

# Saracens Limited

## Annual Report and Financial Statements

For the year ended 30 June 2020

Company Registration No. 03110665 (England and Wales)

# Saracens Limited

## Company Information

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<b>Directors</b>	D Silvester F Pienaar N Golding V Luck L Mercey
<b>Company number</b>	03110665
<b>Registered office</b>	StoneX Stadium Greenlands Lane Hendon United Kingdom NW4 1RL
<b>Auditor</b>	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD

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# Saracens Limited

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# Saracens Limited

## Strategic Report

For the year ended 30 June 2020

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The directors present the strategic report for the year ended 30 June 2020.

### Principal activities

The principal activities of the company are those of a professional rugby union football club including entertainment, ticket sales, corporate hospitality and merchandise. The company also undertakes corporate and personal events and has a strong focus on community engagement.

### Fair review of the business

Two events rocked our business and financial results in 2019/20: Saracens men's team was relegated to the Championship and then a global pandemic hit where almost all our revenue ceased overnight.

Faced with these crises and uncertainty, we reflected on the observation of John F. Kennedy that the word "crisis" in Chinese is composed of two characters—one representing danger, the other opportunity. He may not have been entirely correct on the linguistics, but the sentiment is true enough: a crisis presents a choice. We chose to use the opportunity to rebuild how we govern and run our business both to contain the impacts of the crises and to make us more innovative, efficient and effective going forward.

Nobody can plan perfectly through such huge levels of uncertainty; but we can prepare. Scenario planning has been key for the entire organisation over the past 18 months and it continues to be vital. Strange times can challenge us in a really good way, test scenarios and get us ready for an exciting future.

The loyalty and commitment of our fans, partners, staff and players has been incredibly humbling and so valued during this period of sustained uncertainty.

February 2020 started the rebuilding phase of our journey. We understand the importance of reinforcing our new governance processes and we will continue to safeguard our culture and care for our staff and community. We will continue to strive to live up to our values on a daily basis and we believe that, through all the turmoil of 2020, we have actually laid some very solid foundations for the future which will allow us to achieve our long term goals and ambitions.

We assess progress towards our long-term goals with a series of KPIs, which in this reported year focussed on:

- Managing cash flow
- Achieving financial outturn in line with budget
- Driving to secure a return to the Premiership
- Being at the forefront of women's sport
- Protecting the future value of the Academy
- Growing our talent pool
- Safeguarding our caring, high-performance culture
- Rebuilding the Saracens brand and striving for everyone in the 'Saracens Family' to feel proud of their club
- Growing our audience
- Developing our strategy to monetise our intangible assets
- Growing our revenue

In summary, our financial performance compared to prior year showed:

	2019/20	2018/19	% Change
Revenue	£17.17m	£23.19m	-26%
Operating loss (excluding exceptional costs)	£8.03m	£4.98m	-61%

# Saracens Limited

## Strategic Report (Continued)

For the year ended 30 June 2020

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Covid wreaked havoc on sports clubs' finances across the country. 50% of Saracens commercial revenue was wiped out overnight. EBITDA losses pre-exceptional items for the period were £8.0m, £3.1m worse at this level 2020 over 2019. £6.1m of the revenue loss was directly attributable to the Covid-effect on our income. The Executive team took immediate action, to put the Club in the best possible position to emerge strongly from the crisis, which offset some of this lost revenue with cost savings of £2.1m and furlough receipts of £1.1m.

All players and staff took a significant pay cut from 1 March 2020 and the cuts remain in force at the time of writing. Regretably, a number of roles were made redundant. Where appropriate we took advantage of the Coronavirus Job Retention Scheme. Before rugby returned in September 2020, over 80% of the workforce was on furlough.

The Saracens fans and club partners were amazing in their unstinting support. Donations and the vast majority not taking a cash refund for their 19/20 seasonal packages, which could no longer be delivered in full, meant we could manage cash flow tightly and navigate through unprecedented times.

The impact of Covid continues well into 2021, yet we have made good progress on all our other KPIs. We have: obtained a government loan through Sport England for the 'Sport Winter Survival Package'; secured a new headline partner and stadium naming rights partner in City Index and StoneX; extended principle partnerships with Simba and Hypro; brought on board new partnerships with Lucozade Sport, Rentokil Initial and Ranstad; and developed a healthy pipeline of potential new partners. Furthermore, Nigel Wray has confirmed his repeated and unswerving financial support to the business as we move forward with exciting plans for the club.

So... what does the future hold? We will unashamedly endeavour to consolidate our position as a market leader both on and off the field, backed up by a powerful economic model. Executing our growth strategy, even when faced with extreme uncertainty, will be vital and audience growth will be a constant goal. Our men's team is rebuilding, and at the time of writing, we have a very competitive Championship season to 100% focus on. Our long-term ambition is to have both men's and women's teams competing at the top of domestic competitions and in Europe. We want to deliver genuine value to our local community and with the West Stand development underway we want to own London's most beautiful 'boutique' multi-use venue.

