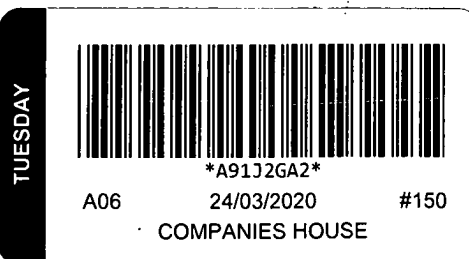


Company Registration No. 03096937 (England and Wales)

Premier Rugby Limited

**Annual report and financial statements
for the year ended 30 June 2019**



Premier Rugby Limited

Company information

Directors	Martin St Quinton	
	Bruce Craig	
	Simon Orange	
	Nicholas Clarry	(Appointed 29 March 2019)
	Robert Lucas	(Appointed 29 March 2019)
	Robin Hooper	(Appointed 29 March 2019)

Secretary	Adrian Alli
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Company number	03096937
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Registered office	Regal House 70 London Road Twickenham Middlesex TW1 3QS
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Independent auditor	Saffery Champness LLP St Catherine's Court Berkeley Place Clifton Bristol BS8 1BQ
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Premier Rugby Limited

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The directors present the strategic report for the year ended 30 June 2019.

Fair review of the business

The Company completed another successful financial year to June 2019. Shareholder cash distributions are at their highest level in the Company's history for a sixth consecutive year.

Cash distributions to shareholders at £51.3m increased by £1.3m (2018: £50.0m). This represents a 3% increase as compared with last year.

The Company's broadcast agreement with BT Sport continued into its sixth season of coverage, and our overseas broadcast agreement with RDA Television agency, backed by Groupe Altice, continues into the third season. On BT Sport we saw an increase in audiences of 1%, as compared with the previous year. Our agreement with NBC Sports in the USA entered its third year and for the first time ever, a club rugby match, Harlequins v Saracens was shown on NBC's main channel. For the second season of a four-year agreement, five matches were shown live on a free to air broadcaster, under our partnership with Channel 5, with audiences for these matches up 11% on last season. Premiership Rugby continued its relationship with CCTV 5 in China with over 100m watching Premiership Rugby coverage.

Overall operational costs of the Company, excluding funding of the Championship and of the Rugby Players Association, were again well managed and represented 7% of turnover (2018: 7%).

In addition to their distributions from the Company, the shareholder Clubs also received £25.5m (2018: £25.5m) in payments directly from the RFU under the terms of the eight-year agreement between the Company, the RFU and the Clubs, which runs until the end of season 2023/24.

Total income to the Clubs and shareholders from all of the above was up £1.3m (2%) at £76.8m (2018: £75.5m.)

The most important competition for the Company during the year was Gallagher Premiership Rugby which generates the largest share of revenue. This was the first year of a four-year deal with Gallagher as our new title sponsor.

Over 1.95 million attended Premiership Rugby matches, the second highest ever, just behind the 2m in 2016-17.

The season culminated in the Gallagher Premiership Rugby Final on 1 June at Twickenham Stadium in front of over 75,000 fans. Saracens were crowned as Gallagher Premiership Rugby Champions retaining their title by 37 points to 34 in a closely matched contest against Exeter Chiefs. The Final was broadcast in 200 countries, with the match available to watch in over 500 million homes.

The year saw good performances for our Clubs in other competitions, with Saracens regaining their European Champions Cup winners title against Leinster at St James' Park in Newcastle. Both Harlequins and Sale Sharks were semi-finalists of the European Challenge Cup losing to ASM Clermont Auvergne and La Rochelle respectively.

Fair review of business (continued)

The Premiership Rugby Cup Final saw hosts Northampton Saints take the glory and the silverware from Saracens at Franklin's Gardens in front of a sell-out crowd. The Premiership Rugby Shield Final was played at Allianz Park in early May, with Saracens Storm making the most of home advantage to take the victory in style with a 55 -14 win over Newcastle Falcons. The Premiership Rugby U18 Academy League was won by Leicester Tigers securing back to back titles and an undefeated record also. In September, before the start of the 2019/20 season, the Premiership Rugby 7s Series consisted of two days of 7s action at Franklin's Gardens with the Final including a flurry of tries resulting in Saracens retaining their title against Wasps.

