

Registered number: 03139409

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

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NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

COMPANY INFORMATION

Directors

J White
C Povey
M Darbon
K Barwell OBE
N Beal
E Bevan
J Chapman
J Drown
A Hewitt (resigned 30 June 2023)
M Smith

Registered number

03139409

Registered office

Franklin's Gardens
Weedon Road
Northampton
Northamptonshire
NN5 5BG

Independent auditors

MHA
Chartered Accountants & Statutory Auditors
Century House
The Lakes
Northampton
NN4 7HD

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

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NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2023

Introduction

The principal activity of the Company is the playing and development of rugby, along with the operation of the stadium as a conference and events venue.

Business review

The 2022/23 financial year was a challenging one for English professional rugby union, with two clubs – Wasps and Worcester – entering administration mid-season, followed in June 2023 by London Irish. As well as being tremendously sad for the supporters, players and staff of those clubs, this had a knock-on effect on those remaining in the league through the loss of two scheduled home and away fixtures. Northampton Saints responded by adding two exciting new matches to its calendar. In November Saints narrowly beat the Barbarians in an entertaining friendly, with the visitors counting Saints alumni Tom Wood and Luther Burrell amongst their number. In April, Saints staged a local derby comprising home and away fixtures against Leicester Tigers, in which each club triumphed in turn on their home turf. Once again Saints had cause to be hugely thankful for its loyal supporters and partners who weathered the disruption and embraced the additional fixtures with enthusiasm.

On the pitch, the Club finished in fourth place for the second consecutive season, narrowly losing out on a place in the final in a frustrating defeat by Saracens at StoneX Stadium. The end of the season saw the departure of senior coach Ian Vass and the arrival of Lee Radford who joined the senior coaching set-up to focus on defence, following a successful 25 year career playing and coaching rugby league.

Also on the pitch, the Club's women's rugby partnership with Loughborough Lightning continued to flourish, with Lightning securing a place in the next cycle of the Allianz Premier 15s competition – now re-named Premiership Women's Rugby – from the 2023-24 season. After having hosted six of Lightning's home games at cinch Stadium at Franklin's Gardens in the 2022/23 season, the Club will host all of the Lightning home matches in the 2023/24 season.

Off the pitch, the accounts show a continued growth in revenue. After reporting its highest ever turnover the previous year the Club has reported a further £1.1m growth to £21.96m. The accounts show a loss before tax of £1.1m down from a profit of £0.3m the previous year. The year-on-year reduction is largely explained by two main factors; firstly, there was income of £0.5m in 2022 relating to a Covid insurance claim which was one-off in nature; secondly, there was £0.8m less CVC income recognised in the profit & loss account compared with the previous year. The accounting treatment of the CVC income received in 2019 saw this being recognised over five years as shown below. The final tranche of £2.4m was recognised in 2023. Together these two factors explain a reduction in profit of £1.3m, with the underlying loss figure therefore being £0.2m better than 2022.

	2019	2020	2021	2022	2023
Reported Turnover	18.5	16.3	12.8	20.8	22.0
CVC proceeds	0.8	3.2	3.2	3.2	2.4
Underlying Turnover	17.7	13.1	9.6	17.6	19.6

The Club's net debt position increased by £6m during the year driven by a £6m reduction in cash and cash equivalents. Of this, £3.8m was utilised on capital projects, the most significant of these being the construction of the new High Performance Centre. This was largely funded by the issue of £3m of preference shares in the previous financial year. The remaining cash reduction of £2.2m is reflective of the underlying operating losses of the business. The Club reported a positive cash position of £2.5m at the year-end. Post year-end, the Club issued £1m of new non-redeemable, convertible, zero-coupon loan notes to strengthen its cash position.

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

The Club continues to have a strong balance sheet with net assets of £20.7m at 30 June 2023, and has a clear strategic and financial plan to return the Club to a sustainable financial footing over the next five years. The core pillars of the plan remain unchanged, namely growth in revenue combined with careful management of the cost base, whilst continuing to deliver unmissable, great value experiences on and off the pitch, and investing in the infrastructure at cinch Stadium at Franklin's Gardens. The directors are pursuing a number of initiatives to further strengthen the balance sheet and put the Club on a stronger medium-to-long-term financial footing, including raising additional long-term funding to strengthen its cashflow.

Elite rugby in England is undoubtedly facing a number of challenges, with the recent demise of three clubs coming at a time when most clubs are loss-making and carrying an increased debt burden as a result of loans taken out during the Covid pandemic. However, positive structural change is under way. New governance structures have been created in the form of a Sporting Commission, responsible for major sporting and regulatory decisions, and a Financial Monitoring Panel, working to make sure the clubs are financially viable. There is an intention to create a formula that more closely links the salary cap with central revenue generation. Furthermore, a 10-team league presents an opportunity to address the significant overlaps with the international calendar. With an exciting on-pitch product, growth in both live and broadcast audiences, the growth of Women's rugby and strengthened leadership at league level, there are many reasons to remain optimistic for the future.

