



2012 ANNUAL REPORT



RUGBY UNION IS PLAYED BY A COMPLETE
CROSS SECTION OF THE COMMUNITY, WITH
THE RFU RESPONSIBLE FOR AROUND

2.5

MILLION ENJOYING RUGBY AT

2,000

RUGBY CLUBS

3,200

MEMBER SCHOOLS

6,800

NON-AFFILIATED SCHOOLS

140

UNIVERSITIES

HELPED BY A VOLUNTEER
WORKFORCE OF MORE THAN

60,000

IN THE PAST YEAR THE RFU INVESTED

£55.7m

DIRECTLY WITH CLUBS AND IN OPERATING THE ENGLISH
GAME AT ALL LEVELS. ALL PROFITS MADE BY THE UNION
ARE INVESTED IN THE SPORT AT EVERY LEVEL.

OUR CORE VALUES, CAPTURED BY THE RUGBY FOOTBALL
UNION, THE SPORT'S GOVERNING BODY IN ENGLAND:

Teamwork/Respect/Enjoyment/
Discipline/Sportsmanship

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Her Majesty The Queen, Patron
HRH Prince Harry, Vice Patron
Paul Murphy, President

Board of Directors 2012/13

Bill Beaumont, Chairman
Peter Baines
Rob Briers
Steve Brown
Andrew Cosslett
John Douglas
Sophie Goldschmidt
Andrew Higginson
Ian Metcalfe
Paul Murphy
Ian Ritchie
John Spencer
Miles Templeman
Rob Udwin
Peter Whiting

RFU Executive Directors

Rob Andrew, **Steve Grainger**, **Richard Knight**
and **Karena Vleck**

PRESIDENT'S FOREWORD



“ A year which has seen positive changes and real progress on many fronts. ”

Paul Murphy President

I feel extremely honoured to hold the office of President of the Rugby Football Union for the 2012/13 season, following 12 months serving as Chairman of the Board and a year which has seen positive changes and real progress on many fronts.

The game of rugby in England is at an important juncture, in sound condition but competing in an increasingly crowded leisure market. However, with a world tournament on home soil to look forward to, and after the galvanising effect of the London Olympic Games, this is a really exciting time for a sport which offers so much to so many.

If we can keep players on board by strengthening links between clubs and local schools, universities and colleges and turn 15-year-old rugby players into 25-year-old players we will have met one of our biggest challenges - and indeed, one of the biggest faced by sport as a whole. Truly competitive England teams, a strong commercial brand, strengthening our clubs and growing the game in their communities and developing tag, touch and sevens will all be critical to future success.

“A really exciting time for a sport which offers so much to so many.”

It is traditional for Presidents to have a theme for their year in office and mine will focus on Player Safety and Welfare and the Injured Players Foundation, areas that I have been involved with throughout my time on the RFU Council and aspects of the game that require increasing focus.

My thanks go to the RFU's paid and volunteer workforce for all their hard work on behalf of rugby over the past season and to my predecessor, Willie Wildash and his wife Mary, as well as to those leaving the RFU Council: Richard Appleby, Geraint Ashton-Jones, Peter Grace, Russ Hillier and John Vale.

I would also like to remember Past President Sandy Sanders and former Council and Privilege Member Mike Lord, and all who, having contributed much to our game, died during the past season. We are all indebted to them and will endeavour to follow their example and continue their legacy.

Paul Murphy
President

CHAIRMAN OF THE BOARD



“ Important lessons learned over the past year, which also saw a modernising Union. ”

Bill Beaumont Chairman of the Board

Season 2011/12 began with significant challenges to be met: the Union's CEO had departed under difficult circumstances and Martyn Thomas, formerly Chairman of the Board, was asked to cover the role as Acting CEO. It was at this time that newly-appointed Chief Financial Officer, Steve Brown, presented the budget and Business Plan to the RFU Council, both being unanimously approved.

At the start of September the RFU Council endorsed our current President Paul Murphy's appointment as Chairman until the July 2012 AGM and we are all grateful for his excellent work. Also in September, Council commissioned an independent review of the RFU's corporate governance by leading City law firm, Slaughter and May. The team there conducted a wide-ranging review of all aspects of the RFU's structure and its corporate governance and made 150 recommendations.

A steering group has since been leading an analysis of these recommendations, the first of which were that the Report be published on the RFU's website and that there should be wide consultation before making any significant changes. The Report was made available on the RFU's website and a project manager has been engaged to lead on consultation with the game and all RFU stakeholders.

Three independent non-executive directors are now in place on the Board in Miles Templeman, Andrew Higginson and Andrew Cosslett, the latter also Chairman of England Rugby 2015.

After many years' involvement in rugby union, for which he is due our thanks,

at the end of November Martyn Thomas stepped down from the post of Acting CEO. The Board decided that Stephen Brown, while continuing as Chief Financial Officer, would also serve as Acting CEO until a new permanent appointment was made.

Steve carried out these two roles with a professionalism and composure that served us well in the turbulent times to come. Events surrounding England's participation in the Rugby World Cup in New Zealand undoubtedly had a damaging effect on the reputation of the game, but by the end of the year this was being addressed.

Steve Brown and Professional Game Board Chairman, Ian Metcalfe, apologised to all involved in rugby at every level and announced that, since England Manager Martin Johnson's departure, an Interim England Head Coach would be appointed for the RBS 6 Nations, with a permanent coach in place for the summer tour to South Africa.

The Board's decision to structure the RFU Rugby Department with a Rugby Director focusing on England representative teams and a Development Director focusing on the community game was supported by Council, the Professional Game Board, the Community Game Board and the Performance Director Review Group. Rob Andrew continues to steer all our work with professional players and Steve Grainger joined us from the role of CEO of the Youth Sport Trust to head up the new Development Department.

After a thorough recruitment process, Ian Ritchie was announced as the RFU's Chief Executive Officer. Previously CEO of the

All England Lawn Tennis & Croquet Club, Ian has an outstanding blend of business and sporting experience and his was a very positive appointment for the Union.

Important lessons were learned over the past year, which also saw a modernising Union, with progress in governance within the organisation, including movement towards separating the Union's dual disciplinary functions of prosecuting cases and making judgments on them.

Women's and girls' rugby has recently become fully integrated into the RFU and will continue to flourish, with everyone working to that end, including the excellent volunteers who have contributed over past years so that countless girls and women could enjoy playing rugby union.

As the newly elected Chairman of the Board, I look forward to a season in which we can focus our attention on the game of rugby at every level and the success of our England teams.

Bill Beaumont
Chairman of the Board

“ Ian Ritchie announced RFU Chief Executive Officer... a very positive appointment. ”

THE BOARD

Bill Beaumont
Chairman



Former Fyde, England and British & Irish Lions Captain, in 1980 Bill led England to their first Grand Slam in 33 years. He has played a pivotal leadership role in the domestic and global game, including as Vice Chairman of the IRB Council and Director of the Six Nations and the Rugby World Cup. Awarded a CBE for services to rugby, Bill is also Chairman of his family textiles company.

John Douglas



A Community Game Board and Remuneration Panel member, John chairs the Rugby Growth Sub Committee, the Adult Competition Review and The World Rugby Museum Committee. A Director of Twickenham Experience Ltd, he is on Dorking RFC Board and a Past President of Surrey Rugby. Recently retired as Managing Director of a company with interests from publishing to venue management, he has various non-executive directorships.

Ian Ritchie



RFU CEO, Ian Ritchie was All England Lawn Tennis & Croquet Club CEO, and the first Independent Non-Executive Director of a domestic football governing body, on the Football League and Wembley Stadium Boards. Initially a barrister, he moved to Granada TV; held a number of senior positions within ITV; became Channel 5 Chief Executive; Associated Press Vice President of Global Business and joint Chairman of Sports News Television.

Peter Baines



RFU Chairman of Governance, Peter was Chairman and founder member of St Albans RFC and is a former Chairman of Hertfordshire RFU. At national level his roles include chairing the Finance & Funding Committee and helping to negotiate and create the RFU's original agreement with Premiership clubs and the England Qualified Player Scheme. He is Chairman of a UK law firm.

Sophie Goldschmidt



As RFU Chief Commercial Officer, Sophie is responsible for all commercial business, marketing, digital and commercial subsidiaries. She joined the RFU in July 2011 from the National Basketball Association, where she was Senior Vice President for Europe, Middle East & Africa Operations, having previously been with the Women's Professional Tennis Association and adidas.

John Spencer



England representative on the International Rugby and Six Nations Boards, John Spencer is a former England and Barbarians captain, British & Irish Lions player and Cambridge Blue. A solicitor, he is President of Wharfedale RUF, Chairman of the Barbarian FC Committee, and a member of the Professional Game Board and the British Lions Board.

Rob Briers



Lancashire's Council representative, Rob has been Chairman of Competitions, and a member of Governance and the Player Development Committee. He chairs the County Championship Group and is a member of Age Grade and Adult Competition Review Groups. A retired Chartered Secretary, he is former Lancashire President and West Park St Helens Chairman.

Andrew Higginson



An RFU Independent Non-Executive Director, Andrew Higginson was a Main Board Director of Tesco PLC for 15 years. His early career was with Unilever, Guinness, Laura Ashley and the Burton Group, and he is currently a Non-Executive Director of BskyB, Chairman of Poundland and N Brown PLC and Non-Executive Director of Woolworths (South Africa).

Miles Templeman



Miles Templeman is an RFU Independent Non-Executive Director, Shepherd Neame Chairman and former Director General of the Institute of Directors. He was Bulmers CEO and Managing Director of Whitbread Beer and Thresher. A Non-Executive Director with Melrose PLC and formerly YO! Sushi, Ben Sherman and Accenture, his early roles were with Procter & Gamble, Beecham and Levi's.

Stephen Brown



The RFU's Chief Financial Officer, Stephen is responsible for all the RFU's corporate support services and the efficient day-to-day running of the Union. He was the RFU's Acting CEO from November 2011 to February 2012. A Fellow of the Chartered Association of Certified Accountants, he is former UK Finance Director of the global Abbott healthcare company.

Ian Metcalfe



Cambridge University Council representative Ian Metcalfe is a Cambridge Blue who toured to New Zealand with England. He also played for the Barbarians and is a member of the Barbarian FC Committee. Chairman of the Professional Game Board and a Director of England Rugby 2015 Ltd, he is Managing Partner of Wragge & Co LLP international law firm.

Rob Udwin



Middlesex representative on the RFU Council, Rob Udwin is a member of the RFU Board and Chairman of the RFU's Community Game Board. He is a Trustee of the RFU Injured Players Foundation and Rugby Football Foundation. He was inaugural manager of the England Counties XV and is Director of a computer software company.

Andrew Cosslett



An RFU Independent Non-Executive Director and Chairman of England Rugby 2015, Andy is CEO of Fitness First and former CEO of InterContinental Hotels Group PLC. Between 2005 and 2011 he was a Board member of the Executive Committee of the World Travel & Tourism Council and the International Tourism Partnership and a member of the Confederation of British Industry President's Committee.

Paul Murphy



RFU President, Paul Murphy, was a Board member from 2003 to 2009 and Chairman for the 2011/12 season. Former Council member for Oxfordshire and previously Chairman of Players Safety, Finance & Funding and Governance Committees, he is a Trustee of the RFU's Injured Players Foundation, President of Abingdon RFC, and a senior manager at Unipart Automotive Ltd.

Peter Whiting



RAF Council representative and member of the Community Game Board, Peter is a Squadron Leader with qualifications in Leadership and Physical Education. An RAF management consultant working on corporate governance and board effectiveness and capped by the RAF, he plays for the Commons & Lords and has been involved in RAFRU administrative duties for 12 years.

CHIEF EXECUTIVE OFFICER



“ The England team is central to our success and rugby union continues to be hugely attractive to players, fans and sponsors. ”

Ian Ritchie Chief Executive Officer

I joined the RFU in February 2012 after the Union had experienced some difficult times, but with a focus on moving things forward, recognising and learning from previous events and building towards England's hosting of Rugby World Cup 2015.

A priority was the appointment of England Head Coach and I was fortunate to have an Advisory Panel which included Ian McGeechan, Conor O'Shea, Richard Hill and Rob Andrew. The England Head Coach being an RFU appointment, reporting to me, I made the recommendation to the Board. What was clear was that we needed to choose the best person for the job and few would disagree that we found that in Stuart Lancaster.

First appointed Interim Head Coach, after steering the squad to second place in the 2012 RBS 6 Nations, when England made history in winning all three away games in Edinburgh, Paris and Rome for the first time, Stuart was confirmed as Head Coach in March. He set about transforming the England team's reputation into one that the country could be proud of. Believing that successful teams are built on culture as much as performance, he laid down strong standards of discipline and a firm team ethic, reconnecting the players with their roots. The team's winter training camp in Portugal was cancelled in favour of a week in Leeds, with players coaching local junior teams and some 4,000 people watching an open England training session.