The Company continues to see growth in online and social media activity. During the year, Facebook followers increased by 3%, Instagram followers increased by 33%, Twitter followers increased by 5%, YouTube subscribers increased by 21%, the website has had almost 7 million page views, and the official app had 18 million page views. Total video views across all digital channels (Facebook Twitter, YouTube & Instagram) exceeded 34 million.

A cumulative audience of more than 10.28 million people watched live Premiership matches on BT Sport last season, and last season we set a new record for the most league points scored at 675.

With over 310,000 young people benefiting every year, our Community and Corporate Social Responsibility programmes continue to develop and go from strength to strength. To achieve our ambitious target of improving the lives of one million people by the end of the 2020-21 season we continue to diversify our partnerships and funding streams to support the three strands of our strategy: Play, Breakthru and International. Under the Play umbrella, Project Rugby, our joint initiative with the RFU has allowed us to target under representation in the game and support our ambition to take the game to new audiences by providing new accessible opportunities to participate for Black, Asian and Minority Ethnic communities, young people from Low Socio-Economic backgrounds and for disabled people. The programme now reaches over 22,000 participants from those groups annually and has seen significant improvements in the traditional perceptions of the game along with increased levels of wellbeing and a reduction in social isolation of disabled people with various impairments. Within Breakthru, our programmes support a broader range of outcomes away from the pitch. Through rugby, we are able to bring a number of areas within the school curriculum to life; HITZ addresses social change by supporting education and employability skills for young people Not in Education Employment or Training (NEET), and our Tackling Health programme increased healthy eating and physical literacy skills amongst Primary School pupils. Our work with Sport England on Move Like A Pro demonstrates our commitment to promote and improve wider health and wellbeing outcomes within low-socioeconomic communities. The project delivers health and wellbeing benefits, and has seen outstanding weight loss, physical activity increases and mental health improvements amongst its participants in the past 12 months. Internationally, our Try Rugby programme continues to deliver high quality outcomes across Brazil where it focusses on developing awareness of the sport following the success of 7's during the Rio Olympics. We have also seen a new scholarships programme created in the USA supporting the development of American coaches through our partnership with the Friends of the British Council.

The company's community work continues to be recognised as market leading.

Development and performance

As we enter season 2019/20, the Company is in a strong position, with its future financial performance substantially underpinned by contracts with its principal commercial partners.

Our multi-year contracts continue with BT Sport as domestic broadcast partner, RDA Television agency (backed by Groupe Altice) for our overseas broadcast contracts, and with NBC taking Gallagher Premiership Rugby into 85 million homes in the USA. Viewers in China are also able to view Premiership Rugby with free-to-air sports broadcaster CCTV5+. We will have five live matches on Channel 5 again this year.

With DAZN we facilitate our domestic and international broadcast platform so that every Gallagher Premiership Rugby game is able to be viewed live, whether on linear television or on digital platforms, around the world.

With Gallagher as our title sponsor under a multi-year contract, a continuing relationship with long-standing partner Land Rover, new partners Bet UK and Global Reach, and with Citizen, Gilbert and The Times, these form the core of our existing contracted sponsor partnerships. In addition to these we are currently in the market to secure new commercial partners in other categories for the longer term.

We have a long-term agreement in place with the RFU, and we have a continuing agreement in place with EPCR. Premiership Rugby also delivers the Premiership Rugby Cup competition, the Premiership Rugby Shield competition and the Premiership Rugby 7s Series.

The Company received significant investment from the sale of 27% of Premier Rugby Limited (PRL) to certain funds advised or managed by CVC Capital Partners (CVC Funds) on 29 March 2019, with shareholder Clubs also receiving a share of the sale proceeds. Although the company posts an accounting loss for the first time and will continue to do so over the next few years, this is to do with the accounting treatment of increased commercial rights payments to Clubs as a result of the above investment, rather than the performance of the business within the year.

