

Rugby Football Foundation

Registered number: 04608134

Annual Report and financial statements

For the year ended 30 June 2019

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RUGBY FOOTBALL FOUNDATION

COMPANY INFORMATION

Trustees

P R Johnson
M Wharton
S Day
D Roberts

Company registered number 04608134

Charity registered number 1100277

Registered office Rugby House
Twickenham Stadium
200 Whitton Road
Twickenham
Middlesex
TW2 7BA

Company secretary A Bujalski

Independent auditor BDO LLP
55 Baker Street
London
W1U 7EU

RUGBY FOOTBALL FOUNDATION

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RUGBY FOOTBALL FOUNDATION TRUSTEES REPORT FOR THE YEAR ENDED 30 JUNE 2019

Introduction

The trustees, who are also the directors for the purposes of company law, submit their report and the financial statements of the Rugby Football Foundation for the year ended 30 June 2019.

Structure, Governance and Management

Incorporation

The Rugby Football Foundation, a company limited by guarantee, (No. 4608134) was incorporated on 4 December 2002 by a Memorandum and Articles of Association, and is a registered charity (No. 1100277). The registered office of the charity is:

Rugby House
Twickenham Stadium
200 Whitton Road
Twickenham
Middlesex
TW2 7BA

Trustees

In accordance with the memorandum and articles, one third of the trustees are required to retire by rotation, determined by how long they have been in office since their last appointment or reappointment. If no trustee agrees to resign, the longest serving trustees are put forward for retirement. If the RFU does not fill the vacancy, the retiring trustee shall, if willing to act, be deemed reappointed, unless the RFU decides not to fill the vacancy or not to reappoint the trustee.

The appointment of trustees is determined by the RFU Board of Directors. Trustees are appointed on the basis of the expertise that they can bring to the charity. A briefing is given at their first meeting.

The trustees who have served during the year and to the date of this report were:

P W Grace (resigned 21 October 2018)
P R Johnson
S Pancholi (resigned 18 December 2019)
M Wharton
N Hagerty (resigned 18 December 2019)
R Daniel (resigned 27 August 2018)
S Day (appointed 27 August 2018)
D Roberts (appointed 21 October 2018)

All decisions relating to the approval of grant or loan applications are made by the trustees following recommendations by the Awards Panel and determined by majority vote. Likewise, any decision which materially affects the operation of the charity and its objectives is determined by trustees' majority vote.

The Trustees delegate the day to day management of the foundation to Sue Day (Chief Operational and Financial Officer) and Steve Grainger (Rugby Development Director).

RUGBY FOOTBALL FOUNDATION TRUSTEES REPORT FOR THE YEAR ENDED 30 JUNE 2019 (continued)

Objects and Activities of the Foundation

The objects of the Foundation are for the benefit of the public to:

- promote community participation in healthy recreation by providing facilities for playing rugby union football and other sports (facilities means land, buildings, equipment and organising sporting activities);
- provide and assist in providing facilities for sport, recreation or other leisure time occupation of such persons who have need for such facilities by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving their conditions of life;
- advance the education of children and young people through such means as the trustees think fit in accordance with the law of charity; and
- advance the education of the public in the history and development of rugby football and its antecedent, in particular by establishing or maintaining a museum for the permanent exhibition and preservation of items of educational and/or historic value.

The entity is a public benefit, the Trustee's have considered the guidance on public benefit and confirm that they have complied with their duty.

Powers

To further its objects the Foundation may:

- undertake programmes for the development of amateur sport
- provide grants and loans for capital improvements to stadiums and grounds of community amateur sports clubs, charitable sports clubs and other bodies
- provide and assist in the provision of money, materials or other help
- organise and assist in the provision of conferences, courses of instruction, exhibitions, lectures and other educational activities
- publish books, pamphlets, reports, leaflets, journals, films, tapes and instructional matter; and promote, encourage, carry out or commission research, surveys, studies or other work, making the useful results available
- operate the World Rugby Museum and stadium tours

Community Rugby Programme

On the 30 June 2019, the Foundation signed an agreement with the RFU whereby the RFU grants a set amount each year to fund community work furthering the charitable purposes of the Foundation, as set out in the objects above. The amount of the grant this year was £30,600,000 (2018: £29,553,000).