### Principle risks and uncertainties

We are dependent for commercial income on crowds attending our matches, and our prudent central planning scenario is for 50% crowds to return from September 2021 and full crowds from January 2022.

Our planning presumes our promotion back to the Premiership for 2021/22, which we hope is likely with the strength and quality of our squad. However, we continue to mark this as a risk and one for which we have developed contingency plans.

### Governance

The club is run by a strong executive team with particular investment this year into our finance division. The board of directors meets formally every month.

We have set up an Audit & Risk Committee with a Non-Executive Board member as Chair which oversees matters relating to financial reporting, accounting, internal controls, risk management and organisational health.

We have also set up a Salary Cap Committee which meets quarterly and has representatives from the training ground, head office and the main board, chaired by the clubs Salary Cap Officer, a board director. There is also constant dialogue and open channels of communication with the Premiership Rugby salary cap office.

# Saracens Limited

## Strategic Report (Continued)

For the year ended 30 June 2020

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### Club response to the pandemic

In March 2020 when we all entered lockdown and the core elements of our business shut down, we turned to what we know and do well at Saracens: supporting our community. At a time like this we are grateful for the extremely strong partnerships we have created over many years with organisations at the heart of our community which enable us to understand the local needs.

With the NHS put under huge pressure we moved quickly to establish a partnership with Compassion London, using our stadium catering facilities to help cook and supply meals to frontline NHS staff, keyworkers and people in self-isolation during the pandemic. Working nine hours per day for seven days per week the partnership was delivering circa 5,000 meals per day to a range of organisations and locations, including 12 London Hospitals.

We also produced and sold Saracens branded Covid-protection masks to our supporter base, with proceeds split between the NHS and the Saracens Foundation. The circa £6,000 donated to the NHS went directly to support the welfare of NHS staff operating in north London.

As highlighted further down within this report, the response of the Saracens Foundation was simply outstanding. With the pandemic hitting hardest the families within disadvantaged communities, the charity quickly moved to introduce the Feeding Futures project, an initiative that provided opportunities for children and young people to enjoy physical activity and sport, as well as providing an essential hot meal each day. Moving many of the projects online through the 'Together Active' initiative enabled the charity to support our local disadvantaged and socially isolated groups to stay active and connected, delivering over 60,000 engagements with participants during the first national lockdown.

### Our teams

The 2019/20 season for **Saracens Men** was a very different one. We knew in January 2020 we were relegated to the Championship and then the pandemic hit which meant that the season did not finish until October 2020. Despite this, the coaches and players did not stop demonstrating 'The Saracens Way' for one moment. Culminating in reaching the semi-finals of The Champions Cup, beating Leinster on the road was a remarkable victory. Full of heart and quality. The defeat against Racing 92 was a really tough one to deal with and there was a lot of emotion. We couldn't be prouder of the team. At Saracens, we have never defined our success and achievements by the result of one match. It might have been the end of one dream... but it is the beginning of a new one. Even in turbulent times and with so much uncertainty, we must continue to dream. We are in transition and we are rebuilding for an exciting future. We have unbelievably good people who care passionately about Saracens and the importance of our organisation for so many communities which extend far beyond the rugby field.

**Saracens Women** were on course to retain their Premier 15s title for a third successive year, extending their unbeaten run since October 2018 and sitting top of the league before it was sadly declared null and void due to Covid in March 2020. During this period, the club welcomed England's most capped player of all time, Rocky Clark, in a dual role as player/coach, the experienced prop bringing a wealth of playing experience while also tasked with leading on the newly established Saracens Women's Academy programme to develop the next generation of female talent.

Seven Saracens Women players were awarded England XV's contracts for the 2019/20 season, and the club was well represented during the Autumn International window with nine players featuring across three countries. Four Saracens players were also seconded to England 7s and competed in the World Series. Our pathway continued to grow with over forty girls on the Centre of Excellence programme. Three players have graduated from this programme through to England Women U18 Talent Development Group.

**Saracens Mavericks** bolstered their squad in the off-season with the signings of England international and Commonwealth Games gold medallist, Jodie Gibson and England U19 star, Chloe Essam. Sasha Corbin returned for her ninth year with the club, retaining the captaincy for the third consecutive campaign, while another Commonwealth games champion, Kadeen Corbin signed for her fourth season. New Zealand defender Jo Tripp also signed again after making a huge impact in her debut season.

# Saracens Limited

## Strategic Report (Continued)

For the year ended 30 June 2020

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Pre-season build up was promising with the squad picking up the winner's trophy at the Lyn Gunson Competition playing against five VNSL teams and finishing runners up at the Mike Greenwood Tournament. Mavericks launched the 2020 season with an impressive win against Severn Stars in front of a full house in Birmingham and played two subsequent rounds before the Vitality Netball Super League was ended prematurely due to the pandemic. Four Saracens Mavericks were named in the Red Roses squad that travelled to South Africa in a three match test series. Mavericks Director of Netball, Kat Ratnapala was also named as assistant coach for the tour. A further six Mavericks players featured in the National Academy, alongside 210 girls in age group pathways and Futures academies.