England's performance in the 2012 RBS 6 Nations surpassed all expectations. Fielding a young, inexperienced team, an emphatic win against Ireland set Twickenham alight, and it was only a narrow defeat to Wales, in the final move of the

game, which stopped England potentially winning the tournament outright.

Following a record win against the Barbarians in the Killik Cup in May, a 42-man squad departed for an extended five match summer tour to South Africa, comprising three test matches and two midweek games. Mike Catt was backs coach for the tour and the team remained competitive throughout three massive physical battles, despite losing the first two tests and drawing in the third in undoubtedly the most complete performance of the series. The tour provided positive lessons and highlighted several areas for improvement. The players' commitment to the team culture was outstanding, including community engagement work in Kimberley with youngsters taking part in coaching sessions with the team. During the summer break we announced the permanent appointments of both Andy Farrell and Mike Catt to the senior coaching team.

At the start of the 2012/13 season there are 34 games before the first Rugby World Cup match here in England and Stuart and his team are committed to making sure that they use all the time at their disposal to develop players to win that tournament. The fans and the grassroots of the game have certainly made their support for Stuart evident.

The England team is central to our success and rugby union continues to be hugely attractive to players, fans and sponsors. The Board committed to an Independent Review, to follow last season's Professional Game Board Review, in order to ensure the best performance systems are in place moving towards Rugby World Cup 2015. In August two leading names in high performance sport, Peter Keen and Ian

McGeechan, were announced as independent consultants reporting to me, as part of the Union's drive to make sure England teams have the necessary foundations for long-term success. The review will consider processes, systems and procedures to determine whether we are giving all of the England teams, from the U18s upwards, the necessary support services.

The RFU is a fundamentally good organisation, with a talented and committed staff. My role and responsibility is to make sure that we maintain focus and do a professional job. Our core values are a tremendous asset, our brand is recognised and respected, our systems and structure serve us well. And we serve the game well, helping to provide appropriate facilities in our clubs and growing numbers, and developing talent, while holding to the long-held conviction that rugby is, indeed, a sport for all.

Despite the fact that last year, like every Rugby World Cup year, brought an anticipated and carefully planned for loss, we have maintained our investment in the sport at elite and grassroots level, while continuing to strengthen our balance sheet. This was achieved, thanks to our reserve policy, despite having no Twickenham autumn internationals and one less home Six Nations game. Our total revenues are on plan, our bank loan for the development of Twickenham's South Stand will be paid in full this season and we have continued to thrive in a challenging economic environment.

We continue to attract record crowds as experienced at last season's Army Navy match for the Babcock Trophy, the Aviva Premiership Final, Big Game 4 and our world record attendance at the Marriott

London Sevens, which included the women's tournament. Last season also saw us fully integrate the Rugby Football Union for Women which we had been working towards for some time.

Hosting RWC 2015 enables the RFU to be at the forefront of the game's global development, strengthening relationships across the world. Our aim is to work in partnership with key organisations such as FIRA-AER and the IRB to contribute to the growth of the sport in countries and regions where it has an opportunity to flourish and bring associated benefits.

Rugby and its values have much to offer and, recognising this fact, we have refreshed our Social Responsibility Strategy and are rolling out activities over the coming year, to ensure the RFU is a socially responsible employer; use rugby as a tool

for wider social gain; add value to the community surrounding Twickenham Stadium; be environmentally friendly and contribute to the work of relevant charities.

Our clubs are central to their communities and I have hugely enjoyed visits I have begun to make across the country, ambassadorial visits taking in every level from minis to veterans. Everyone I have met is tremendously excited about the opportunities for the entire game offered by England hosting the Rugby World Cup in 2015.

The third largest global sporting event, it will bring an estimated two billion pounds to the UK economy and a once-in-a-lifetime chance to take the sport to the entire nation. With the recent appointment of Debbie Jevans, who was Director of Sport at the London Organising Committee of

the Olympic and Paralympic Games, as the new CEO of England Rugby 2015, I am convinced that this will be the best Rugby World Cup ever.

I believe that we are well on the road to ensuring that the RFU is a modern and innovative organisation that can and will grasp that opportunity and run with it, leaving a real and lasting legacy. And while it is important that we are competitive in everything we do, whether it's England on the pitch, or the commercial element, we are all mindful that the grassroots level is where it all begins and that we owe a huge debt of gratitude to our 60,000 volunteers.



Ian Ritchie
Chief Executive Officer

CURRENT EXECUTIVE STRUCTURE



HIGHLIGHTS OF THE SEASON

ENGLAND U18 SEVENS TEAM WIN GOLD IN COMMONWEALTH YOUTH GAMES



BRITISH ARMY WINS INAUGURAL DEFENCE FORCES WORLD CUP IN AUCKLAND

QBE become title sponsors of Twickenham autumn internationals from 2012

DOORS OPEN ON NEW HQ FOR RUGBY WORLD CUP 2015

IAN RITCHIE JOINS THE RFU AS CEO



SKY EXPAND COVERAGE OF RFU CHAMPIONSHIP KICKING OFF THIRD SEASON

ENGLAND WIN DUBAI SEVENS TITLE FOR SECOND YEAR

O2 signs four-year agreement becoming one of sport's longest running sponsorships

SEPTEMBER | OCTOBER | NOVEMBER | DECEMBER | JANUARY | FEBRUARY
2011 | 2012

ENGLAND WOMEN SIGN THREE-YEAR AGREEMENT TO PLAY WORLD CHAMPIONS NEW ZEALAND

ENGLAND WOMEN SECURE BACK-TO-BACK WINS AND A DRAW AGAINST NEW ZEALAND

NEW CLUB ACCREDITATION SCHEME LAUNCHED TO HELP CLUBS BECOME STRONGER

England U18 Anthony Watson shortlisted for BBC Young Sports Personality of the Year



HEROES RUGBY CHALLENGE RAISES MORE THAN £717,642 FOR HELP FOR HEROES

ENGLAND PLAYERS COACH YOUNGSTERS AT WEST PARK, LEEDS

ENGLAND SECOND IN SIX NATIONS WITH HISTORIC THREE AWAY WINS

England U20s retain Six Nations trophy

ENGLAND WOMEN REWRITE RECORD BOOKS WITH SIXTH GRAND SLAM IN SEVEN YEARS

MARCH

RFU agrees partnership with Canterbury to become official kit partner

STUART LANCASTER APPOINTED ENGLAND HEAD COACH



ENGLAND WOMEN WIN HONG KONG SEVENS TITLE IN FRONT OF 40,000 FANS

ENGLAND U16 BEAT ITALY U17 AND WALES U16

FOUR-YEAR PARTNERSHIP WITH BMW GROUP UK AS OFFICIAL VEHICLE PARTNER

MARRIOTT LONDON SEVENS WORLD RECORD CROWD OF MORE THAN 103,000 OVER TWO DAYS AT TWICKENHAM

ENGLAND WOMEN ADD EUROPEAN CUP AND MARRIOTT LONDON SEVENS TITLES TO SIX NATIONS GRAND SLAM

England record win against the Barbarians before 42-man squad departs for South Africa

ANDY FARRELL JOINS ENGLAND COACHING TEAM

HERTFORDSHIRE LIFT BILL BEAUMONT CUP FOR THE FIRST TIME, 60 YEARS AFTER ENTERING COMPETITION

ENGLAND SEVENS WIN FIRA-AER EUROPEAN GP SEVENS TITLE

STANLEY SCHOOL, TEDDINGTON, WIN YAZOO TAG 2 TWICKENHAM FOR THIRD CONSECUTIVE YEAR

RUGBY FOOTBALL UNION FOR WOMEN INTEGRATED INTO RFU



Bill Beaumont becomes RFU Board Chairman



RFUTV RELAUNCHED AS ONE-STOP VIDEO SHOP FOR RUGBY FANS

APRIL

MAY

JUNE

JULY

AUGUST

PROFESSIONAL RUGBY



“ The England U20 squad became the first to win the Six Nations in consecutive years. ”

Rob Andrew Professional Rugby Director

The season marked a period of change as the Professional Rugby Department expanded to include the tournaments and competitions and women's performance functions, and a new England senior coaching team came on board, reporting directly to the RFU Chief Executive.

The England senior team's season began with the Rugby World Cup preparation camp and good wins in two out of our three warm-up games against Wales and Ireland. Under the leadership of Martin Johnson, a 30-man squad departed for New Zealand in early September. England won all their pool games against Argentina, Georgia, Romania and Scotland, finishing top of the group, before losing to France in the quarter final in Auckland.

England's early exit from the tournament was not the final chapter in our World Cup story. A small number of England players were involved in unacceptable off-field incidents which tarnished the reputation of the squad. A very harsh lesson was learned in New Zealand in what it means to be a sports star in our modern age.

On returning from New Zealand, the players' World Cup feedback reports, based on frank interviews and provided under the assurance of confidentiality, were leaked to the press. Having been given time and space to decide if he wanted to continue as England Team Manager, Martin Johnson decided to step down in December. We also said goodbye to England assistant coaches Mike Ford, Brian Smith and John Wells. Martin, Mike, Brian and John left the RFU with our gratitude for all they did for England Rugby.

The Professional Game Board's review of the World Cup recommended that the England Head Coach report to the RFU Chief Executive going forward, although the England senior team remains an integral part of the Professional Rugby Department from an operational point of view.

Jon Callard and Simon Hardy took charge of England Saxons for the two-match Six Nations programme against Irish Wolfhounds and Scotland A. The squad achieved a promising win for the first game, in which six players made their Saxons debut. There were eight changes for the second game which resulted in a very disappointing loss. With the Churchill Cup removed from the summer programme, ten Saxons players had the opportunity of taking part in the extended senior tour to South Africa.

Many England U20 players benefitted from additional Premiership experience during the World Cup, and with no A league, several also got additional game time via the dual registration system. Coached by Rob Hunter, the squad became the first to win the Six Nations in consecutive years with four wins out of five. The campaign featured 34 players, of which 25 were new caps, scoring a total of 169 points including 25 tries, and conceding 40 points and just one try, the lowest in the tournament's history. Unfortunately, the team under-performed during the IRB Junior World Championships, winning the first two pool games before losing in the final pool game and finishing a disappointing seventh.

As the profile and competition level for sevens rugby increases in the build-up >>





PROFESSIONAL RUGBY continued

“The 2011/12 adult male league season showed fixtures fulfilled increasing to 97.8%.”

to the Olympic Games in Rio in 2016, Ben Ryan’s programme has moved to a full-time, year-round operation. The RFU entered into full-time contracts with some 19 players, this size of squad providing sufficient depth, injury cover and competition for positions. England Sevens came third in this year’s IRB World Sevens Series with a good title win in Dubai, a final place in Glasgow and four semi-finals where they lost to the eventual winner. During the summer we won the FIRA tournament to become European Champions and also heavily supported the GB Students team that won the World University Games.

Coached by John Fletcher and Peter Walton, England U18s won the FIRA/AER tournament in Madrid, becoming European champions and remaining unbeaten in five international games. We also overhauled the academy performance review process to develop objective comparison, identify best practice and increase accountability. The regional academy funding model will evolve in the 2012/13 season to be performance-based, and we will also introduce a regional academy U18 competition supporting player development.

Stuart Lancaster’s appointment as England Head Coach is a great success for Stuart and for the RFU Elite Coach Development programme. Ten years ago Stuart was a school PE teacher in Wakefield and he has made his way up the ranks to the highest profile rugby coaching job in England. We hope his journey will inspire every community



rugby coach with the vision, ambition and talent to reach the top. The professional coach development programme, under the guidance of Kevin Bowring, ensures that a coaching culture is developing in England Rugby with professional coaches increasingly taking responsibility for their own continuous professional development. A new Chemistry for Success series of workshops was introduced to help create intelligent rugby leaders and the pipeline of world class coaches to operate in the international and domestic coaching environments is getting stronger every year.

Our sports medicine support for the England professional teams is well regarded and medical practitioners from the RFU and Premiership Rugby work together across a range of IRB medical working groups, driving forward best practice globally in concussion management, trauma care training, injury prevention and match day medical care. The programme, under the leadership of Dr Simon Kemp, continues to grow, the expansion of the England Sevens programme presenting a unique opportunity to provide 24-hour, 365-day cover for a group of players.

The RFU Pitch Side Immediate Trauma Care programme (now Immediate Care in Sport) delivered pre-hospital immediate trauma care training to 342 medical practitioners, worked collaboratively with the WRU to deliver a programme in Wales and provided training to English Institute of Sport medical staff in preparation for London 2012.

The Professional Rugby Injury Surveillance project moved from Nottingham University to Bath University with the appointment of a new PhD student. Now in its tenth season, this is the largest professional rugby injury surveillance study. Our focus for season 2012/13 will be concussion, with specific evaluation of the trial of Pitch Side Concussion Assessment.