The Foundation's charitable objects include promoting community participation in rugby for the benefit of the public. A subsidiary of the Rugby Football Union, Rugby Football Development Limited, has the expertise and experience to run a community rugby development programme which encourages community participation. The core purpose is to "strengthen our member clubs and to grow the game in communities around them." Underpinning this are six key drivers:

1. Retaining & Developing Players
2. Recruiting New Players
3. Recruiting & Retaining High Quality Coaches, Volunteers & Referees
4. Effective & Efficient Facilities
5. Effective & Efficient Management and Governance
6. Integration with the Local Community

RUGBY FOOTBALL FOUNDATION TRUSTEES REPORT FOR THE YEAR ENDED 30 JUNE 2019 (continued)

It is accepted that regular participation in sport improves health and is of public benefit. The programme includes initiatives to promote wider participation in rugby especially among 14-24 year olds, expanding rugby in schools through the All Schools Programme and to promote school/club links to encourage school leavers to continue playing rugby. Women's rugby is another area where the programme seeks to encourage and develop more opportunities for women and girls to play at all levels of the amateur game.

On the 30 June 2019, the Foundation contracted with Rugby Football Development Limited for delivery of an agreed programme. The fee for this service was £30,600,000. The activity ensuing from this arrangement has given rise to the restricted funds seen in this year's financial statements. The 14th year of this programme (the programme started on 1st July 2005) has been a successful one, with Rugby Football Development Limited delivering the programme within budget, in accordance with the charitable objects of the Foundation, and to a standard deemed satisfactory by the trustees. Details of expenditure is provided in the quarterly financial report sent to Trustees. This quarterly review of expenditure allows the Trustees to analyse how the funds are being used to grow the game.

Annual Review

One of the RFU's Strategic Priorities is to grow the game by providing more rugby through more opportunities for more people.

A great deal of work has taken place over the past season and the playing pool has continued to grow. We had 219 new teams across men, women and age grade boys and girls, an increase in participation compared with 2017/18.

We are at the midway point of the RFU's four-year women and girls' action plan and, by working with Constituent Bodies and club volunteers and partners such as Sport England, a great deal has been achieved. Inner Warrior Camps have introduced 18-35s to rugby and their local clubs, with around 18,000 women at over 500 camps nationwide during the past two years. The number of registered adult women players is now around 37,000 and we also have over 60,000 girls involved in the sport.

The England Rugby Sevens Series followed a streamlined format, with 16 men's and five women's teams qualifying for the finale at Nottingham Rugby Club via 31 local qualifiers. In this fourth year, the competition continued to support the development of sevens at local level. XRugby, the newest rugby format, saw just under 4,000 players taking part and was used within schools, universities and clubs, targeting new players and aiming to bring players back to rugby.

O2 Touch, a major part of England Rugby's partnership with Sport England to grow the game, has hit a 30,000 registered players milestone since its launch in 2013.

Attracting and keeping young players continues to be key and this has been a milestone season for Age Grade Rugby which encompasses our Quilter Kids First work. The Quilter Kids First CPD courses for those coaching and refereeing children's rugby reached 8,000 nationwide over the season. Of paramount importance is keeping young players safe and enjoying the best possible rugby environment.

In the university sector, we have existing agreements with 14 partner universities and 18 new agreements with clusters of two or three working collaboratively to offer a broader rugby programme. The aim has been to grow player numbers, including through different formats of the game, sustaining university programmes and transitioning students into the community game.

Since 2017, the Focus Challenge Programme has seen 29 Focus Colleges create 29 new teams (27 male and two female) and 18 new female programmes, providing player opportunities for over 2,000 college students. Around 400 students transitioned into rugby clubs and more than 400 young match officials and coaches are trained to help sustain both college and community rugby.

RUGBY FOOTBALL FOUNDATION TRUSTEES REPORT FOR THE YEAR ENDED 30 JUNE 2019 (continued)

Work to strengthen our clubs and their facilities has seen £0.9m invested in 29 club projects, which again brought partnership funding which reached £4.5m. RFF smaller grants and loans were made to over 100 clubs, while the Rugby Groundsman Connected online community now has over 1,100 members.

With more than 100,000 volunteers working to ensure the health of our sport, we have continued to support and reward them.

The Mitsubishi Motors Volunteer Recognition Programme recognized over 1,300 unsung heroes over the past year.

The Natwest RugbyForce programme saw volunteers making their clubs stronger and more sustainable. Grants and online toolkits ensure that June's NatWest RugbyForce weekend brings the rugby family and local communities together, helping to attract new members. This remains a key volunteer event with over 500 registering to take part, 285 attending workshops, and six clubs receiving a support package and grant of £5,000.

Young Match Officials helped to swell the Young Rugby Ambassador programme to over 2,500 young people volunteering across the game.

With qualified coaches fundamental to players' enjoyment of rugby, 18 Game Changer coaching videos were viewed on average 80,000 times per video and digital learning now complements face to face coaching programmes. Facebook Live events featured Eddie Jones and we are also working to increase the number of female coaches and referees.

