LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The existing BBC and Sky broadcast contracts continued in 2021. Overall broadcast income increased from £8,777k to £9,434k in 2021. The increase is due to the rebate payable to SKY due to non-delivery of televised fixtures in 2020 arising from restrictions placed on live sporting events due to Covid-19.

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 increased in from £3,520k in 2020 to £5,800k in 2021. This increase is attributable to the increase in match costs due to the easing of government restrictions in relation to staging central events

Grant funded activities expenditure has increased from £2,059k in 2020 to £3,125k in 2021 reflecting the level of programme activity delivered in 2021, and its associated income.

Payments to and on behalf of clubs is made up of the cost of sales element of £1,204k (2020: £1,841k) and a further amount of £7,153k (2020: £5,860k) shown below Gross Profit on the Profit and Loss Account, which in 2021 brought the total payable to and on behalf of clubs to £8,356k (2020: £7,701k).

In 2021, Operating Costs have increased to £10,055k from £8,275k in 2020. This is due to the classification of grant funded expenditure in Rugby League World Cup 2021 Limited as operating costs as activity and planning of the event begin to increase.

Group Staff Costs have significantly increased from £6,096k in 2020 to £6,847k in 2021. This is due to the impact of Covid-19 in 2020 as well as increase in staff costs relating to the preparations for RLWC2021. Director remuneration has slightly increased from £440k in 2020 to £455k in 2021. Costs of the Non-Executive Board have increased slightly due to the timing of recruitment of Non-Executive Directors in 2019.

Interest receivable by the RFL in 2021 was £169k (2020: £7k). In 2021, £169k was received by RFLI 2020 Limited in respect of interest repayments from Clubs who received support from the Sport Survival Package. This is repayable to DCMS after the balance sheet date.

At the RFL Council Meeting on 8 December 2021, RFL Council Members agreed the formal plan for realigning the governance of the sport. The realignment will see the formation of a new joint venture company, to be named RL Commercial. This new company will focus on driving commercial revenues into the sport, and will aggregate all commercial, events and media rights from both the RFL and SLE. This new structure is expected to take form at the start of 2023.

#### **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 Tackle It action plan.

The RFL is committed to ensuring that Rugby League is an inclusive sport and we 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. In 2020, the RFL launched Tackle It, a sport-wide action plan to make Rugby League a truly inclusive sport by tackling all forms of discrimination and breaking down any barriers to involvement. The plan sets out four strategic goals and, crucially, the specific and measurable actions that will be taken to achieve them.

An Inclusion Board - chaired by Miss Rimla Akhtar (RFL Non-Executive Director) - has been established to support the RFL in its delivery of the Tackle It! action plan. The group, made up of both internal and external members, seeks to provide strategic advice and support to the organisation.

# RFL (GOVERNING BODY) LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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Covid-19 impacted particularly heavily on rugby league's disability sports during 2020. With Wheelchair RL being an indoor sport with particular challenges and significant numbers of Learning and Physical Disability players being amongst the more vulnerable groups and in many cases having to shield, no rugby league activity was able to take place at all during 2020. The focus, as in other areas, was to keep participants active and engaged through online activity. In the case of our learning disability players this included producing a skills journal and working with partner Community Integrated Care to develop a 33-week programme linking to the RLWC2021.

In 2021, Covid-19 continued to impact on rugby league's disability sport offers although we were able to deliver a limited adapted programme of activity across Wheelchair RL, Physical Disability RL and Physical Disability RL after a delayed start to the season. With respect to diversifying the participant and volunteer playing base there are strong indicators that the Covid-19 affected 2021 season will not impact significantly on the accelerated growth we have seen in the women and girls' game or the disability variants of our sport.

#### **Our Communities**

As a leading National Sports Governing Body, we are committed to transforming our local communities by delivering an approach to positive 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, and Rugby League Cares. 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 Code for Sports Governance. The RFL has further enhanced this commitment through continuing to manage itself through its 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 Tackle It 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. The RFL is pleased to report that it received a very positive outcome from Sport England's Assurance Audit in 2021 which reviewed the RFL's Governance and Finance matters in significant detail. The review was carried out by finance and governance consultants from professional services firm BDO who were appointed by Sport England. In its executive summary, BDO noted 'The Rugby Football League has robust governance structures in place supported by a strong Board that effectively monitors and scrutinises the strategy, performance and finances of the organisation. An effective sub-committee structure has been established with Board representation to ensure clear reporting of issues and recommendations.'

#### **Review of 2021**

The 2021 season marked the return of something approaching normality, after the significant disruption caused to the 2020 season by the Covid-19 pandemic.

Both the Betfred Challenge Cup Final and the Betfred Super League Grand Final welcomed back attendances of 40,000 and more, albeit Covid remained a factor through the majority of the season, significantly restricting the capacity at Wembley in July – although Rugby League benefited from inclusion in the Government's Events Research Programme.

There was also a return for the Betfred Championship and League One competitions, which has both ended early in the 2020 campaign, and of the AB Sundecks 1895 Cup, and the Community Game. Women's and Girls' Rugby League, another victim of Covid-19 in 2020, resumed its encouraging momentum with more teams and more players than ever, regular live streaming of Betfred Women's Super League matches and a record crowd at the Grand Final at Headingley.

Covid's most damaging impact on the 2021 season was the postponement of the Rugby League World Cup which had been scheduled for England in the autumn. However the England Men's, Women's and Wheelchair teams who had been due to compete each returned with international fixtures in the summer and autumn, and RLWC2021 was rescheduled in the same format for the autumn of 2022.

# RFL (GOVERNING BODY) LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### ***Betfred Super League***

Seldom can a club have dominated a domestic season in the way St Helens did in 2021. They became the first team to do the double since Leeds Rhinos in 2015, beating Castleford Tigers in the Challenge Cup Final at Wembley in July, then holding off Catalans Dragons in a compelling Super League Grand Final at Old Trafford in October.

But for the first time, the club were able to claim a double double, as their Women's team also clinched Challenge Cup and Super League titles – their first major trophies.

Under the inspirational leadership of Jodie Cunningham, who was named Woman of Steel, Saints beat York City Knights 34-6 in the Challenge Cup Final at Leigh Sports Village, then shut out Leeds Rhinos 28-0 at Headingley.

The Saints men had gone 13 years since their last Challenge Cup triumph, so celebrated euphorically after their 26-12 win against Castleford – whose full-back Niall Ewalds was awarded the Lance Todd Trophy as Man of the Match.