We continue to be ambitious about women's sport and our two women's teams are working hard to create even greater alignment across the organisation and with our key partners.

### **Saracens Foundation**

The Foundation has been inspiring people to get physically active for over 20 years, providing them with all the additional benefits of a healthy and active lifestyle. This year, the charity engaged circa 60,000 participants in sport and physical activity through rugby, dance, Nordic Walking and multi-skills activities. The charity's focus has continued to be on engaging those groups that are underrepresented in sport and physical activity, including those from deprived communities, disabled young people and those from ethnic minorities. As well as providing opportunities to participate, the charity also continues to use sport as the vehicle to empower people to improve their employability and education.

In 2019-20, the Project Rugby programme engaged over 1,200 young people from ethnic minorities and deprived communities into weekly rugby activities, while helping many of them transition into local grass roots rugby clubs. The Get Onside project expanded to a new prison during 2019-20, with the programme running from both Feltham Youth Offending Institute and HMP The Mount. This project now provides life-changing impacts for 80 adult and youth beneficiaries each year. The charity's success on this programme has been to reduce reoffending by as much as 55%, while also providing exit routes into universities, full-time employment and apprenticeships.

As for many charities, the economic impact of the pandemic on the Saracens Foundation was significant. However, we are extremely proud of the way in which the charity pivoted its services and maintained a positive focus on supporting people within our local communities. The charity successfully applied for Covid-19 specific 'recovery' grants and adapted its service delivery to provide virtual online activities through a new 'Together Active' project, enabling people to stay active and connected.

### **Saracens High School**

Following an extremely successful opening year, the 2019-20 academic year started strongly for the Saracens High School with the admission of a full intake of new Year 7 pupils and a waiting list of pupils wanting a place at the school. The school had grabbed the attention of families within Colindale and Grahame Park and had quickly become the school of choice within this community. The school is built on the same values that had created such a powerful culture within the rugby club, and it was clear that through the leadership of Principal Dr Stevens and his senior leadership team these values had helped create a very positive and aspirational environment for both teachers and pupils.

The first national lockdown brought significant challenges to the Saracens High School and being based in the most disadvantaged community within the local borough, we witnessed first-hand the impacts of the emerging 'Digital Divide'. The lack of technology at home for many children contributed to a pause in learning and progress throughout the first lockdown. However, the school was commended by the local education authority for the way in which leaders and teachers reached out to the school community to ensure children and families were safe and well, providing additional food and provisions for those most in need.

# Saracens Limited

## Strategic Report (Continued)

For the year ended 30 June 2020

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At the time of writing this report I am pleased to say that school has managed to tackle the digital divide, ensuring that every pupil has a laptop at home during the most recent lockdown, thanks to the support of people within the broader Saracens family. With the construction of the new Saracens High School building well underway and plans for the opening of a new Saracens Primary School in 2022-23, we can be excited about the contribution that Saracens is going to be making to the education and aspirations of local children and young people in the future.

### **StoneX Stadium**

Despite the challenges thrown at us by the pandemic during 2020 we have managed to keep the new West Stand project at StoneX Stadium on track and we are pleased to confirm that the construction phase is well underway with a completion date of June 2022. This would not have been possible without the strong support and collaboration of our partners the London Borough of Barnet and Middlesex University. The new West Stand will build upon StoneX Stadium's standing as an important and vibrant multi-use venue.

One of the positive outcomes of the pandemic is that it has highlighted the importance of parks and open spaces for the health and wellbeing of our community. Residents have visited our green spaces in huge numbers to enjoy their daily exercise and so the future maintenance and development of our parks and open spaces will be important. We have remained fully engaged in discussions with the London Borough of Barnet and other stakeholders about the Copthall Masterplan and remain committed to working in partnership to deliver improvements to the facilities on the broader Copthall estate.

I would like to end by again saying how grateful we are to our players, staff, supporters, partners, Middlesex University and Barnet Council for the support and commitment they have shown the organisation. We will make you proud.

On behalf of the board

L Mercey

**Director and Chief Executive Officer**

7 May 2021



# Saracens Limited

## Directors' Report

For the year ended 30 June 2020

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The directors present their annual report and financial statements for the year ended 30 June 2020.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

N Wray	(Resigned 16 February 2020)
N Leslau	(Resigned 24 October 2019)
D Silvester	
F Pienaar	
M Velani	(Resigned 31 March 2020)
L Wray	(Resigned 23 January 2020)
N Golding	(Appointed 9 January 2020)
V Luck	(Appointed 1 August 2020)
L Mercey	(Appointed 8 March 2021)

### Results and dividends

The results for the year are set out on page 13.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### Qualifying third party indemnity provisions

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

# Saracens Limited

## Directors' Report (Continued)

For the year ended 30 June 2020

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### Going concern

Notwithstanding net current liabilities of £21,060,131 as at 30 June 2020 and a loss for the year then ended of £8,292,870 the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

As in previous years, the company met its working capital needs using loans from the parent Premier Team Holdings Limited, and continues to do so going forward. Those loans will be satisfied by their future capitalisation as had been carried out previously over the years by the main shareholder, Nigel Wray.