After another successful year on the back of five previous years of considerable revenue growth, with the above this gives the Company a high degree of certainty over a significant part of its revenues and allows the shareholders to plan for the future with greater certainty.

Principal Risks and Uncertainties

The principal risk affecting the company is a continuing degree of uncertainty by businesses following the protracted Brexit position. In entering the market for new commercial partners the company is aware of an increased level of cautiousness over long term investments. However, it is our opinion, based upon the above points detailing the review of the business and its development and performance, that Premiership Rugby remains a valuable proposition for any potential commercial partners.

The company receives income from EPCR in euros, and the income that EPCR receives is from multi-currency agreements. The impact of Brexit on future exchange rates may affect the level of euro income that EPCR receives, and therefore the level that the company would receive. We remain focussed on this with EPCR and the planning of currency receipts for and beyond the current season.

Premier Rugby Limited

Strategic report (continued)

For the year ended 30 June 2019

Other information

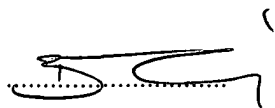
The company's policy is to consult and discuss with employees, at meetings, matters likely to affect employees' interests, including the strategy, development and performance of the company. Information about matters of concern to employees is given through relevant information channels which seek to achieve a common awareness on the part of all employees of all factors that affect the company's growth and development. All employees share a responsibility for the culture of the company.

The company is committed to promoting equal opportunities in employment and embraces the moral, ethical, legal and business case for equality and diversity.

Going Concern Statement

These accounts have been prepared on a going concern basis as the directors confirm that the entity is a going concern when considering the financial position, liquidity and solvency of the company.

On behalf of the board



Bruce Craig

11
20.12.2019

Premier Rugby Limited

Directors' report

For the year ended 30 June 2019

The directors present their annual report and financial statements for the year ended 30 June 2019.

Principal activities

The company's principal activity is to promote and develop professional club rugby by pursuing the collective interests of its shareholders in accordance with the Shareholders' Agreement and in line with other policies approved by the Board from time to time.

Directors

No director had any direct interest in the shares of the company. The Board of Directors represents the clubs and other shareholders who own and receive distributions from Premier Rugby Limited. The interests of directors in the clubs and other shareholders can be found in the financial statements of the individual clubs concerned.

Anthony Rowe	(Resigned 21 November 2019)
Martin St Quinton	
Peter Tom	(Resigned 21 November 2019)
Bruce Craig	
David Morgan	(Resigned 21 November 2019)
Ismail Kurdi	(Resigned 21 November 2019)
Nicholas Eastwood	(Resigned 21 November 2019)
Christopher Booy	(Resigned 21 November 2019)
Michael Crossan	(Resigned 21 November 2019)
Simon Orange	
John White	(Resigned 21 November 2019)
Mitesh Velani	(Resigned 21 November 2019)
Gregory Allen	(Resigned 8 October 2018)
Mr Jason Whittingham	(Appointed 1 February 2019 and resigned 21 November 2019)
Nicholas Clarry	(Appointed 29 March 2019)
Robert Lucas	(Appointed 29 March 2019)
Robin Hooper	(Appointed 29 March 2019)

Results and dividends

The results for the year are set out on page 10.

Ordinary dividends were paid amounting to £4,028,867. The directors do not recommend payment of a further dividend.

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Directors' report (continued)
For the year ended 30 June 2019

Supplier payment policy

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Auditor

Saffery Champness LLP have expressed their willingness to continue in office.

Statement of directors' responsibilities

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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

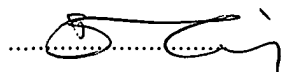
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 company's auditor 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 company's auditor is aware of that information.

On behalf of the board



BRUCE CRAIG

11.12.2019

Opinion

We have audited the financial statements of Premier Rugby Limited (the 'company') for the year ended 30 June 2019 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

Independent auditor's report (continued)
To the members of Premier Rugby Limited

Other information

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

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

We have nothing to report in this regard.

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 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, 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 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 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.

Independent auditor's report (continued)
To the members of Premier Rugby Limited

Auditor's responsibilities for the audit of the financial statements

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

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

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.