Commercial and community highlights

Commercial Partnerships are integral to the Club's success and the year saw a number of new and existing relationships forged or renewed. Online car retailer, cinch, began their six-year tenure as our Principal Partner, and their branding was introduced to the front of Saints' playing kit for the first time. In addition, a number of new deals were agreed, including Hellermann Tyton, Shurtape, Elmo, and Acti+, whilst renewals were agreed with Travis Perkins, Church's, Barclaycard, and Michael Jones Jeweller.

The Conference & Events business saw strong demand after a cautious re-opening the previous year and grew revenue by 21% year-on-year. The Christmas party season was back in full swing, whilst new events such as the comedy night headlined by Al Murray and Milton Jones, Bo\$\$ Bingo, Santa's grotto, corporate touch tournament and a revamped Supporter Open Day brought audiences new and old through the doors of cinch Stadium at Franklin's Gardens. Sir Rod Stewart ended the season in style, headlining 2023's major music concert.

The Club's Community coaching camps saw 4,000 children attending across 57 camps at 30 different venues – beating the previous highest attendance by over a thousand. This included two international rugby camps in Chile and Spain, with another to follow in Singapore, as well as the flagship residential camps at Stowe School. Stowe welcomed 770 players from 15 different countries to break yet another attendance record, with two highlights being the 120 female players at the girls-only camp, and several Club legends in Dylan Hartley, Luther Burrell, Stephen Myler, Tom Wood, and Lee Dickson donning Saints colours again to deliver coaching sessions on the 'Legends Weekend'.

Moreover, the community coaches delivered to over 8,000 students in 131 local schools through its mix of educational and rugby-specific programmes, also hosting 15 schools' festivals. 67 new players transitioned from school rugby to their local grassroots club and 136 local clubs participated in matchday festivals over the course of the season. The inaugural 'Community Match' against Harlequins in the autumn of 2022 saw the Club's inclusion and mental health programmes take centre stage, over 300 children from 22 schools were given the opportunity to attend their first Saints matches.

Saints Wheelchair Rugby travelled to Poland in November 2022 to compete in the sport's first European tournament, picking up a silver medal. Their summer campaign in 2023 saw the side just come up short in attempting to defend their previous season's league title, finishing a respectable second overall in the league. Crucially the building blocks continue to be placed for the future with a new Wanderers side entered in Division 2 of the WR5s ladder, while the Club also agreed a brand-new partnership with Great Britain Wheelchair Rugby to deliver the national programme for junior players – highlighting the quality of the Wheelchair Rugby provision and coaching at Saints.

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Northampton Saints Foundation continues to develop and expand its work to give every person the chance of a positive future.

The Engage programme opened its sixth hub based at Stewarts and Lloyds RFC in Corby (the third hub to be based at a local rugby club, maintaining the ambition of giving back to the grassroots of our sport) and for the first time Engage partnered with local Child and Adult Mental Health Services (CAMHS) to provide early intervention to young people at crisis point. The Foundation was awarded a National Lottery grant to fund a Youth Therapist uplifting the level of support that can be offered to its young people.

The Foundation's mainstream education programmes, very kindly supported by the Wilson Foundation, are designed to use the power of sport and the values of rugby to inspire learning, get active, grow self-esteem, raise aspirations, and achieve potential. Over 5,000 local children benefitted from one of these programmes in the year. The Foundation's work in prisons has also grown this year; 'Saints Inside' uses the values of rugby to develop employability skills, with the intention of reducing reoffending rates. Early results indicate positive outcomes.

The Foundation was also awarded a National Lottery Heritage Fund grant to preserve and protect artefacts and memories of the 1950's and 60's. Named the 'Black, Green and Golden Age' this project will take place over the next 18 months. In parallel, a 'Memory café' was opened, supported by a grant from the Northampton Queen's Institute Fund, administered by Northampton Community Foundation – using the club to inspire the sharing of memories, whilst supporting those in the community who have memory and mobility issues or feel isolated or lonely.

Over £400k was raised for the Foundation last year through working with corporate partners, individual fundraisers, and the flagship fundraising matchday event, Foundation Day which raised over £52k. Fundraising is a huge, ongoing challenge for the charity in a difficult economic environment and the Club and Foundation are hugely grateful to all those who donate.

Plans for 2023/24 will see the Foundation continue to expand its reach and maintain its efforts to offer those that need support the chance of a positive future.

Governance

The Club continues to be run on a day-to-day basis by an Executive team in accordance with delegated authority limits defined by the board of directors. The board of directors meets formally at least ten times a year.

The Remuneration Committee, chaired by C Povey, oversees matters relating to staff remuneration and meets at least once per year. The Audit Committee, chaired by M Smith, oversees matters relating to financial reporting, accounting, risk and internal controls and meets at least once per year.

A Nomination Committee meets as required to oversee the appointment of senior executives. The composition of the committee may vary depending on the role.