In contrast, their 12-10 Grand Final win against Catalans completed a hat-trick of Super League titles – the first club to do that since Leeds from 2007-9.

Despite the defeat, it was also an historic season for the Dragons who won the League Leaders' Shield with 19 wins from their 23 matches, and went on to earn their first Grand Final appearance by beating Hull KR in the Play-Offs on a memorable night in Perpignan.

The leading role played by Sam Tomkins for the Dragons was recognised as he was named Man of Steel for the second time, nine years after he previously won the award as a Wigan player.

Hull KR were the big improvers as they climbed to sixth after finishing bottom in 2020, while Warrington Wolves, Wigan Warriors and Leeds Rhinos also made the Play-Offs – with Leigh Centurions struggling on their return to the elite after being selected to fill the vacancy left by the demise of Toronto Wolfpack, and relegated back to the Betfred Championship.

They would be replaced in the 2022 Super League by Toulouse Olympique, who dominated the 2021 Championship season and sealed promotion by beating Featherstone Rovers 34-12 in the Million Pound Match.

Featherstone had become the second winners of the 1895 Cup, the competition launched in 2019 to offer a second and more realistic chance to non-Super League clubs of playing at Wembley. Rovers beat York City Knights 41-34, with Craig Hall winning the Ray French Award as man of the match.

Cumbrian clubs dominated Betfred League One, with Barrow Raiders earning automatic promotion as champions, and Workington Town coming through the Play-Offs to join them in the Championship in 2022 – replacing Swinton Lions and Oldham.

#### ***International Matters***

It was ultimately a frustrating year for the England Men's, Women's and Wheelchair teams, all of whom had maintained their preparations for home World Cups in the autumn despite Covid complications – until the tournament was postponed in July after Australia and New Zealand indicated that they were not prepared to travel.

However there was consolation as all three England teams returned to action.

When Rugby League action resumed, England's Men played the Combined Nations All Stars, a team which was expected to be selected from overseas players employed in the Super League, reviving the traditions established by Other Nationalities and more recently the Exiles.

However owing to significant reduction in selection options, Tim Sheens, the experienced Australian coach who took charge of the team, ended up turning to a number of England-qualified players who had been omitted from Shaun Wane's squad – and one of them, the Huddersfield wing Jermaine McGillvary, excelled in a 26-24 win for the All Stars at Warrington's Halliwell Jones Stadium.

# RFL (GOVERNING BODY) LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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That was the second part of a double header which kicked off with an emphatic 60-0 win for England's Women against Wales, with their captain Emily Rudge scoring two tries in England's first home international since the 2013 World Cup.

The following day, England Wheelchair were even more prolific in a 102-22 win against Wales at the English Institute of Sport in Sheffield, with their captain Tom Halliwell of Leeds Rhinos marking his elevation to the captaincy with a hat-trick – although Wales's Wheelchair team, like their Women, were far from disgraced in a battling performance.

Following the postponement of the World Cup, the RFL moved quickly to arrange internationals for all three teams against France – which were also seen as important as France prepared a bid to stage the 2025 World Cup.

Again, the Men's and Women's fixtures were played as a double header, with England travelling to the Stade Gilbert Brutus in Perpignan.

England's Men won 30-10 with two tries each for John Bateman and Tommy Makinson.

England's Women won 40-4, with Emily Rudge again scoring twice.

England Wheelchair hosted France in a two-Test series in Medway in Kent. They were narrowly beaten in both matches as France underlined their status as favourites to retain the World Cup they won in 2017, but the series completed a breakthrough year for Wheelchair Rugby League as both games were streamed live by BBC Sport and generated considerable media interest.

BBC Sport had also covered the Mid-Season International against Wales, and Leeds Rhinos' victory over the Argonauts from Kent in the Betfred Wheelchair Challenge Cup Final, while Sky Sports covered the Betfred Wheelchair Super League Grand Final in October as the Rhinos completed a double by beating Leyland Warriors.

#### **Community Game**

After significantly impacting on community Rugby League throughout 2020, the ongoing effects of the pandemic led to a delayed start to activity in 2021. However, whilst in many cases competition structures and fixture formats needed adapting, our core community clubs and participants in social formats of the sport were able to take part in competitive activity throughout 2021 as a sense of normality returned throughout the year. Additional care and flexibility was required to support the return of Wheelchair RL, Physical Disability RL and Learning Disability RL given the vulnerable nature of many of the athletes involved but all formats returned to activity during the course of the season although in many cases activity was limited. The reticence of athletes to return to physical activity wasn't witnessed in Rugby League in the same way as many other sports with the numbers of active participants bouncing back well in our disability offers as in the core community game.

In terms of numbers of active participants the impact of Covid-19 was felt most strongly in the education setting exacerbated by activity in those settings starting in September 2020 and continuing through until spring 2021. The restrictions in place during the early part of the education season meant no competitions could run in the usual way and by the time any meaningful activity could resume there was little time to schedule any meaningful activity.

In terms of participation numbers which are reported to Sport England in accordance with our contractual obligations, figures reported at the end of 2021 are at similar levels to 2020 at 81,014. Whilst the numbers of active participants in the core community game were significantly impacted by Covid-19 during 2020 the majority of activity in education settings had already taken place. The opposite has been the case during 2021 with the majority of participants in the core community game returning in 2021 whilst activity in education settings was decimated. The full impact of the pandemic and the recovery at grassroots level will be more evident when the 2022 numbers of active participants are finalised. All the indications are we will see a return to pre-pandemic participation levels in 2022 following the expected two season impact of Covid-19.



# RFL (GOVERNING BODY) LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### Events after the Balance Sheet date

Covid-19 has continued to affect businesses globally, including within the UK. The severity of the impact has been unprecedented and the UK Government has continued its considerable measures to help businesses through this extremely challenging time.

In 2021, Executive have put in place business plans which cover various scenarios covering the period from now until the end of December 2022. The impacts of various scenarios have been modelled to show the impact on cashflows along with the areas of mitigation available to management to maintain a cash position to continue to operate the business. These forecasts indicate that with support from Government, and the Sport Survival Package, the RFL can continue to trade until at least the end of 2022.