Neil Davies (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

16/12/19

Chartered Accountants
Statutory Auditors

St Catherine's Court
Berkeley Place
Clifton
Bristol
BS8 1BQ

Premier Rugby Limited

**Statement of comprehensive income
For the year ended 30 June 2019**

		2019	2018
	Notes	£	£
Turnover	3	75,555,178	71,570,115
Cost of sales		(76,091,126)	(66,196,966)
Gross (loss)/profit		(535,948)	5,373,149
Administrative expenses		(5,856,882)	(5,361,032)
Operating (loss)/profit	4	(6,392,830)	12,117
Interest receivable and similar income	6	52,971	4,856
Interest payable and similar expenses	7	(66,844)	(16,973)
Loss before taxation		(6,406,703)	-
Taxation	8	9,428	-
Loss for the financial year		(6,397,275)	-
Other comprehensive income		-	-
Total comprehensive income for the year		(6,397,275)	-

The Statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

Premier Rugby Limited

Balance sheet

As at 30 June 2019

	Notes	£	2019 £	£	2018 £
Fixed assets					
Intangible assets	12		136,768		191,593
Tangible assets	10		43,534		70,235
Investments	11		53		53
			<u>180,355</u>		<u>261,881</u>
Current assets					
Debtors falling due after one year	13	114,687,562		-	
Debtors falling due within one year	13	64,570,364		19,714,809	
Cash at bank and in hand		29,324,149		4,083,692	
		<u>208,582,075</u>		<u>23,798,501</u>	
Creditors: amounts falling due within one year	14	(19,153,977)		(22,822,818)	
Net current assets			<u>189,428,098</u>		<u>975,683</u>
Total assets less current liabilities			<u>189,608,453</u>		<u>1,237,564</u>
Creditors: amounts falling due after more than one year	15		-		(1,200,000)
Provisions for liabilities	18		(3,945)		(6,914)
Net assets			<u><u>189,604,508</u></u>		<u><u>30,650</u></u>
Capital and reserves					
Called up share capital	21		2,000,020		2,010
Capital redemption reserve			25		20
Profit and loss reserves			<u>187,604,463</u>		<u>28,620</u>
Total equity			<u><u>189,604,508</u></u>		<u><u>30,650</u></u>

Premier Rugby Limited

Balance sheet (continued)
As at 30 June 2019

The financial statements were approved by the board of directors and authorised for issue on ~~11.12.2019~~ and are signed on its behalf by:



Director *Bruce CRAIG*

Company Registration No. 03096937

Premier Rugby Limited

Statement of changes in equity
For the year ended 30 June 2019

		Share capital	Capital redemption reserve	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 1 July 2017		2,015	15	28,620	30,650
Year ended 30 June 2018:					
Profit and total comprehensive income for the year		-	-	-	-
Other movements		(5)	5	-	-
Balance at 30 June 2018		2,010	20	28,620	30,650
Year ended 30 June 2019:					
Loss and total comprehensive income for the year		-	-	(6,397,275)	(6,397,275)
Issue of share capital	21	200,000,000	-	-	200,000,000
Dividends	9	-	-	(4,028,867)	(4,028,867)
Reduction of shares	21	(198,001,985)	-	198,001,985	-
Other movements		(5)	5	-	-
Balance at 30 June 2019		2,000,020	25	187,604,463	189,604,508

Premier Rugby Limited

Statement of cash flows

For the year ended 30 June 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash absorbed by operations	25	(167,102,131)		(779,630)	
Interest paid		(66,844)		(16,973)	
Income taxes paid		(6,459)		(1,599)	
Net cash outflow from operating activities		(167,175,434)		(798,202)	
Investing activities					
Purchase of intangible assets		(54,257)		(96,458)	
Purchase of tangible fixed assets		(8,897)		(10,535)	
Interest received		52,971		4,856	
Net cash used in investing activities		(10,183)		(102,137)	
Financing activities					
Proceeds from issue of shares	200,000,000			-	
Proceeds of new bank loans	-		1,800,000		
Repayment of bank loans	(1,800,000)			-	
Dividends paid	(4,028,867)			-	
Net cash generated from financing activities		194,171,133		1,800,000	
Net increase in cash and cash equivalents		26,985,516		899,661	
Cash and cash equivalents at beginning of year		1,507,402		607,741	
Cash and cash equivalents at end of year		28,492,918		1,507,402	
Relating to:					
Cash at bank and in hand		29,324,149		4,083,692	
Bank overdrafts included in creditors payable within one year		(831,231)		(2,576,290)	