On the sports science side, under Roy Headey, Head of Sports Science, a game-wide Research Board was established to lead research in all areas of the evolution of the English game, and investigate issues specifically related to injury reduction, coaching, participation and performance. Professor Sir Leszek Borysiewicz, Vice Chancellor of the University of Cambridge, has agreed to chair the Board. Together with the England and Wales Cricket Board, we jointly hosted an applied psychology symposium, with seven presenters from specialist psychiatry backgrounds exploring branches of applied psychology relatively untested in elite sport. Agreement was also reached with the University of Chester for a fully-funded PhD to research talent selection criteria and act as an analysis and assessment function of national academy players. Other initiatives include the continuation of the GPS PhD study with full support of the Rugby Players Association.

On anti-doping, for the second season running there were no adverse findings from our illicit drugs testing programme. However, two sanctions were issued to

teenagers for performance enhancing drug use and we will be placing greater emphasis on education and deterrents for younger players going forwards.

Our senior match officials continued to perform well in domestic, European and international competition under the guidance of Ed Morrison, Brian Campsall and Tony Spreadbury. Wayne Barnes, Dave Pearson and Stuart Terhegge were appointed to the match official panel for the Rugby World Cup in New Zealand, Wayne refereeing the bronze final and Dave appointed reserve assistant referee for the World Cup final itself, with Stuart receiving several assistant referee appointments in the pool stages. Graham Hughes was there as a TMO. They were joined by Andrew Small and Geoff Warren in receiving match appointments for the 2012 RBS 6 Nations.

Following the Six Nations, the IRB created tier groupings for international appointments. Unfortunately, none of our referees made the tier 1 group but Wayne Barnes and Dave Pearson were appointed to tier 2 matches in June, Wayne since regaining tier 1 status. Greg Garner and JP Doyle refereed at the Junior World Championship in South Africa, Greg refereeing the final. Dave Pearson has since been appointed to a referee coaching role with the Six Nations. Luke Pearce refereed at six of the IRB Sevens World Series tournaments. Andrew Small, Greg Garner, JP Doyle, Dave Pearson and Wayne Barnes all refereed in the Heineken Cup, Wayne refereeing the final at Twickenham, while Luke Pearce made his debut in the Amlin Challenge Cup.

A review of the TV match official (TMO) protocol took place during the season with a view to expanding the role. This will be trialled during the 2012/13 Aviva Premiership. Our match officials continue to build relationships with the Premiership, regularly supporting club training sessions. At Hartpury College we have been observing the new RFU ELRA (Entry Level Referee Accreditation) professional referees' course, delivered to all academy players to further their rugby education and provide an insight into a post-playing career opportunity. We hope to roll the course out to the Premiership clubs during the 2012/13 season.

The RFU tournaments and competitions function became fully integrated with

the Professional Rugby Department, with considerable work on the two competitions reviews to hopefully provide the best structures to meet all stakeholders' needs. Under the direction of Ian Elvin, proposals regarding the principles of Age Grade Competitions were adopted by the Community Game Board. A group is now responsible for honing these into practical recommendations. Year 1 of the Adult Competition Review collated evidence and opinion and, under the Chairmanship of John Douglas, there has been wide-ranging consultation with all involved.

The number of matches played showed a steady increase: figures for the 2011/12 adult male league season show fixtures fulfilled increasing to 97.8% (from 97.4% in 2010/11 and 97.15% in 2009/10). The season total was 13,664 RFU league matches played out of 13,971 scheduled fixtures. Preparation work, for implementation from the start of 2012/13, included an agreed RFU Championship four-year deal on funding and a simpler competition structure, plus



groundwork for further development of the British & Irish Cup, bringing it in line with European weekends and removing midweek matches, together with a financial incentive for English clubs. Work was also undertaken on the review of travel funding across the board; integration of the Rugby Football Union for Women (RFUW); and the agreement to introduce rolling subs at level 5 and below for men's adult competitions.

Some 100 rugby events were delivered countrywide, including the semi-finals of the Daily Mail RBS Schools competition at Broadstreet; the National U17s finals and the LV= Cup Final at Sixways, Worcester; England Saxons v Irish Wolfhounds at Sandy Park, Exeter, and England U18s v France U18s at Fylde RFC and all the big games at Twickenham, including The Heroes Rugby Challenge match in December which raised more than £717,000.

The team also worked closely with stakeholders, including European Rugby Cup Ltd, to deliver the Heineken Cup Final at Twickenham and the Amlin Challenge Cup Final at the Amlin Challenge Stoop. The Marriott London Sevens and the IRB Women's Sevens Challenge Cup at Twickenham saw 28 international teams playing a total of 78 games across two pitches and a record first day attendance of 60,050, with a cumulative attendance for the two days of over 103,000.

Following the integration of RFUW within the RFU on 1st July 2012 we welcomed 17 new colleagues into the department, with Nicky Ponsford continuing to lead the women's performance team during this very exciting time for women's rugby.

Finally, I would like to pay tribute to all members of the Professional Rugby Department for their unwavering commitment and professionalism during a difficult year. We are all settling into our new structure and looking forward to the challenges in the season ahead.

Rob Andrew
Professional Rugby Director

WOMEN'S PERFORMANCE



“ England won the Six Nations for a record seventh successive year, securing a sixth Grand Slam in seven years. ”

Nicola Ponsford Head of Performance

In the XV's game, England began the year with mixed fortunes. Head Coach Gary Street selected a young squad with nine new caps for one capped and one uncapped international played away against France. England narrowly lost both but building experience was the most valuable element and this paid off a month later when England took on world champions, New Zealand, at home and for the first time ever, secured two back-to-back wins against the Black Ferns and an 8 - 8 draw in the final match. It was a historic month as the first game, played at Twickenham, also saw New Zealand unable to score any points for the first time.

In March, England won the Six Nations for a record seventh successive year, securing a sixth Grand Slam in seven years. The team scored 123 points and conceded just 12. England also rewrote the record books in becoming the first side not to concede a single try in the championship. In total 28 players were used for the tournament, emphasising the Elite Playing Squad's strength in depth. England then lifted the European Cup in Italy in May, Assistant Coach Graham Smith's squad a mix of youth and experience.

England's sevens programme continued to develop, the team competing in six international tournaments and crowned IRB Challenge Cup winners in Hong Kong and London as well as being finalists in Dubai. They also won the European Sevens Series, qualifying for the 2013 Rugby World Cup Sevens. A particular highlight was the Marriott London Sevens, England winning the IRB Challenge Cup title in front of a record crowd. As integration into the RFU has now taken place, we are looking forward

to working more closely on events like this and on other international games and programmes.

Over the year, more than 20 players were involved in the sevens programme, with Barry Maddocks appointed the first ever full-time England Sevens Women's Head Coach. He has a busy year ahead with the IRB announcing the first Women's Sevens World Series and the Rugby World Cup Sevens in Moscow next July. Once again we held open sevens trials and over 100 players registered, six being included in the RFU Women's Sevens Development Squad and going on to play in three domestic tournaments. Also in that squad were six athletes involved in the UK Sport Talent Transfer Scheme, Power to Podium.

For a young and inexperienced England Under 20s team it was a disappointing season, losing three games against France. Key performance indicators have been put in place to address player progression and a key area of focus is skill development, together with improved

strength and conditioning work. Winning games is important but at this stage in the squad's development it is not the only key driver.

The English Institute of Sport has continued to play a significant role in the development of our players, with support for strength and conditioning, nutrition, sports analysis and sports medicine. The commitment of their staff to support the Elite Player Squad has been outstanding.

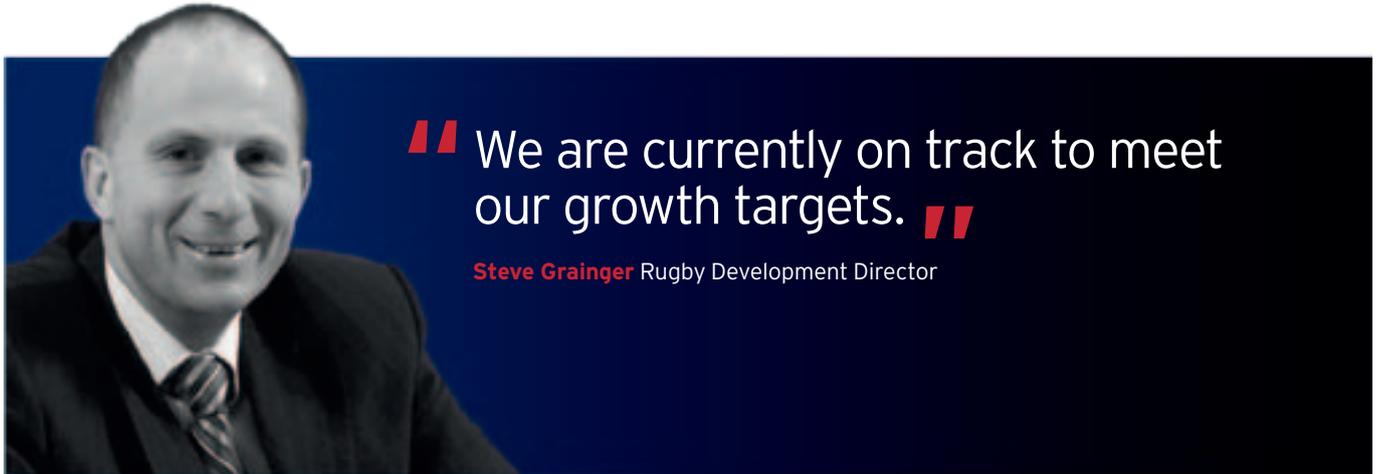
In its second year, the Divisional Programme continued to develop. Strength and conditioning interns have been allocated to each division and we have already seen improvements at U15s and U18s level. Satellite sessions, largely run by the RFU's Divisional Talent Development Officers and focusing on core skills development, have also been a success and a review with Divisional staff saw progress in improving the programme.

Nicola Ponsford
Head of Performance





RUGBY DEVELOPMENT



“ We are currently on track to meet our growth targets. ”

Steve Grainger Rugby Development Director

The lead up to and legacy from Rugby World Cup 2015 sees the Rugby Development Department working to ensure that this global tournament and the interest generated benefits the entire game nationwide.

We have been building capacity and broadening the reach of rugby union, investing in facilities, people and the education sector and aiming to bring back those we have lost, while attracting new players. We have begun to build stronger links between England Rugby and other nations to grow and develop the game and, as happened with the London Olympics, we will be aiming to create engagement across the country and have everyone talking about rugby through a cultural programme. This will be achieved by working with all our Constituent Bodies and member clubs and, although it must be approached with caution, there was some reassurance in the fact that Sport England’s annual Active People Survey put participation up by 26,000

in the year to April 2012, reversing a two-year decline. We are currently on track to meet our growth targets and by developing every aspect of the sport, touch, tag and sevens, as well as the XV-a-side game, we hope to achieve sustained growth as we head to 2015.

The existing rugby development structure had grown organically over a number of years and needed to be rationalised. This was achieved by creating a new structure, halving the number of functional areas, facilitating a workable management structure and putting the right people in place. Moving, in staffing and managerial terms, from eight to six regions has delivered continuity across area teams, while retaining all the essential specialist roles and creating consistent numbers.

During the year, we confirmed that 120 full time Community Rugby Coaches (CRCs) would serve the identified needs of clubs and they were recently provided with Canterbury kit. Better support for

CRCs will help bring improved service to coaches and clubs nationwide and allow our 50 Rugby Development Officers (RDOs) to better focus on addressing club needs as they work within their communities. With the sport hugely dependent on volunteers, they will be central to the work of our RDOs, who will help to ensure that the volunteers in 2,000 clubs are recruited, supported and appreciated.

The facility development resource has been doubled as effective and efficient facilities are essential to keep and grow participation. Managers in the field have been helping clubs to secure funding. The Rugby Football Foundation’s Helping Hand small grants programme has provided matched funding of £500-£1500 for capital projects, such as clubhouse repairs, new boilers and goalposts. This saw 51 clubs benefiting from £66,110 of grants. A further 84 clubs delivered projects through the Groundmatch scheme with a total investment of £391,610, and 26 clubs were awarded interest-free loans to the value of £1,468,229 for projects like changing room extensions and purchase of new pitches. These attracted further matched funding of just over £3m.

The RFU enabled 26 club projects, such as new floodlights, clubhouses and pitch drainage, to be carried out, investing £1.236m and attracting a further £3.889m partner funding, making a total of £5.125m investment in clubs. The Rugby Football Foundation also supported the RFU’s Capital Investment Programme with an additional £450,000 investment in eight large projects, which attracted a further £1.402m in partnership funding. >>





RUGBY DEVELOPMENT continued

Following an increase in national lottery funding to Sport England's Places People Play Programme, the RFU worked locally to help clubs access the capital funding programmes. Within the Protecting Playing Fields Fund there have been two rounds of funding which have seen £846,034 awarded to 18 rugby club projects, supporting the delivery of new pitches and improved drainage schemes. Within the Inspired Facilities Fund, round one saw 21 rugby projects awarded funding of just over a million pounds, and round two has seen £2.2m awarded to 42 projects such as third generation artificial grass pitches and clubroom extensions.

