

Company Registration No. 03096937 (England and Wales)

Premier Rugby Limited

**Annual report and financial statements
for the period ended 31 October 2020**

Premier Rugby Limited

Company information

Directors	Martin St Quinton Bruce Craig Simon Orange Nicholas Clarry Robert Lucas Robin Hooper
Company number	03096937
Registered office	Regal House 70 London Road Twickenham Middlesex TW1 3QS
Independent auditor	Saffery Champness LLP St Catherine's Court Berkeley Place Clifton Bristol BS8 1BQ

Premier Rugby Limited

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Premier Rugby Limited

Strategic report

For the period ended 31 October 2020

The directors present the strategic report for the period ended 31 October 2020.

Fair review of the business

2020 may have been a year like no other but sport can provide solace in tough times and there have certainly been enough Gallagher Premiership Rugby standout moments to keep the country entertained.

March was the month when everything changed with the Covid pandemic forcing the suspension of the season. Bristol's 28-15 win concluded Round 13 on March 8 – little did anyone know then that it would turn out to be the last Gallagher Premiership Rugby match for more than five months.

But even without any action on the pitch Premiership Rugby and our clubs stepped up to the plate off the field to help out their communities in difficult circumstances as lockdown began.

Every club was involved in a series of initiatives to connect with their local community and become a force for good during Lockdown.

Premiership Rugby championed a number of community projects including the hugely influential #MakeThatCall campaign to connect players and fans. It was first started at Wasps, whose Ricoh Arena home became a coronavirus testing centre, but then embraced across the 12 clubs.

Supporters who may have been isolated, or frontline NHS workers, received phone calls from players and staff across the Gallagher Premiership clubs – while celebrities such as Gregg Wallace, Jamie Theakston, Jo Pavey, Matt Dawson and Ben Shepherd also took part.

Premiership Rugby co-ordinated the Return to Play programme on behalf of our clubs with the Department for Digital, Culture, Media & Sport and managed a hugely complicated Covid testing programme which was crucial to allow elite rugby to return in England.

Working with the Professional Game Board and RFU that testing programme saw around 1,000 Covid tests completed each week across our 12 clubs, seeing just two matches called off due to Covid.

With a world-leading testing programme in place and nine rounds still to play, Gallagher Premiership Rugby resumed on August 14 – behind closed doors – with several new faces and transfers having taken place over the summer.

Manu Tuilagi swapped Leicester Tigers for Sale, Jonny Gray joined his Scotland captain Stuart Hogg at Exeter Chiefs and Kyle Sinckler moved from Harlequins to Bristol Bears.

Sale Sharks and Harlequins had to wait six months to finally contest the Premiership Rugby Cup, the Sharks running out winners at the AJ Bell Stadium, securing their first silverware since 2006.

The 2019-20 Gallagher Premiership season, which had started more than 12 months earlier, came to a thrilling conclusion in October, with the semi-finals as fiercely contested as ever.

Wasps turned on the style in their last-four clash against Bristol Bears at the Ricoh Arena, running in five tries – including one for the indomitable turnover machine Jack Willis, who was crowned Gallagher Premiership Rugby Player of the Season – in a 47-24 win to book their place at Twickenham.

Exeter Chiefs joined Wasps at Twickenham after a convincing 35-6 win over Bath at Sandy Park, with Jonny Hill scoring two of his side's five tries to set up a rematch of the 2016-17 final, which had been won by Rob Baxter's men.

Premier Rugby Limited

Strategic report (continued)

For the period ended 31 October 2020

Fair review of business (continued)

The Devonians repeated the trick on October 24, behind closed doors, with Henry Slade's try and 14 points from the boot of Joe Simmonds setting Chiefs on their way to a battling 19-14 victory in the Twickenham rain against a valiant Wasps outfit.

The appeal of the Premiership ensured impressive audience figures on television. The Final drew a peak audience on BT Sport of 472,000 and 96,000 watched the match live on BT Sport's digital channels which is another record for rugby coverage on their channels. The final was our highest ever audience on BT Sport. During the season Channel 5 live matches were up 5% and BT Sport Digital Audiences were up 25%.

Fresh from securing their second Gallagher Premiership Rugby crown, the Chiefs then broke new ground by becoming European champions for the first time, beating Racing 92 in a fantastic Heineken Champions Cup final at Ashton Gate.