The England Rugby Referees Association now has over 7,000 members with whom we communicate regularly and there was strong attendance at training courses, with over 24,000 in our first three quarters.

Groundmatch and other RFF Grants and Loan Schemes

The Foundation's Awards Panel Sub Committee continued to maintain the high level performance of previous years, combining volunteer and professional skills in delivering a proactive facilities programme to RFU member clubs and related needs by means of Rugby Football Foundation Grants and Interest Free Loans.

While the impetus of social spaces in community clubs continues to improve the welcome to the whole rugby family, there is a substantial investment in grass pitches as the weather patterns become more challenging for club groundsmen.

The economic management of clubhouse energy conservation is an increasing area of investment, with Green Deal Loans a long-term solution to clubs' increasing service bills.

Of the 118 Grants, 15 were Helping Hand up to £1,500; 102 were Groundmatch up to £5,000; only one was exceptional and over £5,000 and reached the threshold of £7,500 where trustees needed to be specifically consulted. Hopefully, this demonstrates a focus on providing a wide spread of the Foundation's funds.

6 Award Panel meetings were held, all by telephone conference, which made a very challenging process both efficient and economic. Good pre-meeting documentation and organisation has been a major factor. Both the professional staff and volunteers remain involved in the process continuously throughout the 12 months.

RUGBY FOOTBALL FOUNDATION TRUSTEES REPORT FOR THE YEAR ENDED 30 JUNE 2019 (continued)

The Interest Free Loan Budget for 2018/19 was reduced from £1.5m to its pre RWC 2015 level of £1m. Demand for these very attractive Foundation Loans remained robust but with careful management the Panel contained the total allocation of 27 loans to £944,583.

Unlike Foundation Grants, the Interest Free Loans are considered at any time electronically, voted on by the Panel trustees and approved between meetings. The Award is subsequently recorded at the next Panel meeting.

In all cases of Award applications and particularly Interest Free Loans, before their consideration the Panel have insisted on a high level of applicants' information and research, keeping the general level high and responses to queries prompt and comprehensive.

We are confident that the most worthy cases have received approval and that the ones who have been rejected have been properly advised.

The monitoring and managing of repayment of existing loans remains extremely efficient while being supportive of clubs in genuine difficulty. In extreme cases restructuring is negotiated, typically by reducing the amount or frequency of payments to make it financially viable for the club.

Members of the Panel selflessly bring their relevant skills to the awards and monitoring process, working in harmony with the case officers and other professionals. The team ethic remains strong within the whole of the Rugby Football Foundation Awards Panel Sub-Committee and the trustees thank them for their commitment to continuous improvement of the game's facilities and the resultant community and public benefit.

World Rugby Museum

In February 2018 the new World Rugby Museum was opened in the South Stand with £1.8m capital investment by the RFU.

The collection of 38,000 objects is displayed within our permanent galleries, supplementing a regular programme of special exhibitions and formal and informal learning programmes.

The mission statement is "To celebrate and share the unique history, culture and tradition of rugby union in all its forms, wherever and by whomsoever it is played."

The museum of international rugby history holds the most extensive collection of rugby football memorabilia in the world, including over 38,000 recorded objects, 15,000 pieces of archival material and 9,000 photographs, from the RFU collection, the Harry Langton Collection and the RFU Rugby Archive. Star items include the world's oldest international football jersey and the Calcutta Cup, which is the world's oldest international football trophy.

'Brave Blossoms: The History of Rugby in Japan' was launched, with sponsorship for the first time in 10 years.

Full national accreditation from the Arts Council means that the museum has demonstrated the same quality as that of national institutions such as the British Museum and Natural History Museum. The collection continues to be developed and museum policies updated, including the Business Plan and Marketing Strategy, with a commitment to develop commercial aspects, including corporate services and the use of the museum as a corporate venue on match days and evenings.

The award-winning education programme includes a full programme of learning activities for primary schools, middle schools, high schools, higher and further education and universities. It was the winner of the School Travel Awards 2018/19 Best Sporting Venue, having been put up for the same award for the past three years.

RUGBY FOOTBALL FOUNDATION TRUSTEES REPORT FOR THE YEAR ENDED 30 JUNE 2019 (continued)

The All Schools Programme

CBRE All Schools was started in 2012 to introduce rugby and its core values into state secondary schools with the aim of linking them to rugby clubs. In the process, the target is to make school life healthier and happier, reduce anti-social behaviour, enhance learning and increase self-esteem for students. It is a key legacy programme for Rugby World Cup 2015 which presented a once in a generation opportunity to deliver the greatest participatory legacy for the game.