1 Accounting policies

Company information

Premier Rugby Limited is a company limited by shares incorporated in England and Wales. The registered office is Regal House, 70 London Road, Twickenham, Middlesex, TW1 3QS.

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 certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents sponsorship and broadcast monies, recharged services and licensing income received net of value added tax. Turnover on long term contracts is assessed with reference to contracted revenues for the year.

1.4 Intangible fixed assets - goodwill

Intangible assets comprise capitalised legal fees in respect of revenue generating contracts, and are written off in equal annual instalments over their estimated useful economic life. Annual impairment reviews are undertaken and provision is made for any diminution in value.

1.5 Tangible fixed assets

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

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:

Office equipment	20% on cost
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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 credited or charged to profit or loss.

1 Accounting policies (continued)

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

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

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

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

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company applies 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

1 Accounting policies (continued)

Basic financial assets

Basic financial assets, which include debtors, 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 company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

1 Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

Other financial liabilities

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are 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 company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

1.10 Derivatives

The company enters into foreign exchange forward contracts in order to manage exposure to foreign exchange risk.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.11 Taxation

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

1 Accounting policies (continued)

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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

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. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has 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 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.13 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company'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.

Club prepayment

A prepayment of club distributions was made in 2018/19. This prepayment is being released over a 4 year period on a straight line basis to coincide with future revenue streams.

Notes to the financial statements (continued)
For the year ended 30 June 2019

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2019 £	2018 £
Turnover		
Turnover	75,555,178	71,570,115
	<u> </u>	<u> </u>
Other revenue		
Interest income	52,971	4,856
	<u> </u>	<u> </u>

Turnover analysed by geographical market

	2019 £	2018 £
United Kingdom	75,555,178	71,570,115
	<u> </u>	<u> </u>

4 Operating (loss)/profit

	2019 £	2018 £
Operating (loss)/profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	12,800	11,950
Depreciation of owned tangible fixed assets	35,598	35,498
Amortisation of intangible assets	109,082	104,132
Operating lease charges	103,189	103,189
	<u> </u>	<u> </u>

The amortisation of intangible assets is included within administration expenses.

5 Employees

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

	2019 Number	2018 Number
Administration	32	32
	<u> </u>	<u> </u>

Notes to the financial statements (continued)
For the year ended 30 June 2019

5 Employees (continued)

Their aggregate remuneration comprised:

	2019	2018
	£	£
Wages and salaries	2,314,289	2,156,530
Social security costs	287,763	273,327
Pension costs	84,758	77,541
	<u>2,686,810</u>	<u>2,507,398</u>

6 Interest receivable and similar income

	2019	2018
	£	£
Interest income		
Interest on bank deposits	52,971	4,856
	<u>52,971</u>	<u>4,856</u>

7 Interest payable and similar expenses

	2019	2018
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	66,844	16,973
	<u>66,844</u>	<u>16,973</u>

8 Taxation

	2019	2018
	£	£
Current tax		
UK corporation tax on profits for the current period	-	6,459
Adjustments in respect of prior periods	(6,459)	(1,918)
	<u>(6,459)</u>	<u>(1,918)</u>
Total current tax	<u>(6,459)</u>	<u>4,541</u>

Notes to the financial statements (continued)
For the year ended 30 June 2019

8 Taxation (continued)**Deferred tax**

Origination and reversal of timing differences	(2,536)	(4,541)
Adjustment in respect of prior periods	(433)	-
	<u> </u>	<u> </u>
Total deferred tax	<u>(2,969)</u>	<u>(4,541)</u>
	<u> </u>	<u> </u>
Total tax credit	<u>(9,428)</u>	<u>-</u>