On 4th August 2021, the Rugby League World Cup 2021 board agreed that due to the withdrawal of multiple teams it was in the best commercial, reputational and ethical interests of the company and its partners to postpone the tournament until 2022. A successful grant application was made to the Sport Survival Board to cover the additional costs of operating Rugby League World Cup 2021 Limited for a further 12 months to deliver the Tournament in 2022. In support of the postponement of the Rugby League World Cup 2021 until 2022, DCMS have formally agreed a conditional underwrite of the tournament to protect the Governing Body from potential future Covid-19 implications. This covers specific unforeseen impacts on revenues and costs of staging the Tournament, as a result of adverse impacts caused by Covid-19. This was signed 21 July 2022. In terms of ticketing sales to date are strong and in line with expectations. We are now approaching our key sales period, at which time we will be focusing spending on media and advertising.

Based on the current models and forecasts, as detailed in the going concern note on note 1.3, the Board remain satisfied that the RFL is a going concern.

Signed on behalf of the Board

**Mr S H Johnson**

Director

Date: 29/09/2022

Date: .....

# RFL (GOVERNING BODY) LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present their annual report and financial statements for the year ended 31 December 2021.

#### 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 and the game. 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 £1,008k for the year ended 31 December 2021 (2020: £25k). The RFL has maintained an aggregate positive cash balance throughout the year. At 31 December 2021, this aggregate balance was £15,485k (2020: £10,634k). 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 Chair.

All non-executive directors are subject to election by the RFL Council at the first opportunity after their appointment and serve for a maximum of nine 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 MBE

(Resigned 13 July 2022)

Mr C J Hurst

(Resigned 13 July 2022)

Mr S H Johnson

Mr R W J Rimmer

Mrs S Lindsay

Miss R Akhtar

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 2021**

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### **Board Committees**

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

### **The Audit & Risk Committee**

The purpose of the Audit and Risk Committee is to: (a) consider the appointment of the external auditors and their independence; (b) consider the appointment of the internal auditors and review the RFL's internal audit programme; (c) review the Group's financial statements; and (d) review the effectiveness of the internal control systems of the RFL including the process for managing risk.

The Audit and Risk Committee consists of at least 4 members, 2 of whom have to be Non-Executive Directors and one of whom has to be the RFL Executive who is the chief risk officer for the RFL (currently the Chief Operating Officer – Tony Sutton).

The Audit and Risk Committee is chaired by Non-Executive Director Rimla Akhtar who is joined by director member Chris Hurst.

The Audit and Risk Committee met on four occasions in 2021.

### **The Remuneration Committee**

The Board of Directors consider it important to benchmark Board & senior staff remuneration against other businesses of similar size and against other sports governing bodies. To this end, the Remuneration Committee meets as appropriate, chaired by 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 committee 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 purpose of the Nominations Committee is to: (a) ensure that there is a formal and transparent procedure for appointing new directors, re-appointing directors to the Board of Directors and appointing senior executives (being the Chief Executive Officer and any executive it is envisaged will have a basic salary of £100,000 or more); and (b) keep under review the composition of the Board and Board sub-committees and make recommendations to the Board in relation to the same.

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. During 2021 there were no appointments to roles that fall within the remit of the Nominations Committee; however, it still met two times.

### **Laws Committee**

The purpose of the Laws Committee is to review the current laws of the game whilst also fully considering the potential impact of the introduction of new laws based on three principles of keeping the game safe, fair and entertaining. Drawing from across the game, the Committee comprises of a range of members who are considered representative of all stakeholders and is chaired by the RFL CEO. The Committee consider it vital to understand the views of all relevant stakeholders (including coaches, players, medical staff, the players' union and match officials) and this is reflected in its composition. The Committee met three times in 2021.

# RFL (GOVERNING BODY) LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **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.

The Community Board is made up of representatives of the various sectors of the community game being BARLA; Combined Services Rugby League; Education rugby league settings; Higher Education rugby league settings; Tier Four Leagues; Tier Five and Tier Six Adult Leagues; Tier Five Youth and Junior Leagues and Foundations. The RFL nominates 1 Director to act as Chair, a person to represent Active Participants and 2 other Independent representatives. The current Chair is Sandy Lindsay (who assumed the Chair in September 2020).

### **Whole Game Board (formerly Professional Game Board)**

The purpose of the Whole Game Board is to consider and make non-binding recommendations to the Board in relation to the regulation and operation of the Game on matters that directly or indirectly have impact on rugby league clubs who play in: (i) the Super League; and (ii) the Championship and League 1 and which may have a whole game impact (including potentially on the Community Game). The overriding aim being to drive the Game's objectives.

Its membership is made up of representatives of the RFL, the Super League Clubs, the Championship and League 1 Clubs and the Community Game.

The Committee met twice in 2021.

### **Inclusion and Diversity Board**

In November 2020 the Inclusion and Diversity Advisory Group was formally made a Board sub-committee.

Its purpose is to provide guidance on all equality matters and to monitor the delivery of the RFL's Rugby League versus Discrimination Tackle It Action Plan (the plan). In addition, the Inclusion Board will provide support to the Executive in delivering programmes within the plan and seek to promote a culture of respect for Inclusion, Equality and Anti-Discrimination across Rugby League.

Its present composition is nine external and one internal member, and it is chaired by Rimla Akhtar.

The committee met 4 times in 2021.

### **Clinical Advisory Group**

In February 2021, the Clinical Advisory Group was formally made a Board sub-committee. Its purpose is to make recommendations to the Board; and provide guidance to the Game, on all medical issues impacting the Game.

The core membership drawn from all clinical roles in the Game and levels within the Game (Community and Professional Game). The CMO and Covid Medical Officer are members of the Committee.

The committee met 8 times in 2021.

# RFL (GOVERNING BODY) LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **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.

### **Political contributions**

The Company made no political donations or incurred any disclosable political expenditure during the year (2020: £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**

The auditor, Azets Audit Services Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **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.

On behalf of the board

.....  
Mr S H Johnson

**Director**

Date: 29/09/2022  
.....

# **RFL (GOVERNING BODY) LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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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

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#### 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 2021 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 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 2021 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

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.

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's and parent company'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.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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

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#### **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 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 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.

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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

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#### **Extent to which the audit was capable of identifying irregularities, including fraud**

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management, and from inspection of the company's regulatory and legal correspondence. We discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance during the audit.

The group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, pensions legislation, taxation legislation and further laws and regulations that could indirectly affect the financial statements, comprising employment, environmental and health and safety legislation and, in the current climate, Covid-19 regulations. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These procedures did not identify any potentially material actual or suspected non-compliance.

To identify risks of material misstatement due to fraud we considered the opportunities and incentives and pressures that may exist within the company to commit fraud. Our risk assessment procedures included: enquiry of directors to understand the high level policies and procedures in place to prevent and detect fraud, reading Board minutes and considering performance targets and incentive schemes in place for management. We communicated identified fraud risks throughout our team and remained alert to any indications of fraud during the audit.