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Principal risks and uncertainties

The principal risks and uncertainties facing the business relate to the following:

- Ensuring the Company can secure adequate resources to underpin its long-term financial viability. This risk is managed by continuous forecasting and strategic planning that enables funding requirements to be identified and addressed in a timely manner, and by ensuring that the whole business is aligned behind the delivery of the Club's strategic plan.
- The health and wellbeing of the players. This is managed by the Club employing the best coaches, medical and conditioning staff to maintain players in peak physical and mental condition and adhering strictly to injury protocols.
- The need to attract and retain key coaching and playing staff. This is managed by continued investment in the facilities and infrastructure, by fostering a culture in which all staff feel valued, and by providing development opportunities for players and staff, both on and off the pitch.
- The requirement for Premiership Rugby, the RFU and other clubs to play their part in maintaining compelling rugby competitions to ensure rugby is a successful and flourishing sport. This is managed by fostering a strong and open relationship between the Club and governing bodies and by working collaboratively with other clubs for the benefit of the league.
- Ensuring cinch stadium at Franklin's Gardens remains a safe and secure matchday environment. This is managed by ensuring Premiership Rugby's minimum standards are met or exceeded, and that operations are conducted in line with the Green Guide and in consultation with Public Health England and the local Safety Advisory Group.
- The maintenance of the salary framework at a level which enables a well-run rugby club business to spend the amount required to stay competitive without undermining its financial viability. This risk is managed by the Club participating in consultation relating to changes to the salary framework, by having a long-term strategic plan for squad development, and by focusing on the development of Home Grown and Academy Players.
- The ability for Premiership Rugby and the RFU to maintain and grow revenue distributions to the Premiership clubs at a rate that at least keeps pace with the level of player expenditure necessary to remain competitive on the pitch. This risk is managed by prioritising the growth and retention of the rugby audience at both club and league level, by playing an attractive brand of rugby, and by working collaboratively with the league to grow the commercial revenues of the sport.

Financial key performance indicators

The Company measures its financial performance using the following measures:

- Growth in turnover. At £22.0m, turnover for 2023 was up by £1.1m (6%) year on year. Adjusting for the accounting treatment of the CVC deal proceeds received in 2019 as shown in the business review opposite, underlying turnover is up £2.0m (+11%) year-on-year.
- Maintaining a profitable business. The Company reported a loss of £1.1m and the strategic plan projects that it will be around three years before KPI is achieved.
- Maintaining a strong balance sheet. The Company had net assets of £16.4m at 30 June 2023 (£17.0m at 30 June 2022).

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Other key performance indicators

The Company measures other key performance indicators using the following measures:

- Number of season ticket holders and gate receipts. The number of season ticket holders was down by 6% compared with the 2021/22 season. Tickets initially sold for the 2020/21 season were rolled over to the 2021/22 season meaning this movement spans two seasons. Total ticket revenues were up 0.2% compared with 2021/22, this is despite the considerable disruption to the fixture calendar resulting from two clubs going into administration mid-season.
- Managing expenditure on the playing squad within the Premiership Rugby salary framework whilst maintaining competitiveness on the pitch. In the 2022/23 season Saints held its final league position by again finishing fourth. Saints' player salary expenditure was compliant with the salary framework.

Directors' statement of compliance with duty to promote the success of the Company

The board of directors, having regard to the stakeholders and matters set out in s172(1) (a) - (f) of the Companies Act 2006, consider, in good faith, that they have acted in a way that promotes the success of the Company for the benefit of its key stakeholders – including shareholders, supporters, customers, suppliers and employees – as well as considering its impact on the wider community in which it operates. The Club's current long-term strategy has remained largely unchanged since it was adopted in 2018 and is focused around three main pillars: rugby performance, financial sustainability and community impact.

Within this framework, key priorities for the year are set at the start of each season and every member of staff has individual performance objectives that are aligned to the Club's main priorities.

The board of directors remains committed to returning the Club to a sustainable financial footing, to continuing to compete rugby at the highest level in the English Premiership, and to delivering on the ambitions laid out in the Club's strategic plan.

This report was approved by the board and signed on its behalf.



M Darbon
Director

Date: 16 November 2023

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2023

The directors present their report and the financial statements for the year ended 30 June 2023.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

Results and dividends

The loss for the year, after taxation, amounted to £448,358 (2022 - £107,248).

The directors do not recommend the payment of a dividend.

Directors

The directors who served during the year were:

J White (Chairman)
C Povey (Deputy Chairman) (R - chair, A)
M Darbon (Chief Executive Officer)
K Barwell OBE (Non-Executive)
N Beal (Non- Executive)
E Bevan (Non-Executive) (R, A)
J Chapman (Finance & Operations Director)
J Drown (Non-Executive) (R, A)
A Hewitt (Non-Executive) (resigned 30 June 2023)
M Smith (Non-Executive) (A - chair)

A - Audit Committee, R - Remuneration Committee

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Future developments

The directors remain committed to delivering the Company's strategic plan, to returning the Company to a sustainable financial footing and to the continued improvement of the cinch Stadium at Franklin's Gardens.

Equal opportunities

The Company is committed to promoting equal opportunities in employment. Any employees or job applicants will receive equal treatment regardless of age, disability, gender, marital or civil partner status, pregnancy or maternity, race, colour, nationality, ethnic or national origin, religion or belief, sex or sexual orientation. The Company welcomes applications for employment from all persons where the candidate's aptitudes and abilities meet the requirements of the job. The same opportunities are available to all employees for training, career development and promotion.