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

	2019	2018
	£	£
Loss before taxation	<u>(6,406,703)</u>	<u>-</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(1,217,274)	-
Tax effect of expenses that are not deductible in determining taxable profit	4,019	3,050
Change in unrecognised deferred tax assets	1,075,766	-
Adjustments in respect of prior years	(6,459)	(1,918)
Depreciation on assets not qualifying for tax allowances	1,903	1,057
Other permanent differences	6,025	3,124
Deferred taxation movement	(2,764)	(4,541)
Effect of change in deferred tax rate	129,356	(772)
	<u> </u>	<u> </u>
Taxation credit for the year	<u>(9,428)</u>	<u>-</u>

9 Dividends

	2019	2018
	£	£
Final paid	<u>4,028,867</u>	<u>-</u>

Premier Rugby Limited

Notes to the financial statements (continued)
For the year ended 30 June 2019

10 Tangible fixed assets

	Office equipment £
Cost	
At 1 July 2018	242,346
Additions	8,897
	<u>251,243</u>
At 30 June 2019	<u>251,243</u>
Depreciation and impairment	
At 1 July 2018	172,111
Depreciation charged in the year	35,598
	<u>207,709</u>
At 30 June 2019	<u>207,709</u>
Carrying amount	
At 30 June 2019	<u>43,534</u>
At 30 June 2018	<u>70,235</u>

11 Fixed asset investments

	2019 £	2018 £
Unlisted investments	<u>53</u>	<u>53</u>

Premier Rugby Limited has a 50% interest in Premier Rugby Partnership Limited, a company incorporated within the UK, in common control with the Professional Rugby Players Association. The company has no significant trade in the year and the results of Premier Rugby Partnership Limited are not consolidated with those of Premier Rugby Limited.

Premier Rugby Limited owns 100% of the issued share capital of Premier Rugby Travel Limited and Premiership Rugby Limited. Both of these companies were dormant throughout the year.

Premier Rugby Limited has a 60% interest in Premier Rugby Partnership Ventures Limited. This company was dormant throughout the year.

11 Fixed asset investments (continued)

Movements in fixed asset investments

	Investments other than loans £
Cost or valuation	
At 1 July 2018 & 30 June 2019	53
Carrying amount	
At 30 June 2019	53
At 30 June 2018	53

12 Intangible fixed assets

	Intangible assets £
Cost	
At 1 July 2018	620,284
Additions	54,257
Disposals	(252,773)
At 30 June 2019	421,768
Amortisation and impairment	
At 1 July 2018	428,691
Amortisation charged for the year	109,082
Disposals	(252,773)
At 30 June 2019	285,000
Carrying amount	
At 30 June 2019	136,768
At 30 June 2018	191,593

12 Intangible fixed assets (continued)

Intangible fixed assets include legal costs capitalised in respect of the agreement between Premier Rugby Limited and the Rugby Football Union, the agreement between Premier Rugby Limited and the Professional Rugby Players Association and legal costs incurred securing sponsorship contracts.

The assets are valued at invoice value and amortised over their useful economic life; which is 4 years in respect of the Heads of Agreement, 3 years for other legal agreements, and the length of the contract for other capitalised costs. The directors undertake an annual review of these assets as required under section 18 of FRS 102 and consider that no provision for impairment is necessary.

13 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	16,720,484	14,085,900
Corporation tax recoverable	6,459	-
Other debtors	832,220	2,890
Prepayments and accrued income	5,306,634	5,626,019
Commercial rights prepayment	41,704,567	-
	<u>64,570,364</u>	<u>19,714,809</u>
	2019	2018
	£	£
Amounts falling due after more than one year:		
Commercial rights prepayment	<u>114,687,562</u>	<u>-</u>
Total debtors	<u>179,257,926</u>	<u>19,714,809</u>

Club prepayments are being released over a four year period to coincide with future commercial revenue and obligations of the Clubs over that timeframe.