The stadium's usual tenants, Bristol Bears, had won the European Challenge Cup the previous evening – defeating Toulon 32-19 to lift continental silverware for the first time and creating a European double for the Premiership Rugby clubs. It was the first time both European titles had been won by clubs from one nation since 2004.

Away from TV, Premiership Rugby continued to draw an impressive audience both online and on social media. In the year from July 2019 to October 2020, our website and app had more than 2 million visitors and 28.7 million page views.

From a social media perspective, we ended the year with a total social media following across Twitter, Facebook and Instagram of 707,500. Across the season that represents 10.4% average growth in all three channels. From the start of September 2019 to the end of October 2020 we saw 25.7 million video views on those channels and 199.7 million impressions.

The extension of the sporting season to 16 months was mirrored in the financials, with a lengthening of the financial year to 16 months covering the period July 2019 to October 2020. Revenue over this period reached £67.9m, a reduction compared with the prior season (where it stood at £75.6m) due to Covid impacts on a number of income lines. And as articulated in the strategic report for the year ending 30 June 2019, the company now posts an accounting loss which is to do with the accounting treatment of the CVC investment in that period, as opposed to being a reflection of operating performance.

Development and performance

At the start of the 2019-20 season Premiership, Rugby's Salary Cap was subject to a challenge on competition law grounds to the validity of the Regulations, as part of the Saracens case.

The Independent Panel, chaired by Lord Dyson, rejected the challenge and gave a strong endorsement of the Regulations and found that the Salary Cap is consistent with competition law, noting that it operated in a pro-competitive manner by promoting the objectives. The distinguished panel ordered a 35-point deduction and financial sanction of £5.36m, the club were also required to cover a considerable portion of Premiership Rugby's costs.

This landmark decision presented a perfect springboard to undertake an independently-led review into the Cap in order to further strengthen the system. Premiership Rugby asked former Government minister Lord Myners CBE to carry out that review with aim of provide a world-leading system with extensive investigatory powers and appropriately robust sanction.

In May 2020 his report was published and on 1 November 2020, the new regulations came into effect, providing a greater level of accountability, transparency and rigour – giving all participants and stakeholders greater confidence in the system.

Premiership Rugby is an organisation that cares about the communities in which it operates. It believes that rugby has the power to change lives and has created, and delivers with its partner clubs, players, sponsors, and third sector partners, a range of community programmes that impact positively on society; improving sports participation, physical and mental health, educational attainment, employability and community cohesion.

With a focus on working with, engaging and inspiring people from diverse backgrounds, and with varying support needs, consistency of delivery and contact with participants is vital for successful outcomes. This consistency has been severely impacted during the period by the Covid-19 pandemic. We responded quickly, innovating and adapting our programmes to ensure continued support to young people and disadvantaged groups during the pandemic.

We continued to diversify our partnerships and funding streams to support the key strands of our strategy: Project Rugby, our joint initiative with the RFU and Gallagher 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 Ethnically Diverse Communities, young people from Low Socio-Economic backgrounds and for disabled people. The programme has now reached over 52,000 participants from those groups 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.

Additionally, our programmes support a broader range of outcomes away from the pitch. Through rugby, we can 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 through lockdown we have developed a remote and fully blended learning offer to continue to support these young people at risk of falling out of the system. Our recently launched Premiership Rugby Champions app along with its associated resources Tackling Health, Tackling Numeracy and Tackling Character have increased healthy eating and physical literacy, improved numeracy skills and developed character amongst Primary School pupils.

Our work during lockdown also saw us support parents who were homeschooling with a range of Premiership Rugby Champions resources, ensuring Premiership Rugby's community work continues to be recognised as market-leading.

Principal Risks and Uncertainties

The principal risk affecting the company is clearly the continuing uncertainty relating to the evolution of the Covid pandemic, whether in terms of fans being able to attend games as has not been possible to any material extent since March 2020, or indeed of professional sport taking place at all. However, the current trends relating to the pandemic are more positive than negative, and the business has been able to withstand the impact to date, which should give a reasonable degree of confidence regarding future prospects for the company.

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.

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.