Streamlined energy and carbon reporting

In 2022/23 the Company used 2.55 GWh of energy, broken down as follows:

	2023 CO2e Tonnes	2022 CO2e Tonnes	% Change
Gas	195	174	12%
Vehicle Fuel	10	6	65%
Electricity	295	314	-6%
Total Scope 1 & 2	500	494	1%
Scope 3 - staff business travel	6	6	7%
Total Tonnes CO2e	507	499	2%
GWh	2.551	2.476	3%
Intensity Ratio: tonnes CO2e per head stadium capacity	0.03	0.03	11%

Total tonnes of CO2e increased by 3% year-on-year. Whilst electricity consumption fell by 6%, gas consumption rose by 12%. This was mainly driven by three very cold spells coinciding with home matches, meaning that the gas-heated protective dome was required to prevent the pitch from freezing in order that the matches could proceed.

In Spring 2022 the Company installed 600 solar panels on the roof of two of the main stands, with a third having had panels for several years. On an annual basis this added 67,000 kWh of solar generating capacity to the Club's solar infrastructure. Unfortunately as a result of global supply issues one of the core components of the new system was unobtainable and the system was not fully commissioned until Spring 2023, meaning the full benefit was not realised in the year.

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Greenhouse gas emissions are reported in gross tonnes CO₂e in line with the requirements set out in the UK Government's Environmental Reporting Guidelines (March 2019 version) and use the UK Government GHG (Green House Gas) Conversion Factors for Company Reporting (2023 version 1.1). The operational control approach for the Company's activities has been applied and is guided by the GHG Protocol – Corporate Standard (revised edition). Emissions from electricity are location based and report grid purchased electricity (Scope 2). Natural gas emissions are calculated based on Gross Calorific Values. Consumption of fuel for the purposes of transport (Scope 1) relates to vehicles where fuel has been directly purchased using the Company fuel card and recorded mileage for non-fuel card mileage. Conversion to kWh and emissions has been calculated based on Net Calorific Value.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

On 3 October 2023 Northampton Rugby Football Club Ltd issued £1m of new non-redeemable, convertible, zero-coupon loan notes. This was drawn down in October 2023.

Auditors

Following a rebranding exercise on 15 May 2023 the trading name of the Company's independent auditor changed from MHA Macintyre Hudson to MHA. The auditor, MHA, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



J Chapman
Director

Date: 16 November 2023

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

Opinion

We have audited the financial statements of Northampton Rugby Football Club Limited (the 'Company') for the year ended 30 June 2023, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, 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 30 June 2023 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 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 or the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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.

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED (CONTINUED)

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to access compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities including those leading to material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED (CONTINUED)

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 Auditors' 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.



Richard Powell BA FCA (Senior Statutory Auditor)

for and on behalf of
MHA

Statutory Auditors

Northampton, United Kingdom

Date: 16 November 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 £	2022 £
Turnover	4	21,955,658	20,833,392
Cost of sales		(12,854,254)	(11,809,883)
Gross profit		9,101,404	9,023,509
Administrative expenses		(9,867,345)	(8,911,957)
Other operating income	5	-	500,787
Operating (loss)/profit	6	(765,941)	612,339
Interest receivable and similar income	10	32,579	22,244
Interest payable and similar expenses	11	(330,325)	(321,372)
(Loss)/profit before tax		(1,063,687)	313,211
Tax on (loss)/profit	12	615,329	(420,459)
Loss for the financial year		(448,358)	(107,248)

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

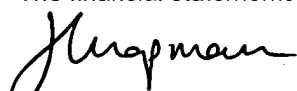
The notes on pages 16 to 38 form part of these financial statements.

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED
REGISTERED NUMBER: 03139409

BALANCE SHEET
AS AT 30 JUNE 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	13	112,849	43,062
Tangible assets	14	19,298,135	16,170,058
Investments	15	19,685,033	19,685,033
		<u>39,096,017</u>	<u>35,898,153</u>
Current assets			
Stocks	16	134,962	129,692
Debtors: amounts falling due within one year	17	2,433,869	3,222,722
Current asset investments	18	49,587	5,022,013
Cash at bank and in hand	19	2,514,646	3,463,607
		<u>5,133,064</u>	<u>11,838,034</u>
Creditors: amounts falling due within one year	20	(10,666,065)	(13,483,885)
Net current liabilities		<u>(5,533,001)</u>	<u>(1,645,851)</u>
Total assets less current liabilities		<u>33,563,016</u>	<u>34,252,302</u>
Creditors: amounts falling due after more than one year	21	(13,300,243)	(13,206,921)
Provisions for liabilities			
Deferred tax	24	(3,709,783)	(4,044,033)
Net assets		<u>16,552,990</u>	<u>17,001,348</u>
Capital and reserves			
Called up share capital		9,127,073	9,127,073
Other reserves	25	2,554,727	2,571,729
Profit and loss account	25	4,871,190	5,302,546
		<u>16,552,990</u>	<u>17,001,348</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


J Chapman

Director

Date: 16 November 2023

The notes on pages 16 to 38 form part of these financial statements.