Mr Wray has also confirmed his willingness to continue lending to Saracens to facilitate the continued operations of the company over twelve months from the date of the approval of the accounts to meet the requirements as outlined in its business plan.

The directors have also considered the immediate impact of the coronavirus, which, as for other professional rugby clubs, has been the prohibition of crowds attending our matches, thus reducing the income from tickets, hospitality and other aspects of home match-days. Whilst the company has taken action to reduce costs and has benefitted from the Government's Coronavirus Job Retention Scheme and the provision by DCMS of a loan under the Sport Winter Survival Package, these have not offset fully the negative cash impact. The business plan assumes a partial return of crowds in May 2021, 50% crowds from September to December 2021 and then return to full crowds thereafter; were these assumptions not to materialise then the directors have contingency plans to reduce the impact on cash flow.

The terms of the DCMS loan include early repayment in the event of changes in certain defined conditions, however after consultation with the management of the Scheme the directors do not foresee there being any cause for the early repayment to be invoked.

Saracens Men were relegated to the Championship at the end of the 2019/20 season. The business plan assumes promotion back to the Premiership for the 2021/22 season, based on the Club having retained the vast core of the playing and coaching squads that successfully won the Premiership and European Championship in 2018/19. There is however a chance that promotion would not be secured in 2020/21, and the directors have evaluated the impact on the Club's finances in 2021/22, including that element of the season relating to the twelve months ending April 2022; contingency plans would be activated should that small risk materialise.

Consequently, at the time of the approval of financial statement no certainty can exist that this promotion will be achieved, and this indicates that a material uncertainty exists in relation to the ability of the company to continue as a going concern as the business plan is dependent on Club's return to the Premiership. The directors are not aware of any other events or conditions beyond the period of their assessment that may cast significant doubt on the entity's ability to continue as a going concern.

### Auditor

The auditor, Moore Kingston Smith LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

# Saracens Limited

## Directors' Report (Continued)

For the year ended 30 June 2020

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### **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

V Luck

**Director**

7 May 2021

# Saracens Limited

## Directors' Responsibilities Statement

For the year ended 30 June 2020

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The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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;
- 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.

# Saracens Limited

## Independent Auditor's Report

To the Members of Saracens Limited

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### Opinion

We have audited the financial statements of Saracens Limited (the 'company') for the year ended 30 June 2020 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

We draw attention to note 1.2 to the financial statements, which indicates that the company incurred a net loss of £ 8,292,870 and had net current liabilities of £21,060,131 at 30 June 2020. The note confirms that the company is dependent on the availability of additional funding from its owner in order to continue in business and meet its liabilities as they fall due. The current forecasts prepared by the directors, based on the group as currently constituted, are prepared on the basis of the Saracens rugby team being promoted back to the Gallagher Premiership for the 2021/22 season, which when combined with the support from the owner will enable the group to continue in business and meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements, based on anticipated outgoings and the receipt of revenues from services.

Although the Board believes that promotion to the Gallagher Premiership will be achieved, there can be no guarantee this will be the case.

As stated in note 1.2 these events or conditions, along with the other matters as set forth in note 1.2 indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

# Saracens Limited

## Independent Auditor's Report (Continued)

### To the Members of Saracens Limited

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#### **Other information**

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

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

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **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.

# Saracens Limited

## Independent Auditor's Report (Continued)

### To the Members of Saracens Limited

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As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### 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 for no purpose other than to draw to the attention of the company's members those matters we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and the company's members as a body, for our work, for this report, or for the opinions we have formed.

**Jamie Sherman (Senior Statutory Auditor)**  
for and on behalf of Moore Kingston Smith LLP

11 May 2021

**Chartered Accountants**  
**Statutory Auditor**

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD

# Saracens Limited

## Statement of Comprehensive Income

For the year ended 30 June 2020

		2020	2019
	Notes	£	£
<b>Turnover</b>	<b>3</b>	17,173,781	23,186,373
Cost of sales		-	(6,873)
<b>Gross profit</b>		17,173,781	23,179,500
Administrative expenses		(26,301,847)	(28,157,341)
Other operating income		1,097,206	-
Exceptional items	<b>4</b>	-	(7,683,270)
<b>Operating loss</b>	<b>5</b>	(8,030,860)	(12,661,111)
Interest receivable and similar income	<b>9</b>	55,054	-
Interest payable and similar expenses	<b>10</b>	(39,761)	(17,084)
Gain on revaluation of investments	<b>11</b>	-	7,382,065
<b>Loss before taxation</b>		(8,015,567)	(5,296,130)
Taxation	<b>12</b>	(277,303)	(1,254,951)
<b>Loss for the financial year</b>		(8,292,870)	(6,551,081)