Fostering the relationships with all of Premiership Rugby's stakeholders, as evidenced through the examples above (whether in terms of completing the season with only minimal cancellations or the many initiatives undertaken with clubs to support local communities) has been a critical part of mitigating the impact that the Covid pandemic has had and continues to have on professional rugby.

The energy and carbon footprint of the PRL entities is minimal, given that there are only around 30 employees working in one office with occasional travel to matches for operational requirements. As a result there are no specific metrics currently being produced to assess PRL's energy consumption or carbon dioxide emissions.

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

Nicholas Clarry

Director

26 April 2021

Premier Rugby Limited

Directors' report

For the period ended 31 October 2020

The directors present their annual report and financial statements for the period ended 31 October 2020.

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)
Jason Whittingham	(Resigned 21 November 2019)
Nicholas Clarry	
Robert Lucas	
Robin Hooper	

Results and dividends

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

Contractual Ordinary dividends of £13,109,580 were payable at the period end. 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 period. These provisions remain in force at the reporting date.

Premier Rugby Limited

Directors' report (continued)
For the period ended 31 October 2020

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

Nicholas Clarry

Director

26 April 2021

Premier Rugby Limited

Independent auditor's report

To the members of Premier Rugby Limited

Opinion

We have audited the financial statements of Premier Rugby Limited (the 'company') for the period ended 31 October 2020 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 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 company's affairs as at 31 October 2020 and of its loss for the period 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.

Premier Rugby Limited

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 this gives rise to 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 strategic report and the directors' report for the financial period 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 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.

Premier Rugby Limited

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: <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 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

26 April 2021

Chartered Accountants

Statutory Auditors

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

Premier Rugby Limited

**Statement of comprehensive income
For the period ended 31 October 2020**

		Period ended 31 October 2020	Year ended 30 June 2019 as restated
	Notes	£	£
Turnover	3	67,948,641	75,555,178
Cost of sales		(100,452,704)	(74,203,590)
Gross (loss)/profit		(32,504,063)	1,351,588
Administrative expenses		(13,937,352)	(7,744,418)
Other operating income		57,607	-
Operating loss	4	(46,383,808)	(6,392,830)
Interest receivable and similar income	6	158,048	52,971
Interest payable and similar expenses	7	(578,014)	(66,844)
Loss before taxation		(46,803,774)	(6,406,703)
Taxation	8	3,945	9,428
Loss for the financial period		(46,799,829)	(6,397,275)
Other comprehensive income		-	-
Total comprehensive income for the period		(46,799,829)	(6,397,275)

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

In the prior year a reallocation has been made between cost of sales and administrative expenses relating to distributions to Championship clubs, wages and salaries and some professional fees. This has nil effect on the loss for the period.

Premier Rugby Limited

Balance sheet

As at 31 October 2020

		2020		2019 as restated	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	11		45,607		136,768
Tangible assets	10		3,737		43,534
Investments	12		53		53
			<u>49,397</u>		<u>180,355</u>
Current assets					
Debtors falling due after one year	13	88,898,374		114,687,562	
Debtors falling due within one year	13	49,884,841		64,570,364	
Cash at bank and in hand		60,805,552		29,324,149	
		<u>199,588,767</u>		<u>208,582,075</u>	
Creditors: amounts falling due within one year	14	(47,402,013)		(19,153,977)	
Net current assets			<u>152,186,754</u>		<u>189,428,098</u>
Total assets less current liabilities			<u>152,236,151</u>		<u>189,608,453</u>
Creditors: amounts falling due after more than one year	15	(22,541,052)		-	
Provisions for liabilities	18	-		(3,945)	
Net assets			<u><u>129,695,099</u></u>		<u><u>189,604,508</u></u>
Capital and reserves					
Called up share capital	20		2,000,020		2,000,020
Capital redemption reserve			25		25
Profit and loss reserves			<u>127,695,054</u>		<u>187,604,463</u>
Total equity			<u><u>129,695,099</u></u>		<u><u>189,604,508</u></u>

Premier Rugby Limited

Balance sheet (continued)

As at 31 October 2020

The financial statements were approved by the board of directors and authorised for issue on 26 April 2021 and are signed on its behalf by:

Nicholas Clarry

Director

Company Registration No. 03096937

Premier Rugby Limited

Statement of changes in equity
For the period ended 31 October 2020

	Share capital	Capital redemption reserve	Profit and loss reserves	Total
Notes	£	£	£	£
As restated for the period ended 30 June 2019:				
Balance at 1 July 2018	2,010	20	28,620	30,650
As restated	2,010	20	28,620	30,650
Year ended 30 June 2019:				
Loss and total comprehensive income for the period	-	-	(6,397,275)	(6,397,275)
Issue of share capital	200,000,000	-	-	200,000,000
Dividends	-	-	(4,028,867)	(4,028,867)
Reduction of shares	(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
Period ended 31 October 2020:				
Loss and total comprehensive income for the period	-	-	(46,799,829)	(46,799,829)
Dividends	-	-	(13,109,580)	(13,109,580)
Balance at 31 October 2020	2,000,020	25	127,695,054	129,695,099

Premier Rugby Limited

Statement of cash flows
For the period ended 31 October 2020

		2020		2019 as restated	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	24	6,456,102		(167,102,131)	
Interest paid		(578,014)		(66,844)	
Income taxes paid		-		(6,459)	
Net cash inflow/(outflow) from operating activities		5,878,088		(167,175,434)	
Investing activities					
Purchase of intangible assets		(18,174)		(54,257)	
Purchase of tangible fixed assets		(6,428)		(8,897)	
Interest received		158,048		52,971	
Net cash generated from/(used in) investing activities		133,446		(10,183)	
Financing activities					
Proceeds from issue of shares		-	200,000,000		
Repayment of borrowings		-	(1,800,000)		
Proceeds of new bank loans		22,541,052	-		
Dividends paid		-	(4,028,867)		
Net cash generated from financing activities		22,541,052		194,171,133	
Net increase in cash and cash equivalents		28,552,586		26,985,516	
Cash and cash equivalents at beginning of period		28,492,918		1,507,402	
Cash and cash equivalents at end of period		57,045,504		28,492,918	
Relating to:					
Cash at bank and in hand		60,805,552		29,324,149	
Bank overdrafts included in creditors payable within one year		(3,760,048)		(831,231)	

Premier Rugby Limited

Notes to the financial statements For the period ended 31 October 2020

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.

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

- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;

The financial statements of the company are consolidated in the financial statements of Premier Rugby Holdings LLP. These consolidated financial statements are available from its registered office, Regal House, 70 London Road, Twickenham, TW1 3QS.

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 Reporting period

The reporting period has been amended to 31 October 2020 to align with the completion of the 2019/20 Premiership rugby season, therefore the comparative amounts in the financial statements are not entirely comparable.

1 Accounting policies (continued)

1.4 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.

1.5 Intangible fixed assets

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.

1.6 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.

1.7 Government grants

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

1 Accounting policies (continued)

1.8 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.

1.9 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.

1.10 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.

1.11 Equity instruments

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

1.12 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.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1 Accounting policies (continued)

1.13 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The 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.

1.14 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.

1.15 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.

1.16 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.

1 Accounting policies (continued)

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

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.

Premier Rugby Limited

Notes to the financial statements (continued)

For the period ended 31 October 2020

3 Turnover and other revenue

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

	2020	2019
	£	£
Turnover		
Turnover	67,948,641	75,555,178
	=====	=====
Other revenue		
Interest income	158,048	52,971
Grants received	57,607	-
	=====	=====

Turnover analysed by geographical market

	2020	2019
	£	£
United Kingdom	67,948,641	75,555,178
	=====	=====

4 Operating loss

	2020	2019
	£	£
Operating loss for the period is stated after charging/(crediting):		
Government grants	(57,607)	-
Fees payable to the company's auditor for the audit of the company's financial statements	13,000	12,800
Depreciation of owned tangible fixed assets	46,225	35,598
Amortisation of intangible assets	109,335	109,082
Commercial rights prepayment release	58,752,576	10,426,142
Operating lease charges	156,695	103,189
	=====	=====

The amortisation of intangible assets is included within administration expenses.