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	Called up share capital £	Preference share reserves £	Profit and loss account £	Total equity £
At 1 July 2021	9,127,073	-	5,409,794	14,536,867
Comprehensive income for the year				
Loss for the year	-	-	(107,248)	(107,248)
Total comprehensive income for the year	-	-	(107,248)	(107,248)
Contributions by and distributions to owners				
Preference shares	-	2,571,729	-	2,571,729
At 1 July 2022	9,127,073	2,571,729	5,302,546	17,001,348
Comprehensive income for the year				
Loss for the year	-	-	(448,358)	(448,358)
Preference share unwound	-	-	17,002	17,002
Total comprehensive income for the year	-	-	(431,356)	(431,356)
Contributions by and distributions to owners				
Release of preference share reserve	-	(17,002)	-	(17,002)
Total transactions with owners	-	(17,002)	-	(17,002)
At 30 June 2023	9,127,073	2,554,727	4,871,190	16,552,990

The notes on pages 16 to 38 form part of these financial statements.

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. General information

Northampton Rugby Football Club Limited is a private company limited by shares and registered in England and Wales. Its registered office is located at Franklin's Gardens, Weedon Road, Northampton, NN5 5BG.

The principal activity of the Northampton Rugby Football Club Limited is the playing and development of rugby, along with the operation of the stadium as a conference and events venue.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The financial statements are presented in Sterling (£). The functional currency is Sterling (£).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Northampton Saints PLC as at 30 June 2022 and these financial statements may be obtained from Companies House.

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared using the going concern basis of accounting. The directors have taken into account a wide range of factors in determining whether the going concern basis is appropriate.

The Company has prepared a long term cashflow forecast which is reviewed and updated frequently and is under constant review by the board. The directors have made assumptions as to the projected cashflows for the 12 months from the accounts signing date. At the signing date of these accounts, these forecasts include a number of matters around which there is some uncertainty, and so the directors have made assumptions and, where appropriate, considered severe but plausible downsides in relation to the following:

- The broadcasting deal for Premiership Rugby. The current deal runs to the end of the 2023/24 season and a new deal is currently being negotiated. The directors have made assumptions as to the level of revenue receivable by the Club associated with a new deal based on information provided by Premiership Rugby Ltd. ("PRL").
- The number of teams in the league. Since the start of the 2022/23 season three clubs have entered administration resulting in a reduction in the number of teams in the league. The directors have considered the potential cash impact of a further reduction in the number of teams in the league.
- Income from the RFU. The terms of a new Professional Game Partnership to take effect from 1 July 2024 are currently being negotiated. The directors have made assumptions as to the level of income that is likely to be associated with that new deal based on information provided by PRL on the probable level of income.
- Obligations under loan agreements. The company currently has long-term loans with DCMS and West Northamptonshire Council. Under the terms of those loan agreements, no capital repayments are due in the next 12 months with the exception of £0.2m insurance proceeds received in 2022 which the company is obliged to pay to DCMS. The company has also drawn down £1m zero coupon, non-redeemable, convertible loan notes since 30 June 2023. The directors have assumed that all capital and interest payments are made when they fall due and that no circumstances will arise in which the company will be required to make payments in advance of the terms.
- Payments in relation to other obligations, including but not limited to HMRC, suppliers and staff, are made when they fall due
- All material income due from commercial partners and customers is received when it falls due

The directors are pursuing a number of initiatives to put the Company on a stronger medium-to-long-term financial footing, including raising additional long-term funding to strengthen its cash position. As there is some uncertainty over the outcome of these initiatives at the date of signing these accounts, actions that the company can take to mitigate any severe downside risks in the forecast over the next 12 months have been identified.

Whilst there are uncertainties over the final outcome of the above issues the directors are confident that the Company has the ability to take sufficient actions to mitigate any negative downside arising from them such that the Company will remain a going concern for 12 months from the signing date of these accounts.

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

The following criteria must be met before revenue is recognised:

- (i) the amount of revenue can be reliably measured;
- (ii) it is probable that future economic benefits will flow to the entity; and
- (iii) specific criteria have been met for each of the Company activities

Revenue received from specific events, including match day tickets, bar sales, conferences and courses is recognised when the relevant match or event takes place.

Revenue from seasonal sales, including season tickets, executive boxes and VIP packages, is recognised over the season to which it relates.

For income streams that relate to more than one season, such as sponsorship, advertising and branding, revenue is attributed to each season according to the terms of the contract.

Central income is recognised in the season to which it relates unless contingent upon specific criteria or a future event, in which case it is recognised when the criteria are achieved or the event takes place.

Deferred income

Deferred income other than grants represents amounts received in relation to sponsorship, season tickets, hospitality and central income. Deferred income is released to the Profit and Loss Account in the season to which the income relates.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.9 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.13 Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Software

Software is amortised on a straight-line basis over a 4 year useful economic life.

Assets under construction

Assets under construction are not amortised.

Transfer fees paid for player registrations

The costs of acquired player registrations are capitalised as intangible assets and amortised over the period of the players' contracts, with appropriate adjustments for any impairments assessed to have taken place.