The ambition to introduce rugby and its values into 750 schools was achieved, with the final 75 schools being signed up, and 175,000 pupils a third of them girls newly involved this year alone. Around 70% of pupils involved in the programme report that they are more confident, aspirational and performing better in school.

Future Plans

The Foundation's future plans are to carry on funding the community rugby development programme and continue to run the World Rugby Museum. The loans and grants direct to clubs will move to RFU and RFDL respectively. This change will only impact new awards made from July 2019 and will not impact awards made before this date which will remain with the RFF.

In all areas of activity, the trustees will continue to have regard to the Charity Commission's guidance on public benefit.

Reserves

At the year end, the total reserves of the charity were £1,241,133 (2018: £1,651,039). £594,407 of this was restricted to specific purposes (2018: £1,073,400), leaving £646,726 available for the general purposes of the charity (2018: £577,639).

The trustees have reviewed the level of unrestricted reserves that are appropriate for the Foundation. Reserves are needed to cover any excess of expenditure over income, whether due to timing differences or to shortfalls in funding. From 2019/20 onwards the RFU will cease to make its annual donation towards grants as those grants will no longer be administered through RFF. However, it will provide support should the unrestricted reserves not be sufficient to support normal business activities.

It had been determined that the minimum level of unrestricted reserves that should be held at any time must be at least equal to a year's interest charge on the current balance outstanding on the RFU loan and six months' worth of the budgeted operating expenses, plus the value of approved but unpaid grants at the year end. This policy is reviewed by a sub-committee of two trustees on a regular basis.

The RFU is committed to paying any RFF grants that have been approved but not paid at year end, as they fall due. Therefore the trustees consider that the minimum level of unrestricted reserves as at 30 June 2019 to be £58,596. The actual level of unrestricted reserves at 30 June 2019 was £646,726 which is comfortably in excess of our minimum required level. The trustees note that the excess of actual reserves over the minimum required level is reasonable, given that the Foundation has contingent liabilities of £456,161 in the form of approved grants and 12 months of budgeted overheads equates to £67,146.

Restricted funds comprise two funds, the Community Rugby Programme and the World Rugby Museum. The Community Rugby Programme is for the promotion of participation in rugby for the benefit of the public and the World Rugby Museum is for the exhibition of historical information and artefacts relating to Rugby.

The brought forward and carried forward values of restricted funds relate entirely to the Community Rugby Programme, as each year the World Rugby Museum breaks even. For the year ended 30 June 2019 income for the World Rugby Museum was £436,264 and expenditure was £436,264. The Community Rugby Programme fund has income of £30,600,000 and expenditure of £31,078,993.

RUGBY FOOTBALL FOUNDATION TRUSTEES REPORT FOR THE YEAR ENDED 30 JUNE 2019 (continued)

Grant making policy

For every grant, the Foundation receives reports on each grant application to ensure that projects funded meet with the Foundations objectives. The RFF also keeps track of all awards made to ensure that the RFF can fund all awards made and does not commit beyond its resources. The Awards Panel is responsible for keeping to the budget, and will see a breakdown of the balance available and as such, award grants accordingly.

Investment policy

It is the policy of the Foundation to place its investments in cash deposits which provide appropriate liquidity and which are deemed to be of low risk.

Strategic Report

Achievements, Performance and Financial Review

During the year the RFF received a grant of £30,600,000 (2018: £29,553,000) from the RFU to fund community work that further the charitable purposes of the Foundation. The Foundation entered into a contract with Rugby Football Development Limited (RFDL) to the value of £30,600,000 (2018: £29,553,000) for RFDL to deliver that work. This included an extensive programme for the development of the community participation in amateur rugby including supporting grassroot clubs to improve the playing environment for participants, improve coaching standards and club management via its community rugby development programme and its grants/loan programme.

The Foundation also continues to operate the World Rugby Museum.

In shaping the objectives for the year and planning activities, the Trustees have considered the Charity Commission's guidance on public benefit and fee charging and given careful consideration to ensuring that support is targeted to maximize community participation and ensure accessibility for those on low income.

The net movement in Unrestricted funds was a profit of £69,087 and in Restricted funds was a loss of £478,993 during the year.

During the year the Foundation has received donations to Unrestricted funds amounting to £532,832 (2018: £530,000). The loan from the RFU remained at £6,672,802.

The Foundation has made capital grants, amounting to £382,170 (2018: £390,674), and interest free loans, amounting to £1,188,776 (2018: £1,292,333), to rugby clubs during the year. The capital grants are available to amateur clubs and focus on helping them sustain their current activities and increase participation.