# Saracens Limited

## Balance Sheet

As at 30 June 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Intangible assets	13	102,964		32,117	
Tangible assets	14	666,179		880,910	
Investments	15	15,998,154		15,998,154	
		16,767,297		16,911,181	
<b>Current assets</b>					
Stock	17	311,419		157,418	
Debtors	18	2,127,839		8,033,986	
Cash at bank and in hand		856,537		2,303,172	
		3,295,795		10,494,576	
<b>Creditors: amounts falling due within one year</b>	19	(24,355,926)		(20,455,204)	
<b>Net current liabilities</b>		(21,060,131)		(9,960,628)	
<b>Total assets less current liabilities</b>		(4,292,834)		6,950,553	
<b>Creditors: amounts falling due after more than one year</b>	20	(5,657,940)		(8,885,760)	
<b>Provisions for liabilities</b>	22	(2,634,378)		(2,357,075)	
<b>Net liabilities</b>		(12,585,152)		(4,292,282)	
<b>Capital and reserves</b>					
Called up share capital	25	4,369,735		4,369,735	
Share premium account		4,638,278		4,638,278	
Profit and loss reserves		(21,593,165)		(13,300,295)	
<b>Total equity</b>		(12,585,152)		(4,292,282)	

The financial statements were approved by the board of directors and authorised for issue on 7 May 2021 and are signed on its behalf by:

V Luck  
Director

Company Registration No. 03110665

# Saracens Limited

## Statement of Changes in Equity

For the year ended 30 June 2020

	Share capital	Share premium	Profit and loss reserves	Total
	£	account £	£	£
<b>Balance at 1 July 2018</b>	4,369,735	4,638,278	(6,749,214)	2,258,799
<b>Year ended 30 June 2019:</b>				
Loss and total comprehensive income for the year	-	-	(6,551,081)	(6,551,081)
<b>Balance at 30 June 2019</b>	4,369,735	4,638,278	(13,300,295)	(4,292,282)
<b>Year ended 30 June 2020:</b>				
Loss and total comprehensive income for the year	-	-	(8,292,870)	(8,292,870)
<b>Balance at 30 June 2020</b>	4,369,735	4,638,278	(21,593,165)	(12,585,152)

# Saracens Limited

## Notes to the Financial Statements

For the year ended 30 June 2020

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### 1 Accounting policies

#### Company information

Saracens Limited is a private company limited by shares incorporated in England and Wales. The registered office is StoneX Stadium, Greenlands Lane, Hendon, United Kingdom, NW4 1RL.

#### 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 pound.

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.

The company has taken exemption from preparing the statement of cash flows and related notes as permitted under FRS102 on the basis that it is a qualifying entity and is included in the consolidated accounts of Premier Team Holdings Limited.

#### 1.2 Going concern

Notwithstanding net current liabilities of £21,060,131 as at 30 June 2020 and a loss for the year then ended of £8,292,870 the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

As in previous years, the company met its working capital needs using loans from the parent Premier Team Holdings Limited, and continues to do so going forward. Those loans will be satisfied by their future capitalisation as had been carried out previously over the years by the main shareholder, Nigel Wray.

Mr Wray has also confirmed his willingness to continue lending to Saracens to facilitate the continued operations of the company over twelve months from the date of the approval of the accounts to meet the requirements as outlined in its business plan.

The directors have also considered the immediate impact of the coronavirus, which, as for other professional rugby clubs, has been the prohibition of crowds attending our matches, thus reducing the income from tickets, hospitality and other aspects of home match-days. Whilst the company has taken action to reduce costs and has benefitted from the Government's Coronavirus Job Retention Scheme and the provision by DCMS of a loan under the Sport Winter Survival Package, these have not offset fully the negative cash impact. The business plan assumes a partial return of crowds in May 2021, 50% crowds from September to December 2021 and then return to full crowds thereafter; were these assumptions not to materialise then the directors have contingency plans to reduce the impact on cash flow.

The terms of the DCMS loan include early repayment in the event of changes in certain defined conditions, however after consultation with the management of the Scheme the directors do not foresee there being any cause for the early repayment to be invoked.

# Saracens Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2020

### 1 Accounting policies

(Continued)

Saracens Men were relegated to the Championship at the end of the 2019/20 season. The business plan assumes promotion back to the Premiership for the 2021/22 season, based on the Club having retained the vast core of the playing and coaching squads that successfully won the Premiership and European Championship in 2018/19. There is however a chance that promotion would not be secured in 2020/21, and the directors have evaluated the impact on the Club's finances in 2021/22, including that element of the season relating to the twelve months ending April 2022; contingency plans would be activated should that small risk materialise.

Consequently, at the time of the approval of financial statement no certainty can exist that this promotion will be achieved, and this indicates that a material uncertainty exists in relation to the ability of the company to continue as a going concern as the business plan is dependent on Club's return to the Premiership. The directors are not aware of any other events or conditions beyond the period of their assessment that may cast significant doubt on the entity's ability to continue as a going concern.

#### 1.3 Turnover

Turnover represents the amounts derived from ticket sales, executive boxes, sponsorship, Premier Rugby central income and non-matchday revenue arising from the sale of eventing space, net of value added tax. Turnover is recognised in the period to which it relates, and future income which has been received in advance is shown in the statement of financial position as deferred income.