As a result of these procedures we identified the greatest potential for fraud in the following areas:

- revenue recognition and in particular the risk that revenue is recorded in the wrong period due to significant amounts of deferred income and multiple revenue streams; and
- subjective accounting estimates including property valuations and bad debt provisioning

These risks arise due to a desire to present stronger results which may enable the group to secure additional finance, tender more favourably for contracts and management to benefit from enhanced incentives. As required by auditing standards we also identified and addressed the risk of management override of controls.

We performed the following procedures to address the risks of fraud identified:

- identifying and testing high risk journal entries through vouching the entries to supporting documentation.
- assessing significant accounting estimates for bias.
- testing the timing and recognition of income and, in particular, that it was appropriately recognised or deferred in relation to the underlying transactions and contracts

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

# RFL (GOVERNING BODY) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF RFL (GOVERNING BODY) LIMITED

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#### 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.

*Azets Audit Services Limited*

**Chris Butt (Senior Statutory Auditor)**  
**For and on behalf of Azets Audit Services Limited**

29/09/2022  
Date: .....

**Accountants**  
**Statutory Auditor**

33 Park Place  
Leeds  
LS1 2RY

# RFL (GOVERNING BODY) LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

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	Notes	2021 £	2020 £
<b>Turnover</b>	<b>3</b>	24,764,054	18,801,042
Cost of sales	<b>4</b>	(5,800,170)	(3,520,223)
Cost of sales payable to or on behalf of clubs	<b>5</b>	(1,203,500)	(1,841,178)
<b>Total cost of sales</b>		<u>(7,003,670)</u>	<u>(5,361,401)</u>
<b>Gross profit</b>		17,760,384	13,439,641
Payments to or on behalf of clubs and other member organisations	<b>5</b>	(7,152,509)	(5,860,126)
Operating costs		<u>(10,054,721)</u>	<u>(8,274,673)</u>
<b>Total administrative costs</b>		<u>(17,207,230)</u>	<u>(14,134,799)</u>
Other operating income		75,614	549,930
Exceptional item	<b>6</b>	380,000	-
<b>Operating profit/(loss)</b>	<b>7</b>	<u>1,008,768</u>	<u>(145,228)</u>
Interest receivable and similar income	<b>11</b>	169,115	7,371
Interest payable and similar expenses	<b>12</b>	(169,745)	-
Amounts gained/(written off) investments	<b>13</b>	-	163,241
<b>Profit before taxation</b>		<u>1,008,138</u>	<u>25,384</u>
Tax on profit	<b>14</b>	50,861	-
<b>Profit for the financial year</b>		<u><u>1,058,999</u></u>	<u><u>25,384</u></u>

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# RFL (GOVERNING BODY) LIMITED

## GROUP BALANCE SHEET AS AT 31 DECEMBER 2021

	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	15		446,594		1,798,689
Investment properties	16		750,000		750,000
			<u>1,196,594</u>		<u>2,548,689</u>
<b>Current assets</b>					
Debtors falling due after more than one year	18	18,960,864		7,842,927	
Debtors falling due within one year	18	6,340,707		20,584,584	
Cash at bank and in hand		15,485,041		10,634,014	
		<u>40,786,612</u>		<u>39,061,525</u>	
<b>Creditors: amounts falling due within one year</b>	19	<u>(19,740,361)</u>		<u>(27,515,044)</u>	
<b>Net current assets</b>			<u>21,046,251</u>		<u>11,546,481</u>
<b>Total assets less current liabilities</b>			<u>22,242,845</u>		<u>14,095,170</u>
<b>Creditors: amounts falling due after more than one year</b>	20		<u>(21,274,593)</u>		<u>(14,185,917)</u>
<b>Net assets/(liabilities)</b>			<u>968,252</u>		<u>(90,747)</u>
<b>Capital and reserves</b>					
Revaluation reserve	24		118,993		565,219
Profit and loss reserves	24		849,259		(655,966)
<b>Total equity</b>			<u>968,252</u>		<u>(90,747)</u>

The financial statements were approved by the board of directors and authorised for issue on 29/09/2022 and are signed on its behalf by:



.....  
Mr R W J Rimmer  
Director

# RFL (GOVERNING BODY) LIMITED

## COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	15		340,000		1,615,000
Investment properties	16		750,000		750,000
Investments	17		389,861		389,861
			<u>1,479,861</u>		<u>2,754,861</u>
<b>Current assets</b>					
Debtors	18	1,831,300		72,280	
<b>Net current assets</b>			<u>1,831,300</u>		<u>72,280</u>
<b>Total assets less current liabilities</b>			<u>3,311,161</u>		<u>2,827,141</u>
<b>Provisions for liabilities</b>	22		<u>(22,609)</u>		<u>(62,122)</u>
<b>Net assets</b>			<u><u>3,288,552</u></u>		<u><u>2,765,019</u></u>
<b>Capital and reserves</b>					
Revaluation reserve	24		118,993		565,219
Accumulated surplus/(deficit)	24		3,169,559		2,199,800
<b>Total equity</b>			<u><u>3,288,552</u></u>		<u><u>2,765,019</u></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 £523,533 (2020 - £0 profit).

The financial statements were approved by the board of directors and authorised for issue on 29/09/2022 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 2021

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	Revaluation reserve	Profit and loss reserves	Total
	£	£	£
<b>Balance at 1 January 2020</b>	565,219	(681,350)	(116,131)
<b>Year ended 31 December 2020:</b>			
Profit and total comprehensive income for the year	-	25,384	25,384
<b>Balance at 31 December 2020</b>	565,219	(655,966)	(90,747)
<b>Year ended 31 December 2021:</b>			
Profit and total comprehensive income for the year	-	1,058,999	1,058,999
Transfers	(446,226)	446,226	-
<b>Balance at 31 December 2021</b>	118,993	849,259	968,252

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# RFL (GOVERNING BODY) LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

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	Revaluation reserve £	Accumulated surplus £	Total £
<b>Balance at 1 January 2020</b>	565,219	2,199,800	2,765,019
<b>Year ended 31 December 2020:</b>			
Profit and total comprehensive income for the year	-	-	-
<b>Balance at 31 December 2020</b>	565,219	2,199,800	2,765,019
<b>Year ended 31 December 2021:</b>			
Profit and total comprehensive income for the year	-	523,533	523,533
Transfers	(446,226)	446,226	-
<b>Balance at 31 December 2021</b>	118,993	3,169,559	3,288,552