Gains and losses on disposal of player registrations are determined by comparing the fair value of the consideration receivable, net of any transaction costs, with the carrying amount and are recognised separately in the Profit and Loss Account within profit of disposal of players' registrations. Where a part of the consideration receivable is contingent on specified conditions, this amount is recognised in the Profit and Loss Account on the date the conditions are met.

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.14 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the methods as detailed below.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Ground improvements	- 20% on reducing balance
Plant and machinery	- 10% straight line
Motor vehicles	- 33.33% on reducing balance
Fixtures and fittings	- 20% on reducing balance
Office equipment	- 20%-33.33% straight line
Assets under construction	- Not depreciated

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments other than loans are measured at fair value at each balance sheet date using a valuation technique with any gains or losses being reported in the Profit and Loss Account.

Investments which cannot be reliably measured due to significant variability in the range of reasonable fair value estimates are measured at cost less accumulated impairment.

Current assets investments relate to savings accounts held, which have notice periods of over three months. Interest accrued is recognised in the Profit and Loss Account on a straight line basis each year in line with the interest rate on the account.

2.16 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Profit and Loss Account.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)

2.17 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.18 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.19 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.20 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)

2.20 Financial instruments (continued)

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements required management to make significant judgments and estimates. The items in the financial statements where these judgments and estimates have been made include revenue recognition, valuation of investments and deferred tax.

Judgments in applying accounting estimates

The directors must judge whether all of the conditions required for revenues to be recognised in the Profit and Loss Account for the financial year have been met.

Key sources of estimation

There are key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have significant risk of causing material adjustment to the carrying value of assets and liabilities within the next reporting period, these include:

- (i) Recognition of CVC transaction proceeds - see further information in note 4
- (ii) Carrying value of investment in PRL Investor Ltd, including level of future revenue distributions from PRL and the appropriate discount rate - see further information in note 15
- (iii) Valuation of preference shares held as debt - see further information in note 25

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

4. Turnover

An analysis of turnover by class of business is as follows:

	2023 £	2022 £
Rugby income	4,477,040	4,376,108
Premiership Rugby and RFU income	7,936,612	7,964,424
Commercial income	9,542,006	8,492,860
	<u>21,955,658</u>	<u>20,833,392</u>

All turnover arose within the United Kingdom.

An agreement to sell a significant minority interest in Premiership Rugby Limited ("PRL") to certain funds advised or managed by CVC Capital Partners ("CVC Funds") was signed on 29 March 2019 and the club received a cash inflow of £12.8m as a result of this transaction. This income has been recognised in the Profit and Loss Account over 48 months, with amounts relating to future periods being recognised as deferred income.

The income recognised is included in Premiership Rugby and RFU income.

5. Other operating income

	2023 £	2022 £
Government grants receivable (CJRS)	-	787
Insurance claims receivable	-	500,000
	<u>-</u>	<u>500,787</u>

6. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2023 £	2022 £
Depreciation of tangible fixed assets	710,843	689,980
Amortisation of intangible assets, including goodwill	35,376	18,614
Other operating lease rentals	5,983	29,762
	<u></u>	<u></u>

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

7. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors:

	2023	2022
	£	£
Fees payable to the Company's auditors for the audit of the Company's financial statements	32,000	24,750

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2023	2022
	£	£
Wages and salaries	12,117,077	10,768,321
Social security costs	1,481,237	1,343,751
Cost of defined contribution scheme	143,193	146,450
	13,741,507	12,258,522

The average monthly number of employees, including the directors, during the year was as follows:

	2023	2022
	No.	No.
Sports staff and rugby players	96	92
Administration, commercial and match day staff	126	150
	222	242

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

9. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	644,019	654,755
Company contributions to defined contribution pension schemes	35,744	40,057
	<u>679,763</u>	<u>694,812</u>

The highest paid director received remuneration of £458,213 (2022 - £501,665). Directors' emoluments include amounts accrued but not paid in the year, which are contingent on future performance criteria being met.

During the year retirement benefits were accruing to 2 directors (2022 - 2) in respect of defined contribution pension schemes.

10. Interest receivable

	2023 £	2022 £
Other interest receivable	<u>32,579</u>	<u>22,244</u>

11. Interest payable and similar expenses

	2023 £	2022 £
Other loan interest payable	311,330	320,909
Finance leases and hire purchase contracts	1,993	463
Preference shares unwound	17,002	-
	<u>330,325</u>	<u>321,372</u>

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

12. Taxation

	2023 £	2022 £
Corporation tax		
R&D Tax credit	(281,079)	-
Total current tax	<u>(281,079)</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	(334,250)	420,459
Total deferred tax	<u>(334,250)</u>	<u>420,459</u>
Tax on (loss)/profit	<u>(615,329)</u>	<u>420,459</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - higher than) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
(Loss)/profit on ordinary activities before tax	<u>(1,063,687)</u>	<u>313,211</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	(202,101)	59,510
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	689
Restriction of utilisation of tax losses	509,914	408,499
Other timing differences leading to an increase/(decrease) in taxation	(642,063)	(48,239)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(281,079)	-
Total tax charge for the year	<u>(615,329)</u>	<u>420,459</u>

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

12. Taxation (continued)**Factors that may affect future tax charges**

Tax losses carried forward total £9.9m (2022 - £8.5m), of which post 1 April 2017 losses exceed £5m. This has resulted in a restriction to the utilisation of losses with respect to deferred taxation.