#### 1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Computer software is capitalised and amortised over its useful economic life.

Software	4 years
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#### 1.5 Tangible fixed assets

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

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:

Leasehold improvements	3 years
Office and training equipment	3 to 4 years
Car park	25 years
Stadium equipment	3 to 4 years

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.

# Saracens Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2020

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### 1 Accounting policies

(Continued)

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

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

#### 1.7 Stock

Stock represents branded merchandise and is valued at the lower of cost and net realisable value. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal.

At each reporting date, the company assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss.

Reversals of impairment losses are also recognised in profit or loss.

#### 1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the 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.

# Saracens Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2020

### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the 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.

# Saracens Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2020

### 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.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### **1.10 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.11 Taxation**

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

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# Saracens Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2020

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### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.12 Employee benefits**

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

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.13 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

#### **1.14 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

#### **1.15 Government grants**

Government grants are in relation to the amounts received under the Coronavirus Job Retention Scheme where staff have been furloughed due to the global pandemic. These amounts have been included separately in other income and are recognised in the same periods as the related salary costs.

#### **1.16 Exceptional items**

Exceptional items are transactions that represent ordinary business activities of the company but are presented separately due to their size or nature.



# Saracens Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2020

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### 2 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.

#### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### ***Lease arrangements***

In categorising leases as finance leases or operating leases, management makes judgements as to whether the significant risks and rewards of ownership have transferred to the company as a lessee, or to the lessee where the company is a lessor.

#### **Key sources of estimation uncertainty**

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

#### ***Deferred tax asset***

The recoverable amount of the deferred tax asset is based on estimates of taxable profits in the foreseeable future. As such, the carrying value of deferred tax asset is determined to be £nil. Further details are given in note 12 to the financial statements.

#### ***Valuation of 'P' shares***

The company holds an investment in 'P' shares in Premier Rugby Limited entitling the holder to future income streams. The investment in Premier Rugby Limited is valued at fair value as determined by Premier Rugby Limited and in accordance with other clubs in the league as described in note 15.

#### ***Treatment of CVC funds***

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 is being recognised in the Profit and Loss Account over 48 months which is in line with the other major commercial contracts entered into by PRL, with amounts relating to future periods being recognised as deferred income, and this has been reflected in notes 19 and 20.

# Saracens Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2020

### 3 Turnover and other revenue

	2020 £	2019 £
<b>Turnover analysed by class of business</b>		
Rugby related activities	16,510,267	22,464,992
Stadium related activities	663,514	721,381
	<u>17,173,781</u>	<u>23,186,373</u>
	2020 £	2019 £
<b>Other significant revenue</b>		
Grants received	1,097,206	-
	<u>1,097,206</u>	<u>-</u>

The turnover split between rugby and stadium activities has been amended in 2020, and 2019 amounts were adjusted to be consistent with the current year.

### 4 Exceptional costs/(income)

	2020 £	2019 £
Fine for breach of the salary cap	-	5,360,272
Legal fees related to the salary cap investigation	-	2,082,480
Employment matters	-	240,518
	<u>-</u>	<u>7,683,270</u>

The above prior year fine and associated legal costs are in relation to the salary cap breach by the club for 3 seasons as concluded by the investigation into the club by the PRL in November 2019.

Employment matters in prior year related to one-off legal costs in relation to an employee contract issue.

### 5 Operating loss

	2020 £	2019 £
Operating loss for the year is stated after charging/(crediting):		
Government grants	(1,097,206)	-
Depreciation of owned tangible fixed assets	216,231	212,469
(Profit)/loss on disposal of tangible fixed assets	-	6,873
Amortisation of intangible assets	41,498	19,191
Cost of stock recognised as an expense	494,821	571,403
Operating lease charges	608,478	539,811
	<u>608,478</u>	<u>539,811</u>

# Saracens Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2020

### 6 Auditor's remuneration

	2020 £	2019 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	37,500	28,400
<b>For other services</b>		
Taxation compliance services	4,650	11,845
All other non-audit services	59,364	11,984
	64,014	23,829

### 7 Employees

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

	2020 Number	2019 Number
Players and coaching staff	108	105
Administration	67	61
	175	166

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	12,759,622	12,726,999
Social security costs	1,517,504	1,397,888
Pension costs	91,754	178,108
	14,368,880	14,302,995

### 8 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	303,387	162,940
Company pension contributions to defined contribution schemes	7,041	8,535
Compensation for loss of office	129,311	-
	439,739	171,475

# Saracens Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2020

### 8 Directors' remuneration

(Continued)

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2019 - 1).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2020 £	2019 £
Remuneration for qualifying services	279,650	162,940
Company pension contributions to defined contribution schemes	7,041	8,535
	<u>286,691</u>	<u>171,475</u>
<b>9 Interest receivable and similar income</b>		
	2020 £	2019 £
Income from fixed asset investments		
Distribution receivable on fixed asset investment	55,054	-
	<u>55,054</u>	<u>-</u>
<b>10 Interest payable and similar expenses</b>		
	2020 £	2019 £
Other interest	39,761	17,084
	<u>39,761</u>	<u>17,084</u>
<b>11 Revaluation of investments</b>		
	2020 £	2019 £
Fair value gains / (losses)	-	7,382,065
	<u>-</u>	<u>7,382,065</u>