At 30 June 2019 the Foundation had approved further capital grants amounting to £456,161 (2018: £396,674), and further loans amounting to £966,183 (2018: £822,023). These awards are conditional upon certain criteria being met by the respective clubs, such as open membership, and the Foundation being satisfied that the funds will be used appropriately. At the year-end these monies had not been paid and will be accounted for in 2019/20 provided that the conditions are met to the Foundation's satisfaction.

With net current assets sitting at £25,195 on the 30 June 2019, the assets of the Foundation will be carefully managed in 2019/20 to ensure the Foundation is in the best possible position.

Total net assets of £1,241,133 show a strong long term position.

RUGBY FOOTBALL FOUNDATION
TRUSTEES REPORT FOR THE YEAR ENDED 30 JUNE 2019 (continued)

Risk Management

The Trustees have carried out a review of the charity's activities which sets out the risks to which it is exposed.

As part of this review the Trustees have implemented a risk management strategy which comprises:

- An annual review of the risks the charity may face; and
- Establishment of systems and procedures to mitigate those risks identified in the plan; and
- The implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

The Trustees confirm that procedures are in place to manage the major risks which have been identified.

In order to mitigate and spread the risks of the Foundation, and, although generous support was received during the year from the Rugby Football Union, it is the intention of the Foundation to continue to seek additional alternative sources of funding in the coming year. A key element in the management of financial risk is the setting of a reserves policy and its regular review by Trustees.

Fundraising Activities

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. The legislation defines fundraising as "soliciting or otherwise procuring money or other property for charitable purposes". The Foundation does not undertake fundraising from the general public but from time to time does apply for grant funding from grant-awarding entities. Any such amounts receivable are presented in the financial statements as 'voluntary income' and includes legacies and grants.

In relation to the above we confirm that all solicitations are managed internally, without involvement of commercial participators or professional fundraisers, or third parties. The day-to-day management of all income generation is delegated to the executive team, who are accountable to the trustees. The Foundation is not bound by any undertaking to be bound by any regulatory scheme.

RUGBY FOOTBALL FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS

Company law requires Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the charity and of the surplus or deficit of the charity for that period. In preparing those financial statements, Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006 and UK Accounting Standards. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Provision of information to auditor

Each of the Trustees at the date of approval of this report confirms that:

- So far as the Trustees are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- The Trustees have taken all the steps that they ought to have taken as trustees to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

On behalf of the Board

P R Johnson
Trustee

Date:

11 March 2020

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF RUGBY FOOTBALL FOUNDATION

Opinion

We have audited the financial statements of Rugby Football Foundation ("the Charitable Company") for the year ended 30 June 2019 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 Charitable Company's affairs as at 30 June 2019 and of its incoming resources and application of resources 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 Charitable Company in accordance with the ethical requirements 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 related to going concern

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

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

Other information

The other information comprises the information included in the Annual Report and financial statements, other than the financial statements and our auditor's report thereon. The other information comprises: Trustees' Report. The Trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, 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, which are included in the Trustees' 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 Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 Trustees determines 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 Trustees are responsible for assessing the Charitable 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 Trustees either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

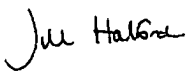
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charitable 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 Charitable 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 Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jill Halford (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
Date: 23 March 2020

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

**RUGBY FOOTBALL FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income:					
Donations:					
Donations from the RFU	2	530,000	30,600,000	31,130,000	30,083,000
Other donations	2	2,832	-	2,832	14,297
Total donations income		532,832	30,600,000	31,132,832	30,097,297
Income from charitable activities:					
World Rugby Museum		-	436,264	436,264	361,801
Total income		532,832	31,036,264	31,569,096	30,459,098
Expenditure on:					
Fundraising costs		-	-	-	(216)
Expenditure on charitable activities	5 & 10	(463,745)	(31,515,257)	(31,979,002)	(30,692,826)
Total expenditure	8	(463,745)	(31,515,257)	(31,979,002)	(30,693,042)
Net movement in funds		69,087	(478,993)	(409,906)	(233,944)
Reconciliation of funds:					
Total funds brought forward		577,639	1,073,400	1,651,039	1,884,983
Total funds carried forward		646,726	594,407	1,241,133	1,651,039

All activities relate to continuing operations.

The notes on pages 18 to 25 form part of these financial statements.