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2021 (on 24 May 2021). This included 25% as the main rate of corporation tax relevant for periods on or after 1 April 2023 to be reflected in gains on any asset sales or timing differences expected to reverse after that date.

13. Intangible assets

	Player registrations £	Assets under construction £	Computer software £	Total £
Cost				
At 1 July 2022	87,315	-	51,956	139,271
Additions	100,000	5,163	-	105,163
Disposals	(60,315)	-	-	(60,315)
At 30 June 2023	127,000	5,163	51,956	184,119
Amortisation				
At 1 July 2022	56,042	-	40,167	96,209
Charge for the year on owned assets	29,142	-	6,234	35,376
On disposals	(60,315)	-	-	(60,315)
At 30 June 2023	24,869	-	46,401	71,270
Net book value				
At 30 June 2023	102,131	5,163	5,555	112,849
At 30 June 2022	31,273	-	11,789	43,062

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

14. Tangible fixed assets

	Freehold property, new buildings and ground improvement £	Furniture, fixtures and fittings, motor vehicles and office equipment £	Assets under construction £	Total £
Cost or valuation				
At 1 July 2022	20,861,006	3,641,149	587,835	25,089,990
Additions	3,486,952	231,553	120,415	3,838,920
Transfers between classes	587,835	-	(587,835)	-
At 30 June 2023	24,935,793	3,872,702	120,415	28,928,910
Depreciation				
At 1 July 2022	6,092,859	2,827,073	-	8,919,932
Charge for the year on owned assets	485,631	225,212	-	710,843
At 30 June 2023	6,578,490	3,052,285	-	9,630,775
Net book value				
At 30 June 2023	18,357,303	820,417	120,415	19,298,135
At 30 June 2022	14,768,147	814,076	587,835	16,170,058

Included within freehold property, new buildings and ground improvements is:

- land at cost of £1,417,857 (2022 - £1,417,857) which is not depreciated.
- capitalised finance costs of £366,534 (2022 - £366,534), which relates to the construction of the assets completed in 2016.

Assets under construction include upgrades to the Barwell Stand and public announcement system.

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

14. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2023 £	2022 £
Furniture, fittings and equipment	214,022	98,648

Finance leases

Depreciation charged on assets held under finance leases in the year totalled £19,616 (2022 - £24,663).

15. Fixed asset investments

	Investments in subsidiary companies £	Investments in PRL £	Total £
Cost or valuation			
At 1 July 2022	100	19,684,933	19,685,033
At 30 June 2023	100	19,684,933	19,685,033

The investment above relates to an investment in PRL Investor Ltd known as the P shares. The valuation of the investment is based on the income stream that the investment provides into perpetuity, discounted at a rate of 11.9%.

The key estimation uncertainties in the valuation are the future cashflows and the discount rate applied.

Future cashflows are based on the latest plans provided by PRL adjusted for known or expected variances on a prudent basis.

The discount rate has been calculated based on the rate originally used at the date the shares were purchased adjusted for movements in interest rates to the balance sheet date.

The Group also co-invested, along with Cobalt UK Bidco Limited in an additional minority shareholding in PRL. The investment is held at cost.

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

15. Fixed asset investments (continued)**Subsidiary undertaking**

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Saints Rugby Limited	Franklin's Gardens, Weedon Road, Northampton, NN5 5BG	Ordinary	100%

The aggregate of the share capital and reserves as at 30 June 2023 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves	Profit/(Loss)
Saints Rugby Limited	100	-

16. Stocks

	2023	2022
	£	£
Shop stock	134,962	129,692

17. Debtors

	2023	2022
	£	£
Trade debtors	1,277,840	2,001,232
Other debtors	825,572	719,931
Prepayments and accrued income	330,457	501,559
	2,433,869	3,222,722

18. Current asset investments

	2023	2022
	£	£
Corporate Savings Account	49,587	5,022,013

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

19. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	<u>2,514,646</u>	<u>3,463,607</u>

20. Creditors: Amounts falling due within one year

	2023 £	2022 £
Other loans	188,000	440,000
Trade creditors	360,763	994,392
Amounts owed to group undertakings	1,000,000	1,000,000
Other taxation and social security	784,846	977,152
Obligations under finance lease and hire purchase contracts	34,836	15,525
Other creditors	57,493	123,642
Accruals and deferred income	8,240,127	9,933,174
	<u>10,666,065</u>	<u>13,483,885</u>

The obligations under finance lease contracts are secured against the assets to which they relate.

Interest on the DCMS loan is charged at 2%. The loan is repayable in instalments over the period until 2036 with a capital repayment holiday until 2025.

The DCMS loan is secured by a fixed charge over the rights attached to the Company's P-shares (shares in PRL Investor Ltd) and a floating charge over all the Group's assets.