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# RFL (GOVERNING BODY) LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

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	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	30	(5,821,085)		(8,345,703)	
Income taxes refunded/(paid)		159,061		(318)	
		<hr/>		<hr/>	
<b>Net cash outflow from operating activities</b>		(5,662,024)		(8,346,021)	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(31,108)		(49,912)	
Proceeds on disposal of tangible fixed assets		1,655,524		-	
Interest received		7,525		7,371	
		<hr/>		<hr/>	
<b>Net cash generated from/(used in) investing activities</b>		1,631,941		(42,541)	
<b>Financing activities</b>					
Proceeds from borrowings		8,881,095		14,155,000	
		<hr/>		<hr/>	
<b>Net cash generated from financing activities</b>		8,881,095		14,155,000	
		<hr/>		<hr/>	
<b>Net increase in cash and cash equivalents</b>		4,851,012		5,766,438	
Cash and cash equivalents at beginning of year		10,634,014		4,867,576	
		<hr/>		<hr/>	
<b>Cash and cash equivalents at end of year</b>		15,485,026		10,634,014	
		<hr/> <hr/>		<hr/> <hr/>	
<b>Relating to:</b>					
Cash at bank and in hand		15,485,041		10,634,014	
Bank overdrafts included in creditors payable within one year		(15)		-	
		<hr/> <hr/>		<hr/> <hr/>	



# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 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 Quay West, Trafford Wharf Road, Manchester, M17 1HH.

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 £1.

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 2021. 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 2021

---

#### 1 Accounting policies

(Continued)

##### 1.3 Going concern

In arriving at their Going Concern assumptions, the Directors have prepared and considered detailed trading forecasts and cashflow projections for at least 12 months from the date of approval of these financial statements. These forecasts indicate that with support from Government, and the Sport Survival Package, the RFL Group can continue to trade until at least the end of 2023. In support of the postponement of the Rugby League World Cup 2021 until 2022, DCMS have formally agreed a conditional underwrite of the tournament to protect the Governing Body from potential future Covid-19 implications. This covers specific unforeseen impacts on revenues and costs of staging the Tournament, as a result of adverse impacts caused by Covid-19.

It is also important to note that RFL Investments 2020 Limited, the subsidiary which administrates the DCMS Loan Programme, bears the liability of any events of default by eligible entities which have borrowed from the programme. However, all applications to the DCMS Loan programme have been subject to the scrutiny and approval of the RFL Fund Management Team and the Loan Committee which consists of representatives of the DCMS, Sport England and the RFL Board.

The Group overall was profitable in 2021 and is forecast to remain profitable in 2022. Cash reserves have improved due to the input of loan funds and repayments will not commence within the next 12 months. A longer term financial forecast for the Group demonstrates that the Group will continue to improve its cash reserves gradually over the next 4 years to a sufficient level to make its loan repayments. Based on the above, the directors believe that it is appropriate to prepare these financial statement on a going concern basis.

##### 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 2021

---

#### 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.

# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### 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.

#### 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.

# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

(Continued)

##### **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.

##### **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 2021

---

#### 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 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 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.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Investment property valuations

As required by FRS 102, the investment property is revalued to fair value at each period end. The directors have made use of external specialists to obtain a market valuation to ensure the value is suitable, however there remains inherent uncertainty.

### 3 Turnover and other revenue

	2021	2020
	£	£
<b>Turnover analysed by class of business</b>		
Match income	1,070,614	-
Broadcast	9,433,569	8,776,958
Sponsorship	1,667,522	859,993
Government funding	8,350,910	5,662,117
Other	4,241,439	3,501,974
	<u>24,764,054</u>	<u>18,801,042</u>
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Turnover analysed by geographical market</b>		
United Kingdom	<u>24,764,054</u>	<u>18,801,042</u>
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Other significant revenue</b>		
Interest income	169,115	7,371
Grants received	34,836	549,930
	<u>204,951</u>	<u>557,301</u>

# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2021*

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<b>4 Cost of sales</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Match costs	1,982,671	597,660
Grant funded activities	3,125,299	2,059,070
Sponsorship and promotional costs	391,879	261,354
Other	300,321	602,139
	<hr/>	<hr/>
Total cost of sales	5,800,170	3,520,223
	<hr/> <hr/>	<hr/> <hr/>



# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

<b>5</b>	<b>Payments to or on behalf of clubs and other member organisations</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Awards to clubs	4,992,129	4,177,562
	Awards to other sections of the game	98,314	100,000
	Match officials	1,062,405	699,860
	Insurance	705,644	610,439
	Disciplinary costs and banned substances testing	94,017	72,265
	Player welfare	200,000	200,000
		<u>7,152,509</u>	<u>5,860,126</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:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Match costs	450,000	421,000
Grant funded activities	753,500	1,420,178
	<u>1,203,500</u>	<u>1,841,178</u>
Total payments made to or on behalf of clubs	<u>8,356,009</u>	<u>7,701,304</u>

<b>6</b>	<b>Exceptional item</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	<b>Income</b>		
	Profit on disposal of fixed assets	380,000	-
		<u>380,000</u>	<u>-</u>

<b>7</b>	<b>Operating profit/(loss)</b>	<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Operating profit/(loss) for the year is stated after charging/(crediting):		
	Government grants	(34,836)	(549,930)
	Depreciation of owned tangible fixed assets	107,679	165,859
	Operating lease charges	2,288	5,448
		<u>(24,869)</u>	<u>(378,623)</u>

# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 8 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of these financial statements	2,000	2,000
Audit of the financial statements of the company's subsidiaries	33,850	31,800
	<u>35,850</u>	<u>33,800</u>
<b>For other services</b>		
Taxation compliance services	5,725	5,550
All other non-audit services	4,900	4,750
	<u>10,625</u>	<u>10,300</u>

#### 9 Employees

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

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
On field staff	4	9	-	-
Administration staff	163	131	-	-
Total	<u>167</u>	<u>140</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	5,848,951	5,274,596	-	-
Social security costs	556,461	514,661	-	-
Pension costs	441,914	306,627	-	-
	<u>6,847,326</u>	<u>6,095,884</u>	<u>-</u>	<u>-</u>

# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 10 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	421,339	407,985
Company contributions to money purchase pension plans	33,816	32,395
	<u>455,155</u>	<u>440,380</u>

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

	2021 £	2020 £
Simon Johnson	48,750	44,375
Sandra Lindsay	24,375	22,187
Rimla Akhtar	24,375	22,187
Christopher Brindley	51,325	38,963
Christopher Hurst	24,375	22,187
	<u>173,200</u>	<u>149,899</u>

Christopher Brindley's remuneration above includes his remuneration in relation to his role as chair of the Rugby League World Cup 2021 Limited and was agreed separately by the Rugby League World Cup Remuneration Committee.