Where we can make life simpler for our clubs we continue to do so, a good example being the launch of a new and straight-forward Club Accreditation scheme, supporting the RFU's avowed aim of strengthening clubs and growing the game in their communities. At the time of writing, 253 clubs have already secured accredited status.

A revised coach education structure and more bespoke service was launched in the New Year, with simplified qualifications appropriate to coaches' needs, while at the same time being more cost effective. Level 1 is now entirely targeted at the mini/midi coach while those coaching the XV-a-side game go straight to Level 2. In addition, we launched an online Coaching Academy for licensed coaches, with numbers licensed more than doubling during the year and now standing in excess of 5,000. This helps to ensure coaches continue to develop and that players have a good experience. There was also the highest ever attendance on RFU courses, with 25,000 coaches benefitting, and the RFU's Level 4 qualification was endorsed by Sports Coach UK so that the entire suite of courses is now externally verified as being of excellent quality. The annual Injury Audit/Surveillance helps to inform coaches, referees and all involved in player safety and to ensure that content of the IRB Rugby Ready course is pertinent.

In all, 20 CBs have signed up for the New Rules of Play for seven, eight and nine year olds. In-depth specialist research with Exeter University highlighted the need to adapt the game to the developmental level of children. This was initially achieved in the pilot areas of Northumberland, Hampshire

and Warwickshire, with coaches, parents, children and clubs reporting improved levels of enjoyment and skill acquisition, resulting in more youngsters staying in the game.

We have brought together referee and coach training to create a better system to serve increased numbers at local level and, for example, to train more tutors to deliver courses on our behalf. We now have 42,795 qualified referees registered and last year we ran 278 Entry Level Referee Award courses, with 3,041 taking part. 2,713 gained the qualification with the rest still working towards completion. In addition, 55 Mini Midi courses trained 477 referees for the younger age levels, while 57 referee society Continuous Referee Development events took place with 1,065 being trained and 343 attending 27 club referee education evenings. An example of the level of recruitment is the London Society of Referees with an average of 10-12 officials per month over the past two years attracted to the role and qualified.

"13,916 women and girls registered to play, an all-time high."

Female officiating in England continues to grow too, and was boosted by the presence of six women match officials representing the RFU when the London Marriott 7s took place at Twickenham Stadium - two of which, Claire Hodnett and Clare Daniels having now joined the IRB women's panel. Our young officials have also been impressive, officiating at the likes of the Rosslyn Park HSBC National Schools Sevens, the Sainsbury's National School Games and the London Youth Games.

In the 2011/12 season, 13,916 women and girls registered to play rugby, an all-time high and an increase of 1,666 players on the previous year. The growth continued through schools development work, with 232 schools now actively taking part in girls' rugby at years 7 and 8 and consequent growth in the National



Schools competitions. The Under 13s age band was introduced for girls, with 43 new teams created. This will lead to a more sustainable player group at Under 15s and beyond, and provides girls with a direct pathway from primary school or mini rugby into full contact rugby.

Importance has been placed upon ensuring that when girls are introduced to rugby in school they can continue to develop their sport at local clubs, and work through the English Rugby Football Schools Union continues to develop the girls' game. The Students Rugby Football Union programme supporting women's rugby at university has also seen an increase in matches played within the British Universities and Colleges Sport leagues and a decrease in the number of cancelled matches. Furthermore, the programme has delivered coach education to support female teams with qualified coaches.

A Volunteer Development Programme was introduced to train and support new or inexperienced female volunteers,



which in its first year saw 13 of the programme's volunteers take up roles within Constituency Bodies, contributing widely to local development.

The development of playing opportunities in the education sector continues to bring new players into the game and keep many playing regularly. There are more than 120 universities, 200 colleges and 2000 secondary schools playing regular rugby in a wider range of formats than ever before. The recent growth of tag rugby in primary schools has given the game a great grounding from which to bring touch and sevens to a whole new group of young people in schools, colleges and universities.

In partnership with the education sector constituent bodies - Students RFU, England Colleges RFU and England Rugby Football Schools Union - the RFU is keeping abreast of the challenges in education. What is offered not only creates a return for rugby but simultaneously matches up to the objectives of head teachers, principals and vice-chancellors. A raft of additional support for the game in education over the past year included school PE and cross-curricular lesson plans for teachers; close links to the new School Games initiative, resulting in 45 summer School Games county rugby festivals; the first and a hugely successful Colleges Rugby Conference in tandem with the British Colleges Sport finals day; O2 Touch in 15 new universities, and the expansion of intramural and social rugby.

A new Education Development function recently put in place will further develop the expertise, tools, resources and structures that support recruitment of new schools, colleges and universities. This will help those currently playing to do more, assisting in linking education to rugby clubs and ensuring rugby connections are effective between education establishments to keep young people in the game throughout their education journey.

England U16s continued to provide aspirational opportunities for young players. They beat Italy U17 away by 20 - 31 and Wales U16 at home 39 - 34. At the Easter Wellington Festival England U16 North and England U16 South took on Scotland, Canada, France,

USA and Belgium. England U18 Clubs & Schools provides an aspirational pathway for those outside the Elite England U18 programme and they beat Ireland U18 Clubs 38 - 10 with 14 members of that squad going on to contracts with premiership clubs and academies, a number playing in the RFU Championship and four travelling to New Zealand or Australia to play.

England Students provide opportunities for talented university players to pull on an England shirt. A match against Portugal was lost narrowly 31 - 28, they beat Wales Students 45 - 23, lost to Emerging Italy 62 - 10 and to France Universities 62 - 3.

England Counties U20s in only their second season drew players from clubs at Levels 3 and below, all having played for their Constituent Body. They lost narrowly away to the Scottish Elite U20 squad, in their opponents' warm-up match before the Junior World Cup.

The England Counties XV beat Ulster Bank International by 34 - 16 and were unbeaten on tour to Uganda and Kenya, beating Ugandan Barbarians 66 - 13, and a squad of the two countries' best players, Elgon Warriors, 39 - 5 and 34 - 14. Their extensive outreach programme additionally saw them coaching across the age groups and introducing the youngest children to tag rugby.

It has been an extremely busy year, with administrative restructuring rationalising the Development Department's work in the rugby community. Change is never easy and it is a credit to our staff and volunteers that they have made this such a successful season.

Steve Grainger
Rugby Development Director

GAME GOVERNANCE



“ Regulations, discipline and safeguarding now incorporated in the Legal and Governance Department. ”

Karena Vleck Legal & Governance Director

A great deal of work has taken place over the past season, with regulations, discipline and safeguarding now incorporated in the Legal and Governance Department.

An Age Grade Working Group, made up of specialists from across RFU departments, carried out a thorough review of Regulation 15 (Age Grade Rugby) and consulted widely with the game to create more user friendly regulations and more flexibility for clubs and schools. The Group also developed and rolled out an education programme and resources in advance of the 2012/13 season.

The RFU Regulations underwent their annual review to maximise clarity and compliance, with a thorough review of: Regulation 14 (Adult Registrations), Regulation 10.1 (Professional/Elite Matches) and Regulation 21 (Safeguarding), plus a standard review of all RFU Regulations.

The Legal and Governance Department undertook detailed research into betting and integrity, consulting industry specialists and other sports governing bodies in readiness for formulating the RFU revised strategy on betting issues. This has seen close liaison with the IRB on their proposed new regulation on betting.

The focus on integrity issues also extends to the RFU Agents Registration Scheme, with a focus on developing, monitoring and improving the standards of players' agents. The Scheme, which has been running for some three years, now has 124 registered agents and in the 2011/12 season a further 34 agents applied and were accepted, becoming subject to the RFU's jurisdiction, regulations and disciplinary procedures. Two successful Agents Seminars saw agents educated on topics such as academies, approaches to players, player contracts, anti-doping and insurance.

Significant changes regarding the new IRB Regulation 17, governing discipline and foul play, were approved by the IRB Council on 15 May and came into force on 1 June 2012. The core principles are mandatory and work has taken place to ensure they are included in the RFU's Regulations by July 2013.

Citing timelines for Aviva Premiership and RFU Championship clubs must now be received by the Head of Discipline from a nominated citing officer within 24 hours of Premiership matches and four working days of RFU Championship matches, except in exceptional circumstances. Consequently, the RFU's Discipline Department has streamlined the citing process, with citing officers attending all Premiership matches and reviewing all Championship games. Premiership cases will be heard on the Tuesday after the match weekend, with appeals on Thursday. Championship cases will be expedited.

A very successful and well attended disciplinary conference was held over the weekend 29 June/1 July, enabling consultation with and feedback from the game on important issues. Furthermore, in August, Gerard McEvilly, a barrister with significant experience in regulatory law and rugby, having appeared in disciplinary hearings at CB and RFU level, became the RFU Head of Discipline.

The Safeguarding Team's projects included completion of the Club Safeguarding Toolkit, providing clubs with guidance on how to deal with incidents as well as best practice for making their clubs safe and happy environments for children. New safeguarding courses were created: Play It Safe and In touch, the former affording basic safeguarding awareness and the latter a more detailed course for Club Safeguarding Officers and club officials. Tutors are now delivering both courses nationwide.

Two conferences updated and trained CB Safeguarding Managers, the NSPCC's Child Protection In Sport Unit delivering sessions on social media, grooming and parent and spectator behaviour. The CRB service saw some 15,000 CRBs processed, 8,000 online, which has improved speed and efficiency. CB visits also saw the team meeting with CB executives and Club Safeguarding Officers to discuss issues experienced at grassroots clubs.

Karena Vleck
Legal & Governance Director



COMMERCIAL



“ Our partners will have a more far-reaching and embedded place within the sport. ”

Sophie Goldschmidt Chief Commercial Officer

The sport of rugby union and its associated core values continue to be very attractive to partners and we have refined the number of partnerships and assets so that they run deeper, providing a meaningful level of support for more areas of the game. By ensuring an innovative and progressive approach, we anticipate that our partners will have a more far-reaching and embedded place within the sport, which will in turn bring significant benefits for the game.

Over recent months we have announced new and renewed agreements, among them a continuing four-year agreement with O2, England Rugby sponsor since the game went professional in 1995 and one of sport's longest running partnerships. QBE have come on board as the title sponsor of our QBE Internationals, with four exciting southern hemisphere encounters this coming autumn. Canterbury, one of the world's leading rugby brands, has become the RFU's official kit partner, recently launching the new England kit at Drybrook RFC, a real community club.

Latterly, BMW became our official vehicle partner, but in keeping with the desire to connect partners with more of the sport, they have also become the first brand to invest specifically in our age grade teams and the pathway which will secure the development of the next generation of England players. Among other valued partners with whom we have signed agreements over the past year are SSE, GlaxoSmithKline and Marriott.

Twickenham Stadium had no autumn internationals last season and only two RBS 6 Nations matches, due to the Rugby World Cup tournament, although there

were record attendances at several events and we secured a world record for the two-day Marriott London Sevens with 103,027 fans watching both men's and women's match action.

There were record TV ratings for the HSBC Sevens World Series, with an estimated global audience of 850 million, and the RBS 6 Nations. The RFU Championship kicked off its third season with Sky Sports expanding their coverage and support of the game.

We are currently a UK leader as a digitally connected sport governing body and have enjoyed record monthly views of rfu.com during the RBS 6 Nations, with enriched content engaging with our audiences across all RFU digital platforms, and we are well on the way to securing our digital vision of real personalisation with the launch of our new rfu.com homepage, in addition to other new initiatives supporting our clubs and better serving our fans.

We now have a new marketing function which is enabling a more proactive and cost efficient approach to further growing the sport and developing the England rugby brand.

Joint Ventures

London Marriott Hotel Twickenham
London Marriott Hotel Twickenham continues to frequently secure occupancy levels at 100% and across the whole year achieved 71.8% occupancy. The six pitch view suites are tremendously popular and much sought after especially during major international matches. The adjoining Virgin Active Classic health club complements the offering for guests.

The hotel finished the year £0.8m up on plan, with revenue of £6.6m and an operating profit to the RFU of £0.4m.

Marriott Hotels & Resorts has also entered a new strategic partnership with the RFU for the next four years. This includes title sponsorship of the Marriott London Sevens and being an Official Partner of England Rugby, making Marriott Hotels & Resorts a major supporter of the RFU which builds on the brand's existing presence at Twickenham Stadium.