Premier Rugby Limited

Notes to the financial statements (continued)

For the period ended 31 October 2020

5 Employees

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

	2020	2019
	Number	Number
Administration	33	32

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	4,080,749	2,314,289
Social security costs	467,730	287,763
Pension costs	120,577	84,758
	<u>4,669,056</u>	<u>2,686,810</u>

6 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Interest on bank deposits	158,048	52,971

7 Interest payable and similar expenses

	2020	2019
	£	£
Interest on bank overdrafts and loans	578,014	66,844

Premier Rugby Limited

Notes to the financial statements (continued)
For the period ended 31 October 2020

8 Taxation

	2020	2019
	£	£
Current tax		
Adjustments in respect of prior periods	-	(6,459)
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	(3,945)	(2,536)
Adjustment in respect of prior periods	-	(433)
	<u> </u>	<u> </u>
Total deferred tax	(3,945)	(2,969)
	<u> </u>	<u> </u>
Total tax credit	(3,945)	(9,428)
	<u> </u>	<u> </u>

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

	2020	2019
	£	£
Loss before taxation	(46,803,774)	(6,406,703)
	<u> </u>	<u> </u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(8,892,717)	(1,217,274)
Tax effect of expenses that are not deductible in determining taxable profit	111,518	4,019
Change in unrecognised deferred tax assets	8,904,050	1,075,766
Adjustments in respect of prior years	(4,541)	(6,459)
Depreciation on assets not qualifying for tax allowances	2,327	1,903
Other permanent differences	1,067	6,025
Deferred taxation movement	3,945	(2,764)
Effect of change in deferred tax rate	(129,594)	129,356
	<u> </u>	<u> </u>
Taxation credit for the period	(3,945)	(9,428)
	<u> </u>	<u> </u>

Premier Rugby Limited

Notes to the financial statements (continued)
For the period ended 31 October 2020

9 Dividends

	2020	2019
	£	£
Contractual dividend payable	13,109,580	4,028,867

10 Tangible fixed assets

	Office equipment £
Cost	
At 1 July 2019	251,243
Additions	6,428
At 31 October 2020	257,671
Depreciation and impairment	
At 1 July 2019	207,709
Depreciation charged in the period	46,225
At 31 October 2020	253,934
Carrying amount	
At 31 October 2020	3,737
At 30 June 2019	43,534

Premier Rugby Limited

Notes to the financial statements (continued)
For the period ended 31 October 2020

11 Intangible fixed assets

	Intangible assets
	£
Cost	
At 1 July 2019	421,768
Additions	18,174
Disposals	(78,370)
	<hr/>
At 31 October 2020	361,572
	<hr/>
Amortisation and impairment	
At 1 July 2019	285,000
Amortisation charged for the period	109,335
Disposals	(78,370)
	<hr/>
At 31 October 2020	315,965
	<hr/>
Carrying amount	
At 31 October 2020	45,607
	<hr/> <hr/>
At 30 June 2019	136,768
	<hr/> <hr/>

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.

12 Fixed asset investments

	2020	2019
	£	£
Unlisted investments	53	53
	<hr/> <hr/>	<hr/> <hr/>

Premier Rugby Limited

Notes to the financial statements (continued)

For the period ended 31 October 2020

12 Fixed asset investments (continued)

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.

Movements in fixed asset investments

	Investments other than loans £
Cost or valuation	
At 1 July 2019 & 31 October 2020	53
Carrying amount	
At 31 October 2020	53
At 30 June 2019	53

13 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	3,431,730	16,720,484
Corporation tax recoverable	6,459	6,459
Amounts owed by group undertakings	1,476,509	-
Other debtors	41,324	832,220
Prepayments and accrued income	1,236,998	5,306,634
Commercial rights prepayment	43,691,821	41,704,567
	<u>49,884,841</u>	<u>64,570,364</u>

Premier Rugby Limited

Notes to the financial statements (continued)

For the period ended 31 October 2020

13 Debtors (continued)

	2020	2019
	£	£
Amounts falling due after more than one year:		
Commercial rights prepayment	61,896,749	114,687,562
Debt raise prepayment	20,681,043	-
Prepayment of distribution to clubs	6,320,582	-
	<u>88,898,374</u>	<u>114,687,562</u>
Total debtors	<u>138,783,215</u>	<u>179,257,926</u>

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

14 Creditors: amounts falling due within one year

	Notes	2020	2019
		£	£
Bank loans and overdrafts	16	3,760,048	831,231
Trade creditors		2,389,104	2,864,071
Taxation and social security		1,656,230	98,705
Dividends payable		13,109,580	-
Other creditors		171,392	577,441
Accruals and deferred income		26,315,659	14,782,529
		<u>47,402,013</u>	<u>19,153,977</u>