# Saracens Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2020

### 12 Taxation

	2020 £	2019 £
<b>Deferred tax</b>		
Origination and reversal of timing differences	277,303	1,254,951

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

	2020 £	2019 £
Loss before taxation	(8,015,567)	(5,296,130)
<i>Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)</i>	(1,522,958)	(1,006,265)
Tax effect of expenses that are not deductible in determining taxable profit	15,765	1,033,104
Tax effect of utilisation of tax losses not previously recognised	-	(22,762)
Unutilised tax losses carried forward	1,484,172	-
Depreciation and amortisation	48,969	44,015
Allowances deductible in determining taxable profit	(25,948)	(48,092)
Deferred tax movement on fixed asset investments	277,303	1,254,951
Taxation charge for the year	277,303	1,254,951

The company has tax losses of approximately £79 million (2019: £71 million) to use in future years. The deferred tax asset measured at 19% (2019: 17%) has not been recognised. On the basis of available evidence, it is more likely than not that there will be no taxable profits in the foreseeable future against which the asset can be recovered.

# Saracens Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2020

### 13 Intangible fixed assets

	Goodwill £	Software £	Total £
<b>Cost</b>			
At 1 July 2019	123,145	83,215	206,360
Additions - separately acquired	-	112,345	112,345
At 30 June 2020	123,145	195,560	318,705
<b>Amortisation and impairment</b>			
At 1 July 2019	123,145	51,098	174,243
Amortisation charged for the year	-	41,498	41,498
At 30 June 2020	123,145	92,596	215,741
<b>Carrying amount</b>			
At 30 June 2020	-	102,964	102,964
At 30 June 2019	-	32,117	32,117

Amortisation of intangible fixed assets is included within net operating expenses in the statement of comprehensive income.

### 14 Tangible fixed assets

	Leasehold improvements £	Office and training equipment £	Car park £	Stadium equipment £	Total £
<b>Cost</b>					
At 1 July 2019	76,400	1,173,518	618,466	2,172,645	4,041,029
Additions	-	1,500	-	-	1,500
At 30 June 2020	76,400	1,175,018	618,466	2,172,645	4,042,529
<b>Depreciation and impairment</b>					
At 1 July 2019	76,368	1,006,033	93,201	1,984,517	3,160,119
Depreciation charged in the year	32	77,326	24,743	114,130	216,231
At 30 June 2020	76,400	1,083,359	117,944	2,098,647	3,376,350
<b>Carrying amount</b>					
At 30 June 2020	-	91,659	500,522	73,998	666,179
At 30 June 2019	32	167,485	525,265	188,128	880,910

# Saracens Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2020

### 15 Fixed asset investments

	2020 £	2019 £
Unlisted investments	15,998,154	15,998,154

£13,865,147 of the above unlisted investments relates to an investment in Premiership Rugby Limited ("PRL"). In line with other shareholding clubs, the Company has valued its investment in PRL based on the income stream into perpetuity, discounted at a rate of 8%. This valuation methodology has been approved by the PRL board. These shares are used as security on the external related party loans in the parent company, Premier Team Holdings Limited.

Additionally during the year ended 30 June 2019, the Company has also co-invested £2,133,007, along with the CVC funds, in an additional minority shareholding in PRL. The investment is held at cost, which is based on the same valuation methodology.

#### Movements in fixed asset investments

	Investments other than loans £
<b>Cost or valuation</b>	
At 1 July 2019 & 30 June 2020	15,998,154
<b>Carrying amount</b>	
At 30 June 2020	15,998,154
At 30 June 2019	15,998,154

### 16 Financial instruments

	2020 £	2019 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	1,606,412	7,515,554
Equity instruments measured at fair value through profit and loss	15,998,154	15,998,154
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	17,385,344	11,858,007

### 17 Stock

	2020 £	2019 £
Finished goods and goods for resale	311,419	157,418

# Saracens Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2020

### 18 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,050,663	807,264
Amounts due from group undertakings	-	5,921,025
Other debtors	555,749	787,265
Prepayments and accrued income	521,427	518,432
	<u>2,127,839</u>	<u>8,033,986</u>

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

	Notes	2020 £	2019 £
Shareholder loans	21	175,000	72,021
Trade creditors		2,360,081	1,419,027
Amounts due to group undertakings		9,094,809	-
Other taxation and social security		1,528,191	3,645,105
Other creditors		556,932	472,223
Accruals and deferred Income		10,640,913	14,846,828
		<u>24,355,926</u>	<u>20,455,204</u>

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

	Notes	2020 £	2019 £
Shareholder loans	21	175,000	269,711
Deferred income		5,482,940	8,616,049
		<u>5,657,940</u>	<u>8,885,760</u>

The above deferred income balance relates to the CVC deal signed on 29 March 2019 where the club received a cash inflow of £12.8m and this is being recognised over 48 months.