RUGBY FOOTBALL FOUNDATION
BALANCE SHEET AS AT 30 JUNE 2019
REGISTERED NUMBER: 04608134

	Note	2019 £	2018 £
Non-current assets			
Loans due from clubs	9	7,888,740	7,803,134
Current assets			
Debtors	11	27,918,906	35,058,062
Cash at bank and in hand		588,350	684,486
		<u>28,507,256</u>	<u>35,742,548</u>
Total assets		<u>36,395,996</u>	<u>43,545,682</u>
Current liabilities			
Creditors: amounts falling due within one year	12	(28,482,061)	(35,221,841)
Net current assets		25,195	520,707
Non-current liabilities			
Creditors: amounts falling due after more than one year	13	(6,672,802)	(6,672,802)
Total liabilities		<u>(35,154,863)</u>	<u>(41,894,643)</u>
Total net assets		<u>1,241,133</u>	<u>1,651,039</u>
Charity Funds			
Restricted funds	15	594,407	1,073,400
Unrestricted funds	15	646,726	577,639
Total funds		<u>1,241,133</u>	<u>1,651,039</u>

The financial statements were approved by the Trustees and are signed on their behalf by:


P R Johnson

Date: 11 March 2020.

The notes on pages 18 to 25 form part of these financial statements.

RUGBY FOOTBALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1.1 General Information

The Rugby Football Foundation, is a company limited by guarantee and registered in England and Wales, registration number 04608134, and registered charity number 1100277. The registered office is Rugby House, Twickenham Stadium, 200 Whitton Road, Twickenham, Middlesex, TW2 7BA.

1.2 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Rugby Football Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Charity has taken advantage of the exemptions under Financial Reporting Standard FRS 102 from preparing a cash flow statement as it is a wholly controlled subsidiary and Rugby Football Union's consolidated financial statements include the cash flows of the Charity.

The financial statements are prepared in sterling (£) and rounded to the nearest pound.

1.3 Going concern

The financial statements have been prepared on a going concern basis. The Charity is a member of a group that shares financial resources between group members. The ultimate controlling party has confirmed to the Trustees its intention to continue to provide funding to enable the charity to meet its liabilities as they fall due for the foreseeable future. The Trustees have therefore prepared the financial statements on a going concern basis. Should such funding from the ultimate controlling party not be forthcoming, the going concern basis of preparation may no longer be appropriate and significant adjustments may be required to these financial statements.

1.4 Donations and grants receivable

Donations and grants are recognised in the Statement of Financial Activities when there is entitlement, receipt is probable and the amount can be measured with sufficient reliability.

1.5 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Foundation.

Designated unrestricted funds represent approved grants where payment is subject to the recipient meeting certain conditions which have not been met at year end.

Restricted funds are incoming resources receivable specifically for the Community Rugby Programme, other project grants and the operation of the World Rugby Museum, as discussed in the Trustees' report.

RUGBY FOOTBALL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1.6 Expenditure

Expenditure, including irrecoverable VAT, is accounted for in the Statement of Financial Activities on an accruals basis and classified under headings which aggregate all the costs which relate to that heading. Payments under contract are recognised to the extent that the contract has been completed in the year in question.

Support costs include the costs relating to the general administration of the charity within its objectives as opposed to the costs of issuing grants, Community Rugby Programme and operation of the World Rugby Museum.

1.7 Loans

Fixed asset investments are programme related investments and are a form of financial instrument. They are initially recognised at their transaction cost. They are subsequently measured at cost less impairment.

1.8 Grants

Grants awarded to clubs are recognised as a liability when approved by the Trustees, are communicated to the recipient and are subject to conditions that fall outside the control of the Foundation. In instances where such conditions fall within the control of the Foundation, the commitment is noted within contingent liabilities, as opposed to being recognised as a liability.

1.9 Debtors

Short term debtors are measured at the transaction price, less any impairment. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Creditors

Short term creditors are measured at the transaction price.

1.11 Accounting judgements and estimates

The Trustees consider the significant accounting judgements and estimates that are relevant to the charity to be the consideration of recoverable value of the loans to rugby clubs, together with the timings and amounts repayable to the charity. A full review of loans repayable by clubs is performed on a quarterly basis. This review will consider if the loan in part or in full has become irrecoverable, an impairment loss is recognised in the statement of financial activities. From this year's review, management have concluded there is no impairment necessary.

Other significant accounting judgements and estimates include the appropriate recognition of income from grants and donations according to their criteria.

RUGBY FOOTBALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

2. Donations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Donations from the RFU	530,000	30,600,000	31,130,000
Other donations	2,832	-	2,832
Total donations	532,832	30,600,000	31,132,832
 Total donations 2018	 534,216	 29,563,081	 30,097,297

3. Taxation

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

4. Trustees expenses

During the year, one (2018: two) Trustees received out of pocket expenses, totaling £602 (2018: £667) relating to travel, accommodation and subsistence costs.