Virgin Active Classic Health Club

The Virgin Active Classic Health Club revenues were marginally improved despite a difficult economic climate, with an operating profit before tax for the RFU of £0.6 m and a £3.3m turnover.

Membership grew over the last 12 months by 200, with the Twickenham Stadium club consistently in the top performers in Virgin's group of 123. Some 25% of members take part in classes and 11.7% have personal training, against a UK average of 6.9%. Reciprocal access allows Twickenham members once-a-month use of any of the Classic Clubs across the UK and overseas. >>

“World record for the two-day Marriott London Sevens.”



COMMERCIAL continued



“More than 1,500 fans headed to the New Zealand for the Rugby World Cup with England Rugby Travel.”

England Rugby Travel

The RFU's official travel company, England Rugby Travel, continue to ensure that England supporters have a great experience surrounding England matches both at home and away.

More than 1,500 fans headed to the New Zealand for the Rugby World Cup with England Rugby Travel, enjoying a number of exclusive events with legends of the game like Wayne Shelford,

Jake White, Philippe St Andre and Matt Dawson. Edinburgh, Paris and Rome were popular away destinations for over 2,500 England fans during the RBS 6 Nations and in Rome fans enjoyed a social evening with Stuart Lancaster, Andy Farrell and Graham Rowntree.

This summer the company launched their new England Rugby Travel Tours, which will see schools, colleges, universities and clubs offered a bespoke service both to

tour abroad and to host incoming teams and to take part in festivals and tournaments throughout the world.

England Rugby Travel's turnover for the year was £7.6m, with an operating profit share to the RFU of £130,000.

Sophie Goldschmidt
Chief Commercial Officer

TWICKENHAM EXPERIENCE LTD



Chris Morris Managing Director
Twickenham Experience Ltd

Twickenham Experience Limited (TEL) is the RFU's joint venture with Compass Group PLC, which provides match day catering, hospitality and bar services as well as non-match day catering, conference and event management services at Twickenham Stadium.

Whilst the UK corporate hospitality market remains flat, rugby as a sport and Twickenham as a venue remain at the forefront of corporate entertaining. Given the economic downturn and impact of the London 2012 Olympics, it is encouraging that TEL has continued to maintain its sales levels of hospitality packages through delivering a quality product and service in a unique environment. Over 40,000 covers were catered for on match days throughout the course of the season.

TEL's public bars and catering units served in excess of 900,000 match day guests at over 17 events in the 2011/12

season. A range of food and drink offerings were available to enhance the customer's match day experience and TEL has worked hard to provide variety, quality and choice.

TEL's non-match day Conferences and Events business achieved revenues of £4.3m and utilised the world class conferencing facilities available at Twickenham stadium. Events ranged from small lunch meetings to international conferences, product launches, weddings and awards dinners for 800+. Repeat customers included Unilever, BskyB, Open Text, IBM and Rentokil Initial with many clients using TEL's tiered seated auditorium that can host up to 550 delegates.

The year finished with total revenue of £22.7m and net profit to the RFU of £3.0m.

TWICKENHAM STADIUM



“ A state of the art new pitch installed over 14 weeks before the 2012/13 season. ”

Richard Knight Stadium Director

To ensure that Twickenham Stadium is a truly world class venue heading towards 2015 and bring benefits for a further quarter of a century, a major upgrade is taking place.

This has already begun over the summer period with the main improvement being a state of the art new pitch installed over 14 weeks before the 2012/13 season and replacing the original pitch, which had done sterling service for more than 100 years. The new pitch has excellent drainage to eliminate standing rainwater, under-soil heating to keep frost out of the ground, a new irrigation system and Desso fibres to provide additional stability.

The start of our complete mechanical and electrical upgrade has also begun as well as some 20 executive boxes being refurbished. Among other key improvements, those recently completed, in hand and planned are: improved public catering facilities; upgraded wi-fi connectivity; new video screens at each end of the pitch; an IT backbone extension to cover the entire stadium; improved media areas; updated pitch floodlighting; centre tier LED signage to enable better fan engagement and information; replacement of areas of seating; turnstile and access control; provision of additional female toilets and safety and security upgrades. These works are all scheduled to be completed over the next three years.

One completed improvement was the specially designed match day facility for our seriously injured players, who come to international matches as guests of the RFU's Injured Players Foundation. The box is DDA compliant and is a welcome addition to our already excellent facilities

for persons with disabilities. In the past season the stadium was awarded five stars by Leonard Cheshire Disability's Action for Access campaign and our national stadium continues to be at the forefront in catering for disabled visitors and spectators.

We consistently achieve over 60% recycling figures for event day waste, with that remaining diverted from landfill to energy from waste initiatives, maintaining our 100% diversion from landfill commitment on event days. We have also recently begun to recycle plastic and cardboard on site. To benefit the grassroots game, our specialist staff have been working with our clubs and CBs, giving information and advice on such essential issues as pitch and grounds maintenance, property administration and recycling and waste management.

At the start of the new season Twickenham hosted its 17th and 18th concerts with 110,000 Lady Gaga fans over two nights enjoying the stunningly theatrical shows at The Born This Way Ball. The stadium's first concert in 2003 featured the Rolling Stones and, with a limited number of top line artists who can fill a large venue and Twickenham competing with other London arenas, we have hosted an average of two concerts a year and continue to vigorously compete to make the stadium work hard for its income.

Richard Knight
Stadium Director



SEASON 2011/12 RESULTS

England

The Killik Cup

England 57 - Barbarians 26

Investec International

England 23 - Wales 19
Wales 19 - England 19
Ireland 9 - England 20

IRB Rugby World Cup 2011

Pool B

Argentina 9 - England 13
England 41 - Georgia 10
England 67 - Romania 3
England 16 - Scotland 14

Quarterfinal

England 12 - France 19

RBS 6 Nations

Scotland 6 - England 13
Italy 15 - England 19
England 12 - Wales 19
France 22 - England 24
England 30 - Ireland 9

South Africa Tour

South Africa 22 - England 17
SA Southern Barbarians 26 - England 54
South Africa 36 - England 27
SA Northern Barbarians 31 - England 57
South Africa 14 - England 14

England Saxons

England Saxons 23 - Ireland A 17
Scotland A 35 - England Saxons 0

England U20

IRB Junior World Championship

Pool

England 64 - Italy 5
England 20 - Ireland 15
England 15 - South Africa 28

England 12 - Ireland 27 (5th-8th place semi-final)

England 17 - Australia 13 (7th-8th place final)

U20 Six Nations

Scotland 3 - England 59
Italy 7 - England 42
England 40 - Wales 9
France 12 - England 8
England 20 - Ireland 9

England U18

FIRA/AER Championship Qualifiers

England 18 - France 16
Scotland 8 - England 20

Finals - Madrid

England 58 - Georgia 8
England 22 - Wales 16
England 25 - Ireland 13

Summer Tour - South Africa

England 28 - Wales 25
England 13 - 20 France
South Africa 36 - 29 England

England Sevens

HSBC Sevens World Series

Third Overall

Australia - Plate Semi-Finalists
Dubai - Champions
SA - Fourth Place
NZ - Third Place
USA - Plate Semi-Finalists
Hong Kong - Fourth Place
Japan - Fourth Place
Scotland - Runners Up
England - Plate Finalists

England U16

Italy U17 20 - England U16 31
England U16 39 - Wales U16 34

Wellington Festival

England North U16 20 - Netherlands U17 11
England South U16 28 - Scotland U16 17
England North U16 12 - USA U17 6
England South U16 14 - Canada U17 10
England South U16 9 - Wales U16A 22

England U18 Clubs and Schools

England U18 Clubs and Schools 38 - Ireland U18 Clubs 10

England Counties

England Counties XV 34 - 16 Ulster Bank International Team

Summer Tour

Ugandan Barbarians 13 - England Counties XV 66
Elgon Warriors 5 - England Counties XV 39
Elgon Warriors 14 - England Counties XV 34

England Counties U20

England Counties U20 16 - Scotland U20 33

England Students

Portugal 31 - England Students 28
England Students 42 - Wales Students 23
Emerging Italy 62 - England Students 10
France Universities 62 - England Students 3

England Women

France 16 - England 15
England 10 - New Zealand 0
England 21 - New Zealand 7
England 8 - New Zealand 8

Friendly

France 14 - England 5

RBS 6 Nations

Scotland 0 - England 47
Italy 3 - England 43
England 33 - Wales 0
France 3 - England 15
England 23 - Ireland 6

European Cup

Spain 0 - England 61
Italy 8 - England 32
France 25 - England 29

England Women U20

France U20 50 - England U20 0
England U20 5 - France U20 11
England U20 3 - France U20 13

England Women Sevens

European 7s Winners
Dubai - Second Place
Hong Kong - Champions
London - Champions
Amsterdam - Fifth Place
Euro Ameland round 1 - Winners
Euro Moscow round 2 - Winners

The Killik Cup

Barbarians 11 - Australia 60

Heroes Rugby Challenge

Supported by J.P.Morgan

Northern Hemisphere 22 - Southern Hemisphere 36

The Nomura Varsity Match

Oxford University 28 - Cambridge University 10
Oxford University U21 19 - Cambridge University U21 11

Aviva Premiership Rugby Big Game 4

Harlequins 11 - Saracens 19

British Universities and College Finals**Women's Final**

Leeds Met Carnegie 5 - Cardiff Met
(UWIC) 30

Men's Final

Durham 20 - Hartpury 45

AASE Final

Hartpury College 34 - Henley College 21

Daily Mail RBS Schools' Day**U15 Vase Final**

Sir Thomas Rich's School 5 - Dauntsey's
School 17

U15 Cup Final

RGS High Wycombe 12 - The Grammar
School at Leeds 17

U18 Vase Final

The Leys School 16 - Ravens Wood
School 8

U18 Cup Final

Old Swinford Hospital School 8 - Dulwich
College 15

Army v Navy for the Babcock Trophy

Army 48 - Navy 9

RFU Cup Finals**RFU Junior Vase Final**

Harrow RFC 3 - Baildon RUFC 6

RFU Senior Vase Final

Wells RFC 31 - Wath-upon-Deerne
RUFC 22

RFU Intermediate Cup Final

East Grinstead RFC 34 - Ilkley RFC 18

National U20 Championship

Gloucestershire 22 - Yorkshire 28

Bill Beaumont Cup Final

Hertfordshire 38 - Lancashire 20

County Championship Shield Final

Leicestershire 12 - Surrey 43

Aviva Premiership Rugby Final

Harlequins 30 - Leicester Tigers 23



FINANCIAL REVIEW



“ Key to the success of the RFU’s reserve policy is its ability to maintain direct rugby investment during World Cup years. ”

Stephen Brown Chief Financial Officer

Despite a challenging year on many fronts, the RFU continues its solid record of delivery against all key financial targets.

Total revenue

As forecast and anticipated in every four-year cycle, the RFU has delivered a planned loss in 2011/12. Although the retained loss reported in these accounts is only £6.3m, the true performance, excluding an exceptional charitable transfer and the timing effect of the business rates rebate, is actually £4.0m worse, but exactly on plan from both a profitability and retained reserve perspective.

Key to the success of the RFU’s reserve policy is its ability to maintain direct rugby investment during World Cup loss-making years (driven by an absence of autumn internationals, Six Nations match profile and additional Rugby World Cup costs for the senior team). This success is confirmed in 2011/12 by the £26.8m invested directly in clubs and Constituent Bodies; up £2.1m from 2010/11.

As we look forward to 2015, the RFU commences the next four-year cycle with a very healthy reserve balance, complemented by solid revenue growth expectations. Ultimately, this will facilitate increased investment across all levels of the game as we progress towards our home World Cup.

Revenues

Total revenues decreased as planned by £19.7m from £136.3m to £116.6m, predominantly driven by the impact of the Rugby World Cup on the match programme, but there were encouraging increases in other revenue streams such as travel and the hotel.

Ticket income decreased by £16.7m, from £30.0m to £13.3m, due to the staging of the Rugby World Cup, which prevented the usual programme of autumn internationals and, in addition, the loss of the third Six Nations match in 2011/12. In 2011/12 we shared the revenues from three World Cup warm-up matches with the other participating unions (Wales at Twickenham and Cardiff, Ireland in Dublin), whereas in 2010/11 we hosted four autumn internationals against New Zealand, Australia, Samoa and South Africa. In 2011/12 we staged two Six Nations home matches, as against three in 2010/11, and this resulted in a £4.6m decrease in ticket income.

Broadcasting revenue (the majority of which is under fixed term contracts) decreased by £9.0m from £31.8m to £22.8m. Income from the main broadcasting contract decreased due to the match programme and the revenue sharing arrangements with other unions for the World Cup warm-up matches, whilst Six Nations broadcasting income slightly decreased by £0.2m, mainly due to the England team finishing second in the Six Nations Championship in 2011/12 compared to first in 2010/11.