# Saracens Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2020

### 21 Loans and overdrafts

	2020 £	2019 £
Shareholder loans	350,000	341,732
Payable within one year	175,000	72,021
Payable after one year	175,000	269,711
Payable by installments	175,000	269,711

Shareholder loans of £350,000 (2019: £341,732) are subject to interest cover and capital repayments. Interest is payable on these loans at a variable interest rate at 1.5% above LIBOR.

### 22 Provisions for liabilities

The provisions for liabilities recognised by the company are :

	Notes	2020 £	2019 £
Deferred tax liabilities	23	2,634,378	2,357,075

### 23 Deferred taxation

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

	Liabilities 2020 £	Liabilities 2019 £
<b>Balances:</b>		
Valuation of unlisted investments	2,634,378	2,357,075
<b>Movements in the year:</b>		2020 £
Liability at 1 July 2019		2,357,075
Charge to profit or loss		277,303
Liability at 30 June 2020		2,634,378

The above deferred tax liability is not expected to reverse with 12 months of the reporting date.

Unrecognised deferred tax assets are shown in note 12 to the financial statements.

# Saracens Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2020

### 24 Retirement benefit schemes

	2020	2019
	£	£
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	98,795	178,108

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions totalling £40,194 (2019: £75,244) were payable to the fund at the year end and are included in creditors.

### 25 Share capital

	2020	2019
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
30,658,339 Ordinary shares of 1p each	306,583	306,583
21,385,006 Deferred shares of 19p each	4,063,151	4,063,151
1 Special share of £1	1	1
	4,369,735	4,369,735

Each ordinary share entitles the holder to one vote at general meetings. The deferred shares shall rank *pari passu* with the ordinary shares of 1p each in the capital of the company in respect of dividends and on a return of capital (whether in a winding up or otherwise), save that all of the holders of the deferred shares shall, in aggregate, be entitled to payment of 1p on any dividend and 1p on a return of capital. The deferred shares shall not entitle the holders thereof to receive notice or attend or vote at any general meetings of the company, shall not be redeemable, and shall not be capable of transfer at any time hereafter other than as provided with the consent of the directors of the company.

The special share may only be held or transferred to the amateur club, Saracens Amateur RFC, providing certain rights relating to the name and activities of the club. It confers no voting rights on the holder of the special share.

# Saracens Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2020

### 26 Reserves

#### Share premium account

The share premium account represents the consideration received for shares issued above their nominal value net of transaction costs.

#### Profit and loss reserves

The profit and loss account represents cumulative profit and loss net of distribution to owners, and the fair value reserve previously shown separately. This reflects the treatment of fair value gains and losses on investments under FRS 102 which requires such gains and losses to be shown in profit or loss. As the gains or losses relate to unlisted investments, they are not distributable until the gains or losses are realised on disposal.

### 27 Financial commitments, guarantees and contingent liabilities

In line with other Premiership rugby clubs, Saracens has received a 'Check of Employer Scheme Records' notice from HMRC. The Company has responded to HMRC and whilst the check is not yet concluded and the matter closed, the directors do not expect the outcome from the review to lead to any material adjustment in the Company accounts.

### 28 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	995,890	890,124
Between two and five years	317,088	726,395
	<u>1,312,978</u>	<u>1,616,519</u>

Included in the above commitments held under non-cancellable lease agreements is a license arrangement for the use of land and buildings. This arrangement is non-cancellable for a period of 1 year, and therefore has been included within the above commitments. An annual commitment of £193,272 (2019: £188,000) exists under this license arrangement.

During the year the company signed the new lease for stadium rental conditional on the West Stand development completing, which is currently scheduled to be June 2022 where the new commitment will replace the current lease. The total annual commitment under the new agreement is £1,000,000 per annum.

# Saracens Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 June 2020

### 29 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	439,739	171,475

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sales to related parties		Purchases from related parties	
	2020 £	2019 £	2020 £	2019 £
Saracens Cophall LLP	-	-	250,000	250,000
Other related parties	337,724	661,779	535,086	438,881

The following amounts were outstanding at the reporting end date:

	2020 £	2019 £
Amounts owed to related parties		
Shareholder loans	350,000	422,021
Saracens Cophall LLP	377,658	373,409
Other related parties	598,923	236,021

The amounts owed to other related parties which are under common control with the company are interest free and have no fixed repayment date.

Saracens Cophall LLP is a related entity due to Premier Team Holdings Limited, the parent company, being a member of the LLP.

The company has taken advantage of the exemption conferred by section 33.1A of FRS102 to not disclose transactions with its parent company, Premier Team Holdings Limited.

### 30 Controlling party

Premier Team Holdings Limited, a company registered in the UK, is the immediate and ultimate parent company and is the parent of the largest and smallest group for which consolidated accounts are prepared. The registered office of Premier Team Holdings Limited is StoneX Stadium, Greenlands Lane, Hendon, London, NW4 1RL.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.