The Trustees received no remuneration during the year (2018: nil).

During the year, the Trustees have made no donations to the Charity (2018: £nil).

5. Analysis of expenditure on charitable activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
World Rugby Museum	-	436,264	436,264
Grants to clubs (see note 6)	382,170	-	382,170
Community Rugby Programme (see note 7)	-	31,078,993	31,078,993
Club loans - RFU loan interest	48,583	-	48,583
Support costs (see note 10)	32,992	-	32,992
Total	463,745	31,515,257	31,979,002
 Total 2018	 488,286	 30,204,540	 30,692,826

RUGBY FOOTBALL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

6.Grants to clubs

	2019	2018
	£	£
Grounds-match grants	373,758	354,511
Helping hand grants	8,412	26,163
Exceptional grants	-	10,000
Total	382,170	390,674

Expenditure on Grants to clubs was £382,170 (2018: £390,674), all of which was unrestricted (2018: All unrestricted). No material grants were made in the year (2018:none).

7. Community Rugby Programme

Expenditure on the Community Rugby Programme is made up of the following:

	2019	2018
	£	£
Community rugby funding	30,600,000	29,553,000
Legacy Partners - Area 4	7,013	51,716
All Schools Programme	471,980	238,023
Total	31,078,993	29,842,739

Expenditure on Charitable activities, the Community Rugby Programme, was £31,078,993 (2018: £29,842,739), all of which was restricted (2018: All restricted).

8. Expenditure

Total expenditure includes the following charges

	2019	2018
	£	£
Auditors' remuneration	6,000	5,500

The auditor's remuneration is solely for the performance of the year-end audit.

RUGBY FOOTBALL FOUNDATION**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019****9. Loans**

The loans, which have been made to rugby clubs, are interest free and repayable over a maximum period of 15 years.

A reconciliation from last year's loans to this year's is set out below:

	2019	2018
	£	£
Loans due from clubs at 1 July	7,803,133	7,670,386
Loans repaid	(1,103,169)	(1,159,585)
Loans advanced	1,188,776	1,292,333
Loans due from clubs at 30 June	<u>7,888,740</u>	<u>7,803,134</u>

10. Support Costs

	2019	2018
	£	£
Professional fees	30,271	66,017
Insurance	1,536	1,537
Bank charges	583	738
Other	602	1,669
Total	<u>32,992</u>	<u>69,961</u>

All support costs have been identified as Governance costs for the basis of apportionment. The Charity does not have any employees.

11. Debtors: Amounts falling due within one year

	2019	2018
	£	£
Amounts owed by group undertakings (see note 17)	27,918,906	35,014,380
Prepayments and accrued income	-	43,682
Total	<u>27,918,906</u>	<u>35,058,062</u>

12. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Amounts owed to group undertakings (see note 17)	28,238,475	35,110,899
Comic Relief - Try for Change	240,003	82,998
Accruals and deferred income	3,583	27,944
Total	<u>28,482,061</u>	<u>35,221,841</u>

RUGBY FOOTBALL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

13. Creditors: Amounts falling due after more than one year

	2019	2018
	£	£
Secured loan from the Rugby Football Union	6,672,802	6,672,802

The loan has been borrowed to fund advances to rugby clubs to develop their facilities. The loan bears interest at the Bank of England base rate, capped at 5 per cent, per annum. The repayment schedule of the loan is dependent on repayments from clubs but no repayments are due within the next year. The Foundation has the ability to borrow up to a maximum of £8,000,000 (2018: £8,000,000) from the Rugby Football Union.

14. Analysis of net assets between funds

	General & Designated Unrestricted funds	Restricted funds	Total funds	Total funds
	2019	2019	2019	2018
	£	£	£	£
Loans	7,888,740	-	7,888,740	7,803,134
Cash at bank and in hand	588,350	-	588,350	684,486
Debtors	132,500	27,786,406	27,918,906	35,058,062
Creditors due within one year	(1,290,062)	(27,191,999)	(28,482,061)	(35,221,841)
Creditors due in more than one year	(6,672,802)	-	(6,672,802)	(6,672,802)
Total	646,726	594,407	1,241,133	1,651,039

	General & Designated Unrestricted funds	Restricted funds	Total funds	Total funds
	2018	2018	2018	2017
	£	£	£	£
Loans	7,803,134	-	7,803,134	7,670,386
Cash at bank and in hand	684,486	-	684,486	1,388,729
Debtors	-	35,058,062	35,058,062	11,756,979
Creditors due within one year	(1,237,179)	(33,984,662)	(35,221,841)	(1,194,314)
Creditors due in more than one year	(6,672,802)	-	(6,672,802)	(17,736,797)
Total	577,639	1,073,400	1,651,039	1,884,983