15 Creditors: amounts falling due after more than one year

	Notes	2020	2019
		£	£
Bank loans and overdrafts	16	<u>22,541,052</u>	<u>-</u>

Premier Rugby Limited

Notes to the financial statements (continued)

For the period ended 31 October 2020

16 Loans and overdrafts

	2020	2019
	£	£
Bank loans	22,541,052	-
Bank overdrafts	3,760,048	831,231
	<u>26,301,100</u>	<u>831,231</u>
	<u><u>26,301,100</u></u>	<u><u>831,231</u></u>
Payable within one year	3,760,048	831,231
Payable after one year	22,541,052	-
	<u><u>22,541,052</u></u>	<u><u>-</u></u>

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

The bank loan is secured by a fixed and floating charge over all assets of the company. Interest is charged at 2.25% plus LIBOR and the loan is for a term of 5 years, ending in December 2024.

Premier Rugby Limited

Notes to the financial statements (continued)

For the period ended 31 October 2020

17 Financial instruments

	2020	2019
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	5,093,563	16,504,230
Equity instruments measured at cost less impairment	53	53
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at fair value through profit or loss		
Measured at amortised cost	31,953,519	6,914,146
	<u> </u>	<u> </u>

18 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 2020	Liabilities 2019
	£	£
Balances:		
Accelerated capital allowances	-	3,945
	<u> </u>	<u> </u>
Movements in the period:		2020 £
Liability at 1 July 2019		3,945
Credit to profit or loss		(3,945)
		<u> </u>
Liability at 31 October 2020		-
		<u> </u>

It is not possible to fully quantify the expected reversal of deferred tax assets and liabilities in the year to 31 October 2020.

Premier Rugby Limited

Notes to the financial statements (continued)

For the period ended 31 October 2020

19 Retirement benefit schemes

	2020	2019
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	120,577	84,758

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.

20 Share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
200,002,005 Ordinary shares of 1p each	2,000,020	2,000,020

21 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:

	2020	2019
	£	£
Within one year	114,615	114,615
Between two and five years	458,460	458,460
In over five years	105,064	257,884
	678,139	830,959

22 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 31 March 2020 and are publically available at its registered office Regal House, 70 London Road, Twickenham, Middlesex, TW1 3QS.

Premier Rugby Limited

Notes to the financial statements (continued)

For the period ended 31 October 2020

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.

At the balance sheet date, an amount of £1,476,509 (2019: £nil) was due from its parent entity, Premier Rugby Holdco Limited.

24 Cash generated from/(absorbed by) operations

	2020	2019
	£	£
Loss for the period after tax	(46,799,829)	(6,397,275)
Adjustments for:		
Taxation credited	(3,945)	(9,428)
Finance costs	578,014	66,844
Investment income	(158,048)	(52,971)
Amortisation and impairment of intangible assets	109,335	109,082
Depreciation and impairment of tangible fixed assets	46,225	35,598
Movements in working capital:		
Decrease/(increase) in debtors	40,474,711	(159,536,658)
Increase/(decrease) in creditors	12,209,639	(1,317,323)
Cash generated from/(absorbed by) operations	6,456,102	(167,102,131)

25 Analysis of changes in net funds

	1 July 2019	Cash flows	31 October 2020
	£	£	£
Cash at bank and in hand	29,324,149	31,481,403	60,805,552
Bank overdrafts	(831,231)	(2,928,817)	(3,760,048)
	28,492,918	28,552,586	57,045,504
Borrowings excluding overdrafts	-	(22,541,052)	(22,541,052)
	28,492,918	6,011,534	34,504,452

Premier Rugby Limited

Notes to the financial statements (continued)

For the period ended 31 October 2020

26 Prior period adjustment

Changes to the profit and loss account

	As previously reported	Adjustment	As restated
Period ended 30 June 2019	£	£	£
Cost of sales	(76,091,126)	1,887,536	(74,203,590)
Administrative expenses	(5,856,882)	(1,887,536)	(7,744,418)
Loss for the financial period	(6,397,275)	-	(6,397,275)
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

In the prior year a reallocation has been made between cost of sales and administrative expenses relating to distributions to Championship clubs, wages and salaries and some professional fees. This has nil effect on the loss for the period.

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