Notes to the financial statements (continued)
For the year ended 30 June 2019

14 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Bank loans and overdrafts	16	831,231	3,176,290
Trade creditors		2,864,071	1,299,003
Corporation tax		-	6,459
Other taxation and social security		98,705	795,773
Other creditors		577,441	272,460
Accruals and deferred income		14,782,529	17,272,833
		<u>19,153,977</u>	<u>22,822,818</u>

15 Creditors: amounts falling due after more than one year

	Notes	2019 £	2018 £
Bank loans and overdrafts	16	-	1,200,000
		<u>-</u>	<u>1,200,000</u>

16 Loans and overdrafts

	2019 £	2018 £
Bank loans	-	1,800,000
Bank overdrafts	831,231	2,576,290
	<u>831,231</u>	<u>4,376,290</u>
Payable within one year	831,231	3,176,290
Payable after one year	-	1,200,000
	<u>831,231</u>	<u>4,376,290</u>

The overdraft is secured by way of debenture on the bank's standard form, dated 27 July 2005. It is repayable on demand.

Premier Rugby Limited

Notes to the financial statements (continued)
For the year ended 30 June 2019

17 Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	16,504,230	14,088,785
Equity instruments measured at cost less impairment	53	53
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	6,914,146	5,700,469
	<u> </u>	<u> </u>

18 Provisions for liabilities

	Notes	2019 £	2018 £
Deferred tax liabilities	19	3,945	6,914
		<u> </u>	<u> </u>

19 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances for financial reporting purposes:

	Liabilities 2019 £	Liabilities 2018 £
Balances:		
Accelerated capital allowances	3,945	6,914
	<u> </u>	<u> </u>
Movements in the year:		2019 £
Liability at 1 July 2018		6,914
Credit to profit or loss		(2,969)
		<u> </u>
Liability at 30 June 2019		3,945
		<u> </u>

It is not possible to fully quantify the expected reversal of deferred tax assets and liabilities in the year to 30 June 2019.

Notes to the financial statements (continued)
For the year ended 30 June 2019

20 Retirement benefit schemes

	2019	2018
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	84,758	77,541

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

21 Share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
Redeemable "A" shares of £1 each	-	490
Ordinary "B" shares of £1 each	-	480
1040 "P" shares of £1 each	-	1,040
200,002,005 Ordinary shares of 1p each	2,000,020	-
	2,000,020	2,010

During the period, all existing "A", "B" and "P" shares of £1.00 each were re-designated as "Ordinary shares" of £1.00 each. In addition, 200 million new "Ordinary shares" of £1.00 each were issued and fully paid up. Subsequently, the capital of the Company was reduced by reducing the nominal amount of each "Ordinary share" from £1 to £0.01.

22 Operating lease commitments**Lessee**

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

	2019	2018
	£	£
Within one year	114,615	114,615
Between two and five years	458,460	458,460
In over five years	257,884	372,499
	830,959	945,574

Premier Rugby Limited

Notes to the financial statements (continued) For the year ended 30 June 2019

23 Related party transactions

No director had any direct interest in the shares of the company. The Board of Directors represent the Premiership rugby clubs who own, and receive distributions from, Premier Rugby Limited. The interests of the directors in the Premiership clubs can be found in the financial statements of the individual clubs concerned.

24 Ultimate controlling party

On 29 March 2019 the entire share capital was transferred to Premier Rugby Holdco Limited. The largest group for which accounts are prepared are those of Premier Rugby Holdings LLP, the first accounts of which will be prepared to 30 June 2020.

25 Cash generated from operations

	2019 £	2018 £
Loss for the year after tax	(6,397,275)	-
Adjustments for:		
Taxation credited	(9,428)	-
Finance costs	66,844	16,973
Investment income	(52,971)	(4,856)
Amortisation and impairment of intangible assets	109,082	104,132
Depreciation and impairment of tangible fixed assets	35,598	35,498
Movements in working capital:		
(Increase)/decrease in debtors	(159,536,658)	3,511,791
(Decrease) in creditors	(1,317,323)	(4,443,168)
Cash absorbed by operations	(167,102,131)	(779,630)