Sponsorship revenue, which is also largely contracted in any given year, decreased by £0.7m from £16.0m to £15.3m, mainly reflecting the reduced autumn match programme.

Hospitality and catering, which is now our single largest revenue stream, decreased by £5.6m from £33.2m to £27.6m, mainly due to the number of major international matches staged. Total package revenue for the Rugby World Cup warm-up match was £4.5m lower than the total package

revenues from the four autumn internationals in 2010/11 and there was also the loss of revenue from the third Six Nations match compared to 2010/11. Sales of food and beverages at the stadium public outlets decreased by £2.1m due to the decrease in the number of major matches. Elsewhere, revenues from our Conference and Events business decreased by £0.3m.

Merchandising and licensing revenues were unchanged at £5.2m, with a small decrease in retailing revenues, offset by a small increase in licensing revenues.

Our travel business, England Rugby Travel, recorded revenues of £6.9m, up by £5.8m from 2010/11 revenues of £1.1m. This was primarily due to the impact of the packages sold for the Rugby World Cup in New Zealand. Hotel revenues from the London Marriott Hotel Twickenham in the South Stand increased by £0.9m, from £5.5m to £6.4m, reflecting the increasing number of guests staying whilst attending conferences and events at the stadium. Health and Leisure revenues from the South Stand’s Virgin Active Classic Health Club marginally increased by £0.1m from £3.2m to £3.3m.

Revenue from hosting Rugby World Cup 2015 is included for the first time as the operations of the hosting company England Rugby 2015 commence. Under accounting standards the RFU is permitted to match the actual costs incurred to date (£1.8m) with accrued revenues of an equal amount and therefore no profit from Rugby World Cup 2015 is recognised during the year.

Other income comprises stadium rental income, revenue from hosting non-RFU

events, income from Government and other public bodies and miscellaneous other categories. Total other income increased by £3.7m, from £10.3m to £14.0m, primarily due to funding received from the International Rugby Board relating to our participation in the Rugby World Cup.

Costs

Total costs decreased by £0.8m from £95.7m to £94.9m but this decrease is distorted by the effect of the two exceptional items of the rates rebate in 2010/11 and the transfer of funds from SPIRE in 2011/12. After removing the effect of these two items, total costs increased by £3.0m although this increase does include the £1.8m costs of England Rugby 2015 referred to above.

Direct costs, which comprise all of the costs associated with our revenue streams, decreased by £0.5m, from £34.1m to £33.6m, with the main components set out in the table below.

	2012	2011
	£m	£m
Direct costs		
Ticketing	2.3	7.1
Sponsorship	1.1	1.2
Hospitality & Catering	10.6	13.7
Merchandising & Licensing	3.7	4.1
Travel	6.3	0.7
Hotel	5.2	5.0
Leisure	2.4	2.3
Rugby World Cup 2015	1.8	0.0
Other	0.2	0.0
	33.6	34.1

The main decreases in direct costs were in ticket and hospitality and catering costs, which were down £4.8m and £3.1m respectively, due in large part to the number of matches in the international programme and the revenue sharing arrangements for the fourth autumn match against New Zealand in 2010/11. Travel costs increased by £5.6m, reflecting the direct costs of the travel packages to the Rugby World Cup.

Elite Rugby costs increased by £1.1m, from £12.7m to £13.8m. Costs in most areas showed no change with the exception of the senior England team and the England Sevens team, with the former showing an increase due to the costs of preparing for and participating in the Rugby World Cup.

Community Rugby costs in total decreased by £1.7m, from £16.7m to £15.0m. The comparison with 2010/11 is distorted by the effect of the restructuring during the latter part of 2010/11, during which a number of activities either ceased or were transferred elsewhere in the RFU; the impact of this is estimated at £0.9m. Directly comparable costs for both years fell by £0.8m as head count and activity was lower following the restructuring. These reductions were across all areas of expenditure with the exception of the 'Choose Rugby' game promotion, which showed an increase of expenditure of £0.1m, from £0.4m to £0.5m.

Business and administration costs increased in total by £1.4m, from £20.2m to £21.6m, although there are a number of material one-off items. There was a reduction in the cost of restructuring of £0.6m and 2010/11 also included a one-off provision against the loan to the Churchill Cup of £0.8m, but these decreases were offset by a number of material increases. Our review of procurement arrangements has resulted in settlements of £0.5m to exit from onerous contracts established several years ago. The replacement contracts will generate substantial recurring savings in future years. There were increases in investment in Commercial and Marketing expenditure of £0.7m, an increase in IT expenditure of £0.4m, an activity-related increase in the cost of the Communications and Public Affairs Departments of £0.3m and increases in Legal and Professional fees of £0.3m. Apart from these major changes, there were additional minor cost increases across most areas reflecting expected inflationary pressures.

There was an exceptional item of £5.0m in 2011/12 reflecting the transfer of funds from Support Paraplegics in Rugby Enterprise (SPIRE) on 1 July 2011; on that date the RFU Injured Players Foundation became the sole trustee of SPIRE and assumed legal control of SPIRE's investments of £5.0m held under permanent endowment.

Stadium costs increased by £2.7m from £13.2m to £15.9m, but this increase is wholly due to business rates. Included in 2010/11 was a rates rebate estimated at £1.7m following agreement with the Valuation Office Agency on the rateable value of the stadium. This

estimate was revised downwards in 2011/12 by £1.1m.

There was an exceptional item in 2010/11 arising from the rebate on stadium business rates of £1.2m. This figure represented the refund of business rates overpaid during the years from 2005 to 2010.

Allocations to clubs and Constituent Bodies

Total allocations, which comprise payments and payments-in-kind to member clubs, Constituent Bodies and other rugby organisations, increased by £2.1m, from £24.7m to £26.8m as analysed below:

	2012	2011
	£m	£m
Allocations		
PRL/Premiership clubs	14.2	12.5
Championship clubs	2.7	2.3
Community game clubs	6.1	6.1
Anglo-Welsh cup	0.9	0.8
Junior, intermediate and national cups	0.0	0.1
Constituent Bodies	1.6	1.6
Other	1.3	1.3
	26.8	24.7

Payments to Premiership clubs increased by £1.7m, from £12.5m to £14.2m, mainly due to the fees and bonuses payable to the England team for playing in the Rugby World Cup. The increase in Championship funding was partially due to an increase in Championship clubs' share of TV revenues.

Net result

Operating profit for the year was £21.7m, a decrease of £18.9m from the profit of £40.6m recorded in 2010/11 and relating to the match profile described previously. Net interest payable of £0.3m was incurred in 2011/12 compared to net interest payable of £1.4m in 2010/11 as the bank loan was reduced. The impact of the above resulted in a loss before taxation of £5.4m against a profit before taxation of £14.5m recorded in 2010/11. After taking account of the results of our subsidiaries attributable to minority shareholders, the retained loss for the year was £6.3m against a retained profit of £8.7m in 2010/11. >>

FINANCIAL REVIEW continued

Balance Sheet and Cash Flow

Consolidated net worth reduced by £10.1m, from £180.2m to £170.1m, reflecting the retained loss for the year of £6.3m, a loss on revaluation of investments of £0.5m, a net actuarial loss on the pension scheme of £2.4m, and the minority interests' share in the undistributed profits of subsidiary businesses of £2.6m offset by the issue of new 75-year debentures of £1.7m.

Tangible fixed assets, which primarily comprise our investment in Twickenham Stadium, decreased by £5.8m from £190.7m to £184.9, with capital expenditure of £5.2m, which includes £2.1m of the stadium refurbishment programme, offset by depreciation of £10.8m and disposals of £0.2m.

Investments have increased by £4.6m, from £1.0m to £5.6m, reflecting the transfer of investments from SPIRE.

Debtors and prepayments decreased by £4.8m, from £21.9m to £17.1m, with the main decrease relating to funds received from the local authority for the £2.9m rates rebate as well as a number of minor items.

Creditors due within one year increased by £18.2m, from £30.6m to £48.8m. The main movement is due to the loan under the bank facility (£18.0m at June 2012) becoming repayable within one year (December 2012).

Creditors due after one year decreased by £23.1m, from £24.0m to £0.9m due to the timing of the repayment of the bank facility. Total bank borrowings at June 2011 stood at £23.0m, all due after more than one year. Total bank borrowings at June 2012 stood at £18.0m; the facility terminates on 31 December 2012.

Debentures increased by £1.7m, from £114.7m to £116.4m, due to the issue of 207 series 2012 75-year debentures.

Cash decreased in the year by £10.0m, from £14.1m at June 2011 to £4.1m at June 2012. The Group's operations are strongly cash positive, with net cash from operating activities of £30.5m. £3.6m was raised from the debentures sold in the current and previous years. From these main sources of cash, £5.0m was repaid on our bank facilities, a total of £5.2m was used for capital expenditure

and £26.8m paid out in allocations to clubs and Constituent Bodies.

Corporate Governance

One of the objectives in the Union's Strategic Plan is that the RFU will be managed to listed PLC standards, particularly regarding effective management and corporate governance. The Board of Directors (the Board) acknowledges the value of the principles of good governance as set out in the Combined Code, both in terms of ensuring integrity and accountability in the management of the Union's affairs, and also in increasing the effectiveness and efficiency of the Union's business. To that end, the Union has adopted certain principles associated with best practice in corporate governance. The following statements describe how these principles have been applied in the period under review.

The Board of Directors

The Board's powers are clearly defined in the Rules of the RFU, particularly Rule 12. It has clear standing orders and terms of reference, including items that must be referred to the RFU Council for approval, and consists of three executive directors, and three independent non-executive directors together with nine (including the RFU President) other members representing a broad cross section of the game of rugby who do not have executive responsibilities. Other directors or individuals may be present during the meetings to ensure that the relevant knowledge and expertise is brought to bear on decisions. There is a clear division of responsibility between the roles of the non-executive Chairman and the Chief Executive, and all executive directors have agreed job descriptions and limits of authority. The Board meets at least ten times each year and considers matters under its terms of reference, which include the development of the Union's strategic plan, allocation of financial resources, reviewing the performance of executive directors, approval of annual budgets, considering the recommendation of the Board's Standing Committees, whose responsibilities relate to policy development, and monitoring of the performance of the Union's subsidiary and associated companies.

In the year the Board members were as follows:

Peter Baines
 Bill Beaumont
 Rob Briers
 Stephen Brown
 Jonathan Dance
 Sophie Goldschmidt
 (from 18 July 2011)
 Andrew Higginson
 (from 1 November 2011)
 Ian Metcalfe
 Paul Murphy
 Ian Ritchie
 (from 27 February 2012)
 John Spencer
 Miles Templeman
 (from 1 November 2011)
 Martyn Thomas
 (to 16 December 2011)
 Rob Udwin
 Peter Whiting
 Willie Wildash

Risk Management

As part of the commitment to adopt relevant aspects of best practice in corporate governance, the Union has implemented the requirements of the Combined Code relating to internal controls (including the provisions relating to risk management). Risk management is the responsibility of the Board of Directors and Executive Team under the overall direction of the Chief Financial Officer, assisted by the Union's risk management advisors. The overall process is supervised and monitored by the Audit Committee.

Key activities begun during the year included a comprehensive 'refresh' of the risk management system and the adoption of new web-based risk management software, resulting in a new risk register and re-categorisation of the risks, the revision of the Business Continuity Plans and the review and adoption of a revised risk management policy. These risks are evaluated and monitored against a number of criteria, including a risk tolerance level of £5m, which is regularly reviewed.

Audit Committee

During the year the name, role and composition of the existing Audit and Risk Panel was reviewed by the Board of Directors. In line with standard Corporate Governance requirements, a new Audit Committee (acting as a sub-committee of the Board of Directors) was created. All members must have recent and relevant financial experience and at least two must be non-executive members of the Board of Directors. The Committee has formal terms of reference which take into account the recommendations in the Smith Report on the role of audit committees, in particular the supervision of the relationship with the Union's external auditors. The minutes of the meetings are circulated to all members of the Board. The Audit Committee was chaired by Andrew Higginson (independent non-executive member of the Board of Directors); other members were Peter Baines (non-executive member of the Board of Directors), Chris Cuthbertson and Deborah Griffin (both members of RFU Council). Following a formal handover from the previous Audit and Risk Panel, the new Committee met once during the year, in May 2012, and in accordance with its terms of reference discussed with the external auditors the nature and scope of the audit and reviewed the reports of the internal auditors (RSM Tenon, who were appointed during the year).

During the year the outgoing Audit and Risk Panel was chaired by Malcolm Duncan, who is a former member of RFU

Council. The other members were Chris Cuthbertson (RFU Council member), Graham Thompson (RFU Council member) and Roger Parsons (Independent). All four members were Chartered Accountants with extensive knowledge of the game but independent of management. The Panel met twice in the year (with its final meeting taking place in March 2012) and, in accordance with its terms of reference, reviewed the Union's financial statements prior to their submission to the Board for approval and considered matters raised by the auditors; the Panel met separately with the Union's auditors in accordance with good practice. The Panel reviewed and recommended improvements to the RFU's risk management processes, as described more fully above. During the year the Panel also considered the matter of the appointment of independent auditors for 2011/12 and recommended Mazars LLP, who were duly appointed at the July 2012 AGM.