RUGBY FOOTBALL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

15. Movement in funds

Unrestricted funds

	General Unrestricted funds 2019 £	Designated Unrestricted funds 2019 £	Total Unrestricted funds 2019 £	Total Unrestricted funds 2018 £
At 1 July	240,721	336,918	577,639	531,925
Net surplus for the year	451,257	(382,170)	69,087	45,714
Movement in designated amounts	(501,413)	501,413	-	-
At 30 June	190,565	456,161	646,726	577,639

Restricted funds

	2019 £	2018 £
At 1 July	1,073,400	1,353,058
Net (deficit) for the year	(478,993)	(279,658)
At 30 June	594,407	1,073,400

Restricted funds comprise two funds, the Community Rugby Programme and the World Rugby Museum. The Community Rugby Programme is for the promotion of participation in rugby for the benefit of the public and the World Rugby Museum is for the exhibition of historical information and artefacts relating to Rugby.

The brought forward and carried forward values of restricted funds relate entirely to the Community Rugby Programme, as each year the World Rugby Museum breaks even. For the year ended 30 June 2019 income for the World Rugby Museum was £436,264 and expenditure was £436,264.

The Community Rugby Programme fund has income of £30,600,000 and expenditure of £31,078,993.

Designated unrestricted funds represent approved grants where payment is subject to the recipient meeting certain conditions, which have not been met at year end. At the year-end these monies had not been paid and will be accounted for in 2019/20 provided that the conditions are met to the Foundation's satisfaction.

16. Contingent Liabilities

The Charity has classified the grant received from the Rugby Football Union, for the community rugby development programme, and the fee paid to Rugby Football Development Limited, as restricted funds.

Prior to 30 June 2019 the Rugby Football Foundation approached the Rugby Football Union to ascertain whether or not they would require that the net surplus/ (deficit) be returned to them, as is their right under the signed grant agreement. Consultation with the Rugby Football Union has confirmed that this will not be the case and therefore provision has not been made for this amount.

As explained in the Trustees' report, the Foundation has approved grants of £456,161 (2018: £396,674) and loans of £966,183 (2018: £822,023). These awards are conditional and the amounts are a contingent liability at the balance sheet date.

RUGBY FOOTBALL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

17. Related party transactions

	2019	2018
	£	£
Amounts owed by RFU	27,915,332	35,014,380
Amounts owed by IPF	3,219	-
Amounts owed by RFDL	355	-
Amounts owed to RFU	6,672,802	6,672,802
Amounts owed to RFU - loan interest	48,583	16,545
Amounts owed to RFDL	28,189,892	34,827,441

The Foundation is a quasi-subsiary of the Rugby Football Union. All transactions conducted with the Rugby Football Union and Rugby Football Development Limited (a fully owned subsidiary of the Rugby Football Union) have been summarised in the table above and are disclosed as amounts owed by/to group undertakings within debtors and creditors.

In the year the following related party transactions have occurred:

- the Foundation received a grant £30,600,000 from the RFU (see note 2) (2018: £: £30,083,000)
- the Foundation received an unrestricted donation of £530,000 from the RFU
- the Foundation was charged interest of £48,583 by the RFU in respect of the loan
- the Foundation was charged £30,600,000 for services provided to it by Rugby Football Development Limited under the Community Rugby Programme (2018: £29,553,000)
- the Foundation was charged £471,980 for services provided to it by Rugby Football Development Limited under the All Schools Programme (2018: £238,023)

18. Status of the company

The company is limited by guarantee.

19. Ultimate controlling party

The Rugby Football Foundation is limited by guarantee, so has no share capital and therefore no legal controlling party. On the basis of the Company being considered to be a quasi-subsiary of the Rugby Football Union, its financial results and position are consolidated into the Group accounts of the Rugby Football Union. Copies of these Group accounts can be obtained from Rugby House, Twickenham Stadium, 200 Whitton Road, Twickenham, Middlesex, TW2 7BA.

The Directors consider the Company's ultimate controlling party to be the Rugby Football Union, the governing body for rugby in England.

20. Financial instruments

The Charity has basic financial instruments including debtors, creditors and intragroup balances. All debtors and creditors are financial instruments measured at amortised cost.

The Charity is exposed to credit risk in relation to financial assets such as debtors and intragroup receivables.

The Charity is not exposed to significant interest rate or foreign currency rate risk.