The aggregate of remuneration receivable of the highest paid director was £156k (2020 - £167k), and company pension contributions of £25k (2020 - £26k) were made to a money purchase scheme on his behalf.

The total cost of the Chief Executive and his Senior Management Committee (key management personal) is £545k (2020 - £540k).

# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 10 Directors' remuneration

(Continued)

	2021	2020
	Number of Directors	Number of Directors
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	2	2

### 11 Interest receivable and similar income

	2021	2020
	£	£
<b>Interest income</b>		
Interest on bank deposits	7,525	7,371
Other interest income	161,590	-
Total income	169,115	7,371

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	7,525	7,371
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### 12 Interest payable and similar expenses

	2021	2020
	£	£
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	169,745	-

### 13 Amounts written off investments

	2021	2020
	£	£
<b>Fair value gains/(losses) on financial instruments</b>		
Change in value of financial assets held at fair value through profit or loss	-	163,241

### 14 Taxation

	2021	2020
	£	£
<b>Current tax</b>		
Adjustments in respect of prior periods	(159,061)	-

# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 14 Taxation

(Continued)

	2021 £	2020 £
<b>Deferred tax</b>		
Origination and reversal of timing differences	178,586	-
Changes in tax rates	(70,386)	-
	<u>108,200</u>	<u>-</u>
Total deferred tax		
	<u>108,200</u>	<u>-</u>
Total tax credit	(50,861)	-
	<u>(50,861)</u>	<u>-</u>

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

	2021 £	2020 £
Profit before taxation	1,008,138	25,384
	<u>1,008,138</u>	<u>25,384</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	191,546	4,823
Tax effect of expenses that are not deductible in determining taxable profit	41,335	4,432
Tax effect of income not taxable in determining taxable profit	-	(1,400)
Gains not taxable	(72,200)	-
Tax effect of utilisation of tax losses not previously recognised	-	(23,173)
Effect of change in corporation tax rate	(40,585)	-
Permanent capital allowances in excess of depreciation	-	14,778
Research and development tax credit	(159,061)	-
Other permanent differences	-	504
Under/(over) provided in prior years	(39,513)	-
Other	27,617	36
	<u>(50,861)</u>	<u>-</u>
Taxation credit	(50,861)	-
	<u>(50,861)</u>	<u>-</u>

# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 15 Tangible fixed assets

Group	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers £	Assets held for sale £	Total £
<b>Cost or valuation</b>						
At 1 January 2021	340,000	316,255	450,383	1,059,200	1,275,000	3,440,838
Additions	-	-	-	31,108	-	31,108
Disposals	-	(275,769)	(446,267)	(863,260)	(1,275,000)	(2,860,296)
At 31 December 2021	340,000	40,486	4,116	227,048	-	611,650
<b>Depreciation and impairment</b>						
At 1 January 2021	-	288,746	448,510	904,893	-	1,642,149
Depreciation charged in the year	-	10,692	515	96,472	-	107,679
Eliminated in respect of disposals	-	(275,245)	(446,267)	(863,260)	-	(1,584,772)
At 31 December 2021	-	24,193	2,758	138,105	-	165,056
<b>Carrying amount</b>						
At 31 December 2021	340,000	16,293	1,358	88,943	-	446,594
At 31 December 2020	340,000	27,509	1,873	154,307	1,275,000	1,798,689
<b>Company</b>						
				Freehold land and buildings £	Assets held for sale £	Total £
<b>Cost or valuation</b>						
At 1 January 2021				340,000	1,275,000	1,615,000
Disposals				-	(1,275,000)	(1,275,000)
At 31 December 2021				340,000	-	340,000
<b>Depreciation and impairment</b>						
At 1 January 2021 and 31 December 2021				-	-	-
<b>Carrying amount</b>						
At 31 December 2021				340,000	-	340,000
At 31 December 2020				340,000	1,275,000	1,615,000

# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 15 Tangible fixed assets

(Continued)

Included within the carrying value of freehold property and assets held for sale is land held at the carrying value of £340,000 (2020 - £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:

	<b>Group 2021</b>	<b>2020</b>	<b>Company 2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cost	221,007	975,822	221,007	975,822
Accumulated depreciation	-	-	-	-
Carrying value	<u>221,007</u>	<u>975,822</u>	<u>221,007</u>	<u>975,822</u>

### 16 Investment property

	<b>Group 2021</b>	<b>Company 2021</b>
	<b>£</b>	<b>£</b>
<b>Fair value</b>		
At 1 January 2021 and 31 December 2021	<u>750,000</u>	<u>750,000</u>

Investment property comprises of a sporting stadium that was commercially let. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 18 June 2020 by Sanderson Weatherhall Surveyors, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 16 Investment property

(Continued)

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

	<b>Group 2021</b>	<b>2020</b>	<b>Company 2021</b>	<b>2020</b>
	£	£	£	£
Cost	963,784	963,784	963,784	963,784
Accumulated depreciation	(213,784)	(213,784)	(213,784)	(213,784)
Carrying amount	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>

#### 17 Fixed asset investments

	<b>Group 2021</b>	<b>2020</b>	<b>Company 2021</b>	<b>2020</b>
Notes	£	£	£	£
Investments in subsidiaries	<b>28</b>	-	389,861	389,861
		<u>-</u>	<u>389,861</u>	<u>389,861</u>

#### Movements in fixed asset investments

<b>Company</b>	<b>Shares in subsidiaries £</b>
<b>Cost or valuation</b>	
At 1 January 2021 and 31 December 2021	389,861
<b>Carrying amount</b>	
At 31 December 2021	<u>389,861</u>
At 31 December 2020	<u>389,861</u>



# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 18 Debtors

	Group 2021	2020	Company 2021	2020
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	538,985	10,932,786	-	-
Amounts owed by group undertakings	-	-	1,831,300	72,280
Other debtors	221,010	5,051,689	-	-
Loans to clubs	735,408	527,837	-	-
Taxation and social security	63,476	-	-	-
Prepayments and accrued income	4,635,437	3,817,681	-	-
	<u>6,194,316</u>	<u>20,329,993</u>	<u>1,831,300</u>	<u>72,280</u>
Deferred tax asset (note 22)	146,391	254,591	-	-
	<u>6,340,707</u>	<u>20,584,584</u>	<u>1,831,300</u>	<u>72,280</u>
<b>Amounts falling due after more than one year:</b>				
Other debtors	18,960,864	7,842,927	-	-
	<u>18,960,864</u>	<u>7,842,927</u>	<u>-</u>	<u>-</u>
Total debtors	<u>25,301,571</u>	<u>28,427,511</u>	<u>1,831,300</u>	<u>72,280</u>

In other debtors due within one year are concessionary loans to clubs and members of £735,408 (2020 - £527,837) and in other debtors due after one year are concessionary loans to clubs and members of £18,843,864 (2020 - £7,565,163).