Remuneration Panel

The Remuneration Panel has the responsibility to advise the Board on the pay and terms and conditions of the RFU's Chief Executive and Executive Directors. The Panel consists of three non-executive members of the Board who have the right to co-opt from the Council an individual with experience in remuneration and related matters. The Panel may also appoint an individual or firm of consultants who are external and independent of the RFU to provide

specialist advice, who will attend all Panel meetings but have no voting rights. In the year the Panel's members were Peter Baines (Chairman - non-executive member of the Board of Directors), Paul Murphy (Chairman of the Board of Directors), Graham Thompson (RFU Council member), John Douglas (RFU Council member) and Colin Povey (independent appointee). The RFU President is also entitled to attend Panel meetings. The Panel met four times in the year and, in accordance with its terms of reference, considered and advised the Board on the Chief Executive's and other Executive Directors' remuneration packages and terms and conditions of employment.

In line with its move towards PLC reporting standards, the RFU has decided to publish details of Directors' Emoluments for the first time in 2011/12. In future Financial Statements this information will be shown in the notes to the accounts with prior year comparatives.

	£
Total Directors Emoluments 2011/12	882,000
Total Directors Contribution to Pension Scheme	39,000
Highest Paid Director Emoluments 2011/12	229,000
Highest Paid Director Contribution to Pension Scheme	10,000

Nominations Panel

The Nominations Standing Committee comprises five members elected from members of the RFU Council and Past Presidents. The Committee is responsible for drawing up each year a list of nominees for submission, in the case of officer appointments, for endorsement by the Council and subsequent approval by the Annual General Meeting and, in the case of other appointments, to the RFU Council for approval. For 2011/12 the members of the Panel were Geoff Simpson (Chairman), Russ Hillier, David Martin, John Owen, and Ivor Smith.



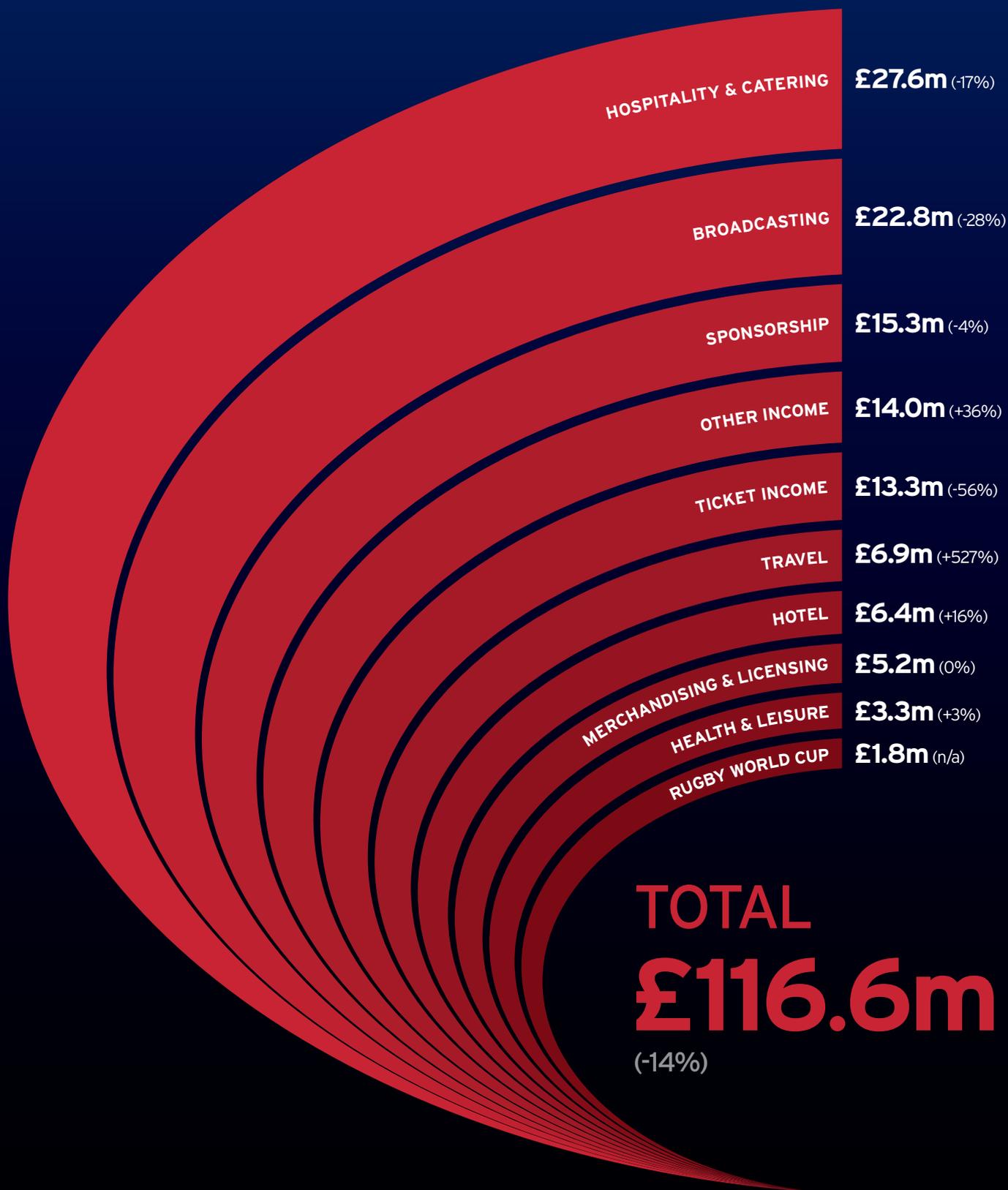
Stephen Brown FCCA
Chief Financial Officer



SEASON 2011 - 2012

WHERE THE MONEY COMES FROM

Total revenue



WHERE THE MONEY GOES

Total payments

TOTAL
£126.7m
 (+5%)

£13.8m (+9%)

ELITE

£15.0m (-10%)

COMMUNITY

£15.9m (+33%)

STADIUM

£21.6m (+7%)

BUSINESS & ADMINISTRATION

£26.8m (+9%)

ALLOCATIONS TO CLUBS & CONSTITUENT BODIES

£33.6m (-1%)

DIRECT

Financial Statements

Statement of the Board of Directors' Responsibilities in Respect of the Financial Statements

The Friendly and Industrial and Provident Societies Act 1968 requires the Board of Directors to prepare financial statements for each financial year which give a true and fair view of the affairs of the Rugby Football Union and of its income and expenditure for that period. In preparing these financial statements, the Board of Directors is required to:

- select suitable accounting policies and apply them consistently;
- make the necessary judgements and estimates which are both reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Rugby Football Union will continue in business.

The Board of Directors is responsible for keeping proper books of account with respect to the transactions and assets and liabilities of the Union. Such books must enable a true and fair view to be given of its affairs and explain its transactions. The Board of Directors has a general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Union and to prevent fraud and other irregularities.

Provision of Information to Auditor

Each of the persons who are directors at the time when these financial statements are approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the group's auditor is unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the group's auditor in connection with preparing their report and to establish that the group's auditor is aware of that information.

Independent Auditor's Report to the Members of the Rugby Football Union

We have audited the financial statements of the Rugby Football Union for the year ended 30 June 2012 which comprise the Group Profit & Loss Account, the Statement of Group Total Recognised Gains & Losses, the Group and Parent Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of the Board of Directors and auditor

As explained more fully in the Statement of the Board of Directors Responsibilities in Respect of the Financial Statements, the board is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the Rugby Football Union's members, as a body, in accordance with section 9 of the Friendly and Industrial and Provident Societies Act 1968. Our audit work has been undertaken so that we might state to the Rugby Football Union's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Rugby Football Union and the Rugby Football Union's members as a body, for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent society's affairs as at 30 June 2012 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 properly prepared in accordance with the Industrial and Provident Societies Acts, 1965 to 2002.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Industrial and Provident Societies Acts 1965 to 2002 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the Rugby Football Union has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.



William Neale Bussey
(Senior Statutory Auditor)

for and on behalf of

Mazars LLP

Chartered Accountants
and Statutory Auditor
Tower Bridge House
St. Katharine's Way
London
E1W 1DD

Date: 31st October 2012

Group Profit and Loss Account

for the year to 30 June 2012

	Notes	2012 £m	2011 £m
Revenue	1c		
Ticket income		13.3	30.0
Broadcasting		22.8	31.8
Sponsorship		15.3	16.0
Hospitality and catering		27.6	33.2
Merchandising and licensing		5.2	5.2
Travel		6.9	1.1
Hotel		6.4	5.5
Health and leisure		3.3	3.2
Rugby World Cup 2015		1.8	-
Other income		14.0	10.3
		116.6	136.3
Costs			
Direct		33.6	34.1
Elite rugby		13.8	12.7
Community rugby		15.0	16.7
Community rugby - Exceptional SPIRE funds transfer	2	(5.0)	-
Business and administration		21.6	20.2
Stadium		15.9	13.2
Stadium - Exceptional rates rebate		-	(1.2)
		94.9	95.7
Operating profit	3	21.7	40.6
Allocations to clubs and Constituent Bodies		(26.8)	(24.7)
Net finance cost	5	(0.3)	(1.4)
(Loss)/profit on ordinary activities before taxation		(5.4)	14.5
Corporation tax credit/(charge) on ordinary activities	6	1.9	(2.3)
(Loss)/profit on ordinary activities after taxation		(3.5)	12.2
Attributable to minority interests		(2.8)	(3.5)
(Loss)/profit for the year	21	(6.3)	8.7

There is no material difference between the (loss)/profit on ordinary activities before taxation and the retained (loss)/profit reported in the profit and loss account and the equivalent figures calculated on a historical cost basis.

Group Statement of Total Recognised Gains and Losses

for the year to 30 June 2012

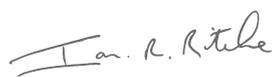
	Notes	2012 £m	2011 £m
(Loss)/profit for the financial year		(6.3)	8.7
Actuarial (loss)/gain relating to the pension scheme	24	(3.1)	2.2
Deferred tax attributable to actuarial gain		0.7	(0.7)
(Loss)/gain on revaluation of investments		(0.5)	0.1
Total (losses)/gains since last annual report		(9.2)	10.3

Balance Sheets

at 30 June 2012

	Notes	Group 2012 £m	Group 2011 £m	Parent 2012 £m	Parent 2011 £m
Fixed assets					
Tangible fixed assets	9	184.9	190.7	181.5	186.4
Loans	10	6.6	6.6	0.1	0.1
Investments	11	5.6	1.0	41.0	31.5
		197.1	198.3	222.6	218.0
Current assets					
Stock	12	1.1	0.9	0.9	0.8
Debtors and prepayments - within 1 year	13	15.0	21.6	11.7	33.5
Debtors and prepayments - after 1 year	13	2.1	0.3	2.2	0.3
Cash at bank and in hand		4.1	14.1	-	-
Deferred tax asset	17	2.6	-	2.5	-
		24.9	36.9	17.3	34.6
Creditors: Amounts falling due within one year	14	(48.8)	(30.6)	(49.1)	(27.5)
Net current (liabilities)/assets		(23.9)	6.3	(31.8)	7.1
Total assets less current liabilities		173.2	204.6	190.8	225.1
Creditors: Amounts falling due after one year	15	(0.9)	(24.0)	(0.9)	(24.0)
Deferred tax liability	17	-	(0.3)	-	(0.3)
Net assets excluding pension liability		172.3	180.3	189.9	200.8
Pension liability	24	(2.2)	(0.1)	(2.2)	(0.1)
		170.1	180.2	187.7	200.7
Debentures 2075-2088	18	116.4	114.7	116.4	114.7
Capital and reserves:					
Called up share capital	19	-	-	-	-
Other reserve	20	38.1	38.1	38.1	38.1
Profit and loss reserve	21	14.4	23.6	33.2	47.9
Total equity funds		52.5	61.7	71.3	86.0
Minority interests		1.2	3.8	-	-
		170.1	180.2	187.7	200.7

The financial statements were approved by the Board of Directors on 31st October 2012 and signed on its behalf by:



Ian Ritchie
Chief Executive



Paul Murphy
President



Stephen Brown
Chief Financial
Officer



Bill Beaumont
Chairman of the
Board of Directors

Group Cash Flow Statement

for the year to 30 June 2012

	Notes	2012 £m	2011 £m
Net cash inflow from operating activities	a	30.5	44.9
Allocations to clubs and Constituent Bodies		(26.8)	(24.7)
Returns on investments and servicing of finance			
Investment income		0.2	0.2
Interest paid		(0.5)	(1.6)
Dividends paid to minority shareholders		(5.5)	(3.1)
Net cash outflow for returns on investments and servicing of finance		(5.8)	(4.5)
Taxation		(1.0)	(1.1)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(5.2)	(3.7)
Purchase of investments		(0.1)	(0.5)
Loans advanced to clubs		(0.7)	(0.6)
Loans repaid by clubs		0.7	0.8
Net cash outflow from capital expenditure and financial investment		(5.3)	(4.0)
Financing			
Debentures issued		3.6	8.2
Repayment of bank facilities		(5.0)	(16.0)
Finance lease		(0.2)	-
Net cash inflow from financing		(1.6)	(7.8)
Decrease/increase in cash in the period		(10.0)	2.8
Reconciliation of net cash flow to movement in net debt			
(Decrease)/increase in cash in the period		(10.0)	2.8
Issue of debentures		(1.7)	(7.1)
Repayment of term loan bank facilities		5.0	16.0
Repayment of finance lease		0.2	-
Change in net debt		(6.5)	11.7
Net debt at beginning of year		(124.0)	(135.7)
Net debt at end of year	b	(130.5)	(124.0)

Group Cash Flow Statement continued

for the year to 30 June 2012

Notes	2012	2011		
	£m	£m		
(a) Reconciliation of operating profit to net cash inflow from operating activities				
Operating profit	21.7	40.6		
Depreciation	10.8	11.3		
Loss on disposal of fixed assets	0.2	-		
Amortisation of SPIRE funds transfer	(5.0)	-		
(Increase)/decrease in stocks	(0.2)	0.2		
Decrease/(increase) in debtors	2.9	(8.8)		
(Increase)/decrease in creditors	0.1	1.6		
Net cash inflow from operating activities	30.5	44.9		
	30 June	Cash	Non-cash	30 June
	2011	flows	flows	2012
	£m	£m	£m	£m
(b) Analysis of change in net debt				
Cash at bank and in hand	14.1	(10.0)	-	4.1
Debt due within one year				
Finance leases	(0.1)	0.1	-	-
Debt due after one year				
Finance leases	(0.3)	0.1	-	(0.2)
Bank loan	(23.0)	5.0	-	(18.0)
Debentures 2075-2088	(114.7)	(3.6)	1.9	(116.4)
Total	(124.0)	(8.4)	1.9	(130.5)

Non-cash movements are the changes in amounts receivable at year end in respect of debentures issued.

Notes to the Financial Statements

1. Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain investments, and in accordance with applicable UK accounting standards. A summary of the significant group accounting policies is set out below. The financial statements have been prepared on a going concern basis due to the level of assets held and forecast projections.

(a) Going concern

The financial statements have been prepared on a going concern basis. A significant proportion of the RFU's revenue relates to ticket, broadcasting, and hospitality and catering income from home international matches. The schedule of home international matches follows a four-year cycle, with fewer matches taking place in years in which the Rugby World Cup takes place overseas. The Directors manage the RFU's finances in anticipation of this cycle of fluctuating revenues and profitability, negotiating significant sponsorship, broadcasting and licensing agreements on a rolling basis, and planning the RFU's cash flows over the four-year Rugby World Cup cycle.

During the year under review, an overseas Rugby World Cup year, three home internationals took place – compared to seven in the previous year – resulting in significantly lower revenues and the incidence of losses. Since the year end, new banking facilities have been agreed through to 2016. The Directors have prepared financial projections that indicate that the RFU will be able to operate within these facilities and will therefore be able to meet its liabilities as they fall due for the foreseeable future. The Directors have therefore prepared the financial statements on a going concern basis.

(b) Basis of consolidation

The group financial statements consolidate the financial statements of the Rugby Football Union and its subsidiary undertakings made up to 30 June 2012 and its share of the results and post-acquisition reserves of associated undertakings. The profits and losses of subsidiary and associated undertakings are consolidated from the date of acquisition to the date of disposal. The Group's interests in associates are accounted for using the equity method. Subsidiary undertakings are fully consolidated line by line, with the minority shareholders' share of earnings and retained earnings shown separately.

The difference between the cost of acquisition of subsidiaries and the fair value of separable net assets acquired is amortised through the profit and loss account in equal instalments over its estimated useful life.

The Rugby Football Foundation, a registered charity (charity no. 1100277 and company no. 4608134), is consolidated within these group financial statements on the basis that it is a quasi-sub subsidiary of the Rugby Football Union. Given the Rugby Football Foundation's status as a charity, separate disclosure of its activities is provided in note 28.

The RFU Injured Players Foundation, a registered charity (charity no. 1122139 and company no. 06438698), is consolidated within these group financial statements on the basis that it is a quasi-sub subsidiary of the Rugby Football Union. Given the Injured Players Foundation's status as a charity, separate disclosure of its activities is provided in note 29.

(c) Turnover

Turnover represents amounts invoiced, excluding value added tax, in respect of the sale of goods and services. Revenue recognition policies for specific revenue streams are as follows:

- Ticket income and the sale of hospitality packages are recognised as revenue when the related event is staged.

- Revenue determined by commercial contracts, which makes up the majority of broadcasting revenue, sponsorship revenue and the lease of hospitality boxes, is recognised in accordance with the terms and period of the contract.
- Sponsorship income is shown gross of revenue received in kind whereby sponsors provide services and merchandise in return for sponsorship benefits, valued based on the goods and services received. The related costs are also shown gross to reflect the value of such services and merchandise.
- Subscriptions income relating to the England Rugby Supporters Club is recognised on a straight-line basis over the period to which the subscription relates.
- Grant income is recognised when the respective grant conditions have been satisfied.
- Travel revenue is recognised on the commencement of the related tour, being the date of travel.
- Hotel revenue is recognised at the point at which rooms are occupied and food and beverage is sold.
- Health club revenue is recognised on a straight line basis over the membership term with joining fees recognised at the point membership commences.
- The Rugby World Cup 2015 is accounted for as a long-term contract. Costs are recognised at the point they are incurred and revenue is recognised over the contract period in proportion to the percentage of total costs incurred, with provision made for any anticipated losses. Until the overall profitability of the contract can be estimated reliably, revenue is only recognised to the extent of contract costs incurred.
- Fees from the staging of concerts at Twickenham Stadium is recognised at the date of the concert.

Notes to the Financial Statements continued

1. Accounting policies continued

(d) Tangible fixed assets and depreciation

Tangible fixed assets are stated at original cost less accumulated depreciation and any provision for impairment in value. In the case of major stadium work which has been financed by borrowing, cost includes related interest capitalised for the period up to the completion of the stadium project. Depreciation is provided to write off the cost of the assets over their estimated useful lives on a straight-line basis as follows.

Freehold and long leasehold buildings	40-50 years
Stadium fittings and equipment	4-25 years
Ground and office equipment and vehicles	3-5 years
Assets held under finance leases	over the period of the lease
No depreciation is charged on freehold land	

Depreciation on assets under construction commences when the asset is first brought into use.

(e) Taxation and deferred taxation

The charge for taxation is based on the result for the year at the current rates of tax and takes into account deferred taxation on all timing differences arising on the treatment of certain items for accounts purposes and their treatment for corporation tax that have originated but have not reversed by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities are not discounted.

(f) Finance leases

Assets held under finance leases, which confer rights and obligations similar to those attached to owned assets, and the related lease obligations are included at the fair value of the leased assets at the inception of the lease. Depreciation on leased assets is calculated to write off this amount on a straight-line basis over the shorter of the lease term and the useful life of the asset. Rentals payable are apportioned between the finance charge and a reduction of the outstanding obligation for future amounts payable so that the charge for each accounting period is a constant percentage of the remaining balance of the capital sum outstanding.

(g) Operating leases

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

(h) Investments

Investments in subsidiary and associate undertakings are held as fixed assets and stated at cost less provision for any permanent diminution in value. Other investments held for charitable purposes are held at market value.

(i) Stock

Stock, which represents goods held for resale, are stated at the lower of cost and net realisable value. Net realisable value is estimated to be the selling price less any further deductions considered necessary for obsolete or slow-moving stock.

(j) Debentures

Debentures issued with an original maturity of 75 years are shown in the balance sheet at cost.

(k) Translation of foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denoted in foreign currencies are translated at the rates ruling at the balance sheet date or, if appropriate, at the forward contract rate. Exchange gains and losses, arising on both settled and unsettled foreign currency transactions, are included in the profit and loss account.

(l) Loans to clubs

Loans to clubs are recorded at cost in the balance sheet. The loans are advanced to member clubs by the Rugby Football Foundation and by the RFU under the RFU club improvement loan scheme. They are secured by either mortgages or personal guarantees and are interest free subject to the loan terms and conditions.

(m) Financial instruments

The use by the group of derivative financial instruments is limited to forward contracts used in respect of Six Nations Tournament income.

(n) Financial risk factors

The group is exposed to financial risk from the interest bearing assets. These expose the group to financial risks including foreign exchange risk, interest rate risk, credit risk and liquidity risk.

Foreign exchange risk

The group is exposed to foreign exchange risk due to income from the Six Nations Tournament received in Euros. This is mitigated through the use of forward contracts to fix the rate up to a year in advance.

Interest rate risk

The group has interest bearing assets, primarily cash, which are invested at differing interest rates. Interest rates on interest bearing assets are fixed for the term of the investment. Interest rates on operating accounts are variable at 0.5% lower than the fixed term rate as the cash is at call. The group also has an interest bearing liability for which interest is payable at the variable rate applicable to the borrowed amount.

Credit risk

The group has no significant concentration of credit risk. The group has implemented policies that require appropriate credit checks on potential customers before sales commence. Interest bearing assets are only invested with financial institutions that have excellent credit ratings.

Liquidity risk

The group invests surplus cash into interest bearing assets for various terms. Generally no more than 80% of cash is invested in fixed term interest bearing assets at any one time. Interest bearing assets are not invested for any term greater than three months.

(o) Pension costs and other post retirement benefits

The Rugby Football Union operates a defined benefit scheme and a defined contribution scheme.

Defined benefit pension scheme current service costs and gains and losses on settlements are charged to the profit and loss account. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested, the costs are recognised over the period until vesting occurs. The interest cost and expected return on assets are shown as a net amount in net finance income. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

The defined benefit scheme is funded with the assets of the scheme held separately from those of the group, in separately administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet. The pension charge is calculated on the basis of actuarial advice.

Contributions payable to the defined contribution scheme are charged to the profit and loss account in the period to which they relate.

(p) Goodwill

Goodwill represents the excess of costs of acquisition over the fair value of the separable net assets of businesses acquired. Goodwill is amortised through the profit and loss account over its estimated useful life. Negative goodwill represents the excess of the fair value if the separable net assets acquired over costs of acquisition and is credited through the profit and loss account over its estimated useful life.

Notes to the Financial Statements continued

2. Exceptional SPIRE funds transfer

On 1 July 2011 the RFU Injured Players Foundation (IPF) became the sole trustee of Support Paraplegics In Rugby Enterprise (SPIRE) and has therefore assumed legal control. On that date SPIRE had investments held under permanent endowment with a market value of £5.0m. Negative goodwill generated has been credited to the profit and loss account in the current year on the basis that the economic benefit has been gained.

3. Operating profit

	2012 £m	2011 £m
Operating profit is stated after charging:		
Costs of the Council for administering the game	0.6	0.6
Depreciation of tangible fixed assets	10.6	11.3
Loss on disposal of tangible fixed assets	0.2	-
Operating property lease rentals	0.4	0.4
Auditors' remuneration - audit services	0.1	0.1
Non audit services	0.1	-

4. Staff costs

	2012 £m	2011 £m
Staff costs for the Group during the year		
Wages and salaries	24.1	23.7
Social security costs	2.4	2.2
Redundancy costs	0.6	1.3
Defined benefit pension costs	0.7	0.6
Defined contribution pension costs	0.9	0.8
	28.7	28.6

Average monthly number of people employed

	2012 No.	2011 No.
Administration	207	178
Elite Rugby	59	52
Retail operations	29	30
Community Rugby	260	267
	555	527

5. Net finance cost

	2012 £m	2011 £m
Bank interest receivable	-	0.1
Bank loans and overdrafts interest payable	(0.5)	(1.7)
Investment income	0.2	0.2
	(0.3)	(1.4)

6. Taxation

	2012 £m	2011 £m
(a) Analysis of tax charge in year		
United Kingdom taxation:		
Corporation tax - in respect of current year	1.0	1.2
Deferred tax (credit)/charge	(2.9)	1.1
Total tax (credit)/charge	(1.9)	2.3

6. Taxation continued

	2012 £m	2011 £m
(b) Factors affecting tax charge in year		
(Loss)/profit on ordinary activities before taxation	(5.4