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

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

	2023 £	2022 £
Other loans	12,266,000	12,218,000
Net obligations under finance leases and hire purchase contracts	182,238	140,336
Accruals and deferred income	406,732	420,314
Share capital treated as debt	445,273	428,271
	<u>13,300,243</u>	<u>13,206,921</u>

The obligations under finance lease contracts are secured against the assets to which they relate.

~~Interest on the WNC loan is charged at 3.97%. The loan is repayable in instalments over the period until 2043, with a capital repayment holiday until 2025.~~

Interest on the DCMS loan is charged at 2%. The loan is repayable in instalments over the period until 2036 with a capital repayment holiday until 2025.

The WNC loan is secured by a fixed charge over the Freehold Property of Franklin's Gardens, Weedon Road, land North of Edgar Mobbs Way and land South-West of St James Road, Northampton.

The DCMS loan is secured by a fixed charge over the rights attached to the Company's P-shares (shares in PRL Investor Ltd) and a floating charge over all the Group's assets.

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

22. Loans

Analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due within one year		
DCMS loan	188,000	-
WNC loan	-	440,000
	<u>188,000</u>	<u>440,000</u>
Amounts falling due 1-2 years		
WNC loan	110,000	440,000
DCMS loan	188,000	-
	<u>298,000</u>	<u>440,000</u>
Amounts falling due 2-5 years		
WNC loan	660,000	1,320,000
DCMS loan	1,842,182	1,543,091
	<u>2,502,182</u>	<u>2,863,091</u>
Amounts falling due after more than 5 years		
WNC loan	3,300,000	1,980,000
DCMS loan	6,165,818	6,934,909
	<u>9,465,818</u>	<u>8,914,909</u>
	<u>12,454,000</u>	<u>12,658,000</u>

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

23. Finance leases

Minimum lease payments under hire purchase fall due as follows:

	2023 £	2022 £
Within one year	34,836	18,447
Between 1-5 years	75,817	25,608
Over 5 years	107,286	114,728
	<u>217,939</u>	<u>158,783</u>

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

24. Deferred taxation

	2023 £	2022 £
At beginning of year	4,044,033	3,623,574
Charged to profit or loss	(334,250)	420,459
At end of year	3,709,783	4,044,033

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	1,134,977	1,196,907
Tax losses carried forward	(1,975,793)	(1,725,613)
Pension surplus	(2,381)	(9,004)
Capital gains	4,581,743	4,581,743
Other short term timing differences	(28,763)	-
	3,709,783	4,044,033

25. Reserves**Share capital**

The Company has issued 9,127,073 (2022 - 9,127,073) £1.00 ordinary share capital. These shares are allotted, authorised and fully paid.

The Company has issued 3,000,000 (2022 - 3,000,000) £1.00 preference shares at par, for the purpose of constructing an indoor training facility.

The preference shares are treated as debt. The preference shares are held at present value calculated using a discount rate of 3.97% over a period of fifty years from the date of investment, being the point at which they are redeemable.

Other reserves

Includes the amounts for preference shares.

Profit and loss account

Includes all current and prior period retained profits and losses.

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

26. Capital commitments

At 30 June 2023 the Company had capital commitments as follows:

	2023 £	2022 £
Contracted for but not provided in these financial statements	-	3,246,447

The prior year capital commitment related to the construction of the new indoor facility which was completed in the year ended 30 June 2023.

27. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £143,193 (2022 - £146,450). Contributions totalling £35,241 (2022 - £36,015) were payable to the fund at the balance sheet date and are included in creditors.

28. Commitments under operating leases

At 30 June 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	97,643	118,307
Later than 1 year and not later than 5 years	74,620	126,098
Later than 5 years	20,736	29,304
	<u>192,999</u>	<u>273,709</u>

NORTHAMPTON RUGBY FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

29. Related party transactions

The Company is a wholly owned subsidiary undertaking of Northampton Saints PLC. Accordingly, the Company has taken advantage of the exemption in FRS 102 Section 33 from disclosing transactions with other wholly owned members of the group headed by Northampton Saints PLC.

	2023 £	2022 £
J White - Sales made by the Company	77,928	20,189
J White - Amounts owed by the Company	559	-
E Bevan - Sales made by the Company	1,400	-
A Hewitt - Sales made by the Company	3,500	-
Northampton Saints Foundation - Sales made by the Company	45,350	39,664
Northampton Saints Foundation- Purchases made by the Company	31,683	821
Northampton Saints Foundation- Amounts owed to the Company	831	2,519
David Williams IFA - Sales made by the Company	9,600	-
Northampton School for Boys - Purchases made by the Company	22,800	-

Sales and purchases between the Company and the directors or entities associated with the directors were at arm's length. Sales were principally tickets, hospitality, advertising and recharges of costs.

30. Post balance sheet events

On 3 October 2023 Northampton Rugby Football Club Ltd issued £1m of new non-redeemable, convertible, zero-coupon loan notes. This was drawn down in October 2023.

31. Controlling party

The directors consider that the ultimate parent undertaking and controlling party of the Company is Northampton Saints PLC.

The largest group of undertakings for which group accounts have been drawn up is that headed by Northampton Saints PLC. There is no overall controlling party