#### 19 Creditors: amounts falling due within one year

		Group 2021	2020	Company 2021	2020
	Notes	£	£	£	£
Other borrowings	21	1,931,262	-	-	-
Trade creditors		1,440,123	6,752,212	-	-
Corporation tax payable		35,788	35,788	-	-
Other taxation and social security		301,371	1,400,856	-	-
Other creditors		4,058,578	6,408,353	-	-
Accruals and deferred income		11,973,239	12,917,835	-	-
		<u>19,740,361</u>	<u>27,515,044</u>	<u>-</u>	<u>-</u>

# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 20 Creditors: amounts falling due after more than one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Other borrowings	21	21,274,593	14,155,000	-	-
Trade creditors		-	30,917	-	-
		<u>21,274,593</u>	<u>14,185,917</u>	<u>-</u>	<u>-</u>

#### 21 Loans and overdrafts

	Group 2021 £	2020 £	Company 2021 £	2020 £
Other borrowings	23,205,855	14,155,000	-	-
Payable within one year	1,931,262	-	-	-
Payable after one year	21,274,593	14,155,000	-	-
	<u>23,205,855</u>	<u>14,155,000</u>	<u>-</u>	<u>-</u>

Included in other borrowings above is loan funding provided by the department for Digital, Culture, Media and Sport ('DCMS'). These liabilities are ultimately repayable by eligible entities who applied for the DCMS Sport Winter Survival Package. During the year the loan facility was extended (Stage 3) and repayments amended. If loans were extended the original loan (Stage 2) was repaid. At the year end Stage 2 loans outstanding to be repaid was £6,747,865 & outstanding Stage 3 loans £16,457,975.

Stage 2 loan is repayable by the 31 October 2025 and attracted interest at 0.2%. Stage 3 loan is repayable by 30 September 2041 and attracted interest of 2%. Both loans are secured by a fixed and floating charge over the assets of RFL Investments 2020 Limited.

#### 22 Deferred taxation

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

Group	Liabilities 2021 £	Liabilities 2020 £	Assets 2021 £	Assets 2020 £
Accelerated capital allowances	-	-	146,391	254,591
	<u>-</u>	<u>-</u>	<u>146,391</u>	<u>254,591</u>

  

Company	Liabilities 2021 £	Liabilities 2020 £	Assets 2021 £	Assets 2020 £
Revaluations	22,609	62,122	-	-
	<u>22,609</u>	<u>62,122</u>	<u>-</u>	<u>-</u>

# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 22 Deferred taxation

(Continued)

	Group 2021 £	Company 2021 £
<b>Movements in the year:</b>		
Liability/(Asset) at 1 January 2021	(254,591)	62,122
Charge/(credit) to profit or loss	148,785	(39,513)
Effect of change in tax rate - profit or loss	(40,585)	-
	<u>(146,391)</u>	<u>22,609</u>

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.

The deferred tax rate used to calculate the year end deferred tax position is 25% (2020 - 19%).

### 23 Retirement benefit schemes

	2021 £	2020 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	441,914	306,627

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 20.

# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 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:

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Within one year	140,525	157,142	-	-
Between two and five years	12,874	485	-	-
	<u>153,399</u>	<u>157,627</u>	<u>-</u>	<u>-</u>

During the year £5,448 was recognised as an expense in the profit and loss account in respect of operating leases (2020 - £16,448).

#### 26 Events after the reporting date

On 4th August 2021, the Rugby League World Cup 2021 board agreed that due to the withdrawal of multiple teams it was in the best commercial, reputational and ethical interests of the company and its partners to postpone the tournament until 2022. A successful grant application was made to the Sport Survival Board to cover the additional costs of operating Rugby League World Cup 2021 Limited for a further 12 months to deliver the Tournament in 2022. In support of the postponement of the Rugby League World Cup 2021 until 2022, DCMS have formally agreed a conditional underwrite of the tournament to protect the Governing Body from potential future Covid-19 implications. This covers specific unforeseen impacts on revenues and costs of staging the Tournament, as a result of adverse impacts caused by Covid-19. This was signed 21 July 2022. Ticketing sales to date are strong and in line with expectations. We are now approaching our key sales period, at which time we will be focusing spending on media and advertising.

Based on the current models and forecasts, as detailed in the going concern note on note 1.3, the Board remain satisfied that the RFL is a going concern.

#### 27 Related party transactions

RFL (Governing Body) Limited (RFLGB), has significant influence over Rugby League Cares (RLC) and The Rugby Football League Limited (RFL).

At 31 December 2021 within other debtors £217,044 (2020 - £317,092) is owed by RLC to RFL.

At 31 December 2021 within trade creditors £nil (2020 - £65,327) is owed by RFL to RLC.

At 31 December 2021 within accruals and deferred income £nil (2020 - £16,167) is owed by RFL to RLC.

# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 28 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 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
RFL Investments	England and Wales	Providing concessionary loans	Guarantee	100.00

Rugby League World Cup 2021 Limited has an address of Bonded Warehouse, 18 Lower Byrom Street, Manchester, England, M3 4AP

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

### 29 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.

### 30 Cash absorbed by group operations

	2021 £	2020 £
Profit for the year after tax	1,058,999	25,384
<b>Adjustments for:</b>		
Taxation credited	(50,861)	-
Finance costs	169,745	-
Investment income	(169,115)	(7,371)
Gain on disposal of tangible fixed assets	(380,000)	-
Depreciation and impairment of tangible fixed assets	107,679	165,859
Other gains and losses	-	(163,241)
<b>Movements in working capital:</b>		
Decrease/(increase) in debtors	3,179,330	(15,275,147)
(Decrease)/increase in creditors	(9,736,862)	6,908,813
<b>Cash absorbed by operations</b>	<b>(5,821,085)</b>	<b>(8,345,703)</b>

# RFL (GOVERNING BODY) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 31 Analysis of changes in net debt - group

	1 January 2021 £	Cash flows £	Interest £	31 December 2021 £
Cash at bank and in hand	10,634,014	4,851,027	-	15,485,041
Bank overdrafts	-	(15)	-	(15)
	<hr/>	<hr/>	<hr/>	<hr/>
	10,634,014	4,851,012	-	15,485,026
Borrowings excluding overdrafts	(14,155,000)	(8,881,095)	(169,745)	(23,205,840)
	<hr/>	<hr/>	<hr/>	<hr/>
	(3,520,986)	(4,030,083)	(169,745)	(7,720,814)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



Gate 13  
Rowsley Street  
Manchester  
M11 3FF

T: 0330 111 1113  
enquiries@rfl.co.uk  
rugby-league.com

Chris Butt  
Azets Audit Services Limited  
33 Park Place  
Leeds  
LS1 2RY

Dear Sirs

### Letter of Representation

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the financial statements of RFL (Governing Body) Limited and its subsidiaries for the year ended 31 December 2021. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

#### General

1. We have fulfilled our responsibilities as directors, as set out in the terms of your engagement letter under the Companies Act 2006, for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.
2. All the transactions undertaken by the group have been properly reflected and recorded in the accounting records.
3. All the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all appropriate persons within the group, and to all other records and related information requested, including minutes of all management and shareholder meetings.
4. The financial statements are free of material misstatements, including omissions.

#### Internal Control and Fraud

5. We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.



RFL (Governing Body) Ltd  
Registered address  
Gate 13, Rowsley Street  
Manchester, M11 3FF  
Registered No. 5835638

RFL is the trading name of The Rugby Football League Ltd which is wholly RFL (Governing Body) Ltd.  
Registered address: Gate 13, Rowsley Street Manchester, M11 3FF  
Registered No. 5835638

6. We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.
7. We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.

#### **Assets and Liabilities**

8. The group has satisfactory title to all assets and there are no liens or encumbrances on the group's assets, except for those that are disclosed in the notes to the financial statements.
9. All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
10. We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.

#### **Accounting Estimates**

11. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

#### **Loans and Arrangements**

12. The group has not granted any advances or credits to, or made guarantees on behalf of, directors other than those disclosed in the financial statements.

#### **Legal Claims**

13. We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.

#### **Law and Regulations**

14. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
15. We confirm that we have reviewed the nature of the arrangements with our contractors and that the group has properly applied off-payroll working (IR-35) legislation. We are not aware of any non-compliance with this legislation during the year.

#### **Related Parties**

16. Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with the requirements of group law or accounting standards.



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Registered No. 5835638



### Subsequent Events

17. All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

### Going Concern

18. We believe that the group 's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the group 's needs. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the group 's ability to continue as a going concern need to be made in the financial statements.

### Financial Statements

19. We confirm that we have agreed with you the adjusted misstatements on the attached schedule (appendix 1) which have been adjusted for in arriving at the financial statements for the year ended 31 December 2021
20. We confirm that we have reviewed the unadjusted misstatements on the attached schedule (appendix 2) which have not been adjusted in arriving at the financial statements for the year ended 31 December 2021 on the grounds of immateriality. We understand that for the purposes of audit you have only reported to us items in excess of triviality.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware. Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that they are aware of that information.

Yours faithfully



..... Director  
On behalf of the RFL (Governing Body) Limited Board and group

**29/09/2022**  
..... Date



RFL (Governing Body) Ltd  
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Registered No. 5835638

## Appendix 1- Adjusted misstatements

Adjusted misstatements RFL (Governing Body) Limited	Profit and loss		Balance sheet	
	DR £	CR £	DR £	CR £
Rental income		80,000		
Amounts due from fellow group undertakings			80,000	
<b><i>Being to recognise Motorsport rental income initially recognised in the accounts of The Rugby Football League Limited</i></b>				
Revaluation reserve			446,226	
Retained earnings				446,226
<b><i>Being to show the recycling of the revaluation reserve on Red Hall</i></b>				
Deferred tax charge		39,513		
Deferred tax liability			39,513	
<b><i>Being to show the tax charge on the disposal of Red Hall</i></b>				

Adjusted misstatements The Rugby Football League Limited	Profit and loss		Balance sheet	
	DR £	CR £	DR £	CR £
Amounts due to fellow group undertakings				484,020
Profit on disposal of fixed assets	380,000			
Other revenue	104,020			
<b><i>Being to remove RFL (Governing Body) rental income and profit on disposal of Red Hall through the intercompany balance</i></b>				
Deferred tax charge	147,713			
Deferred tax asset				147,713
<b><i>Being deferred tax movement for the year (in relation to the utilisation of tax losses and provisions)</i></b>				

## Appendix 2 – Unadjusted misstatements

Unadjusted misstatements RFL (Governing Body) Limited	Profit and loss		Balance sheet	
	DR £	CR £	DR £	CR £
Amounts due from group undertaking				15,419
Repairs and maintenance	5,000			
Legal and professional fees	10,419			
<b>Being to recharge Red Hall disposal costs to RFLGB</b>				

Unadjusted misstatements The Rugby Football League Limited	Profit and loss		Balance sheet	
	DR £	CR £	DR £	CR £
Other trade creditors				33,957
Trade debtors			33,957	
<b>Being creditor balances on the trade debtor ledger</b>				
Corporation tax adjust re previous year		35,788		
Corporation tax payable			35,788	
<b>Being to remove historic CT payable balance</b>				

Unadjusted misstatements Rugby League World Cup 2021 Limited	Profit and loss		Balance sheet	
	DR £	CR £	DR £	CR £
Prepayments			10,145	
Purchases		10,145		
<b>Being to correct purchases for cut off error identified</b>				
Deferred tax – timing differences	2,682			
Deferred taxation liability				2,682
<b>Being to show deferred tax movement</b>				
Deferred income			9,571	
Other debtors				9,571
<b>Being to recognise ticket booking fees omitted from deferred income workings</b>				
Deferred income			5,329	
Other debtors				5,329
<b>Being to correct deferred match income recognised to agree to Ticketmaster reports</b>				

Unadjusted misstatements Rugby League Learning Limited	Profit and loss		Balance sheet	
	DR £	CR £	DR £	CR £
Bad and doubtful debts	650			
Trade debtors				650
<b>Being to write off debtor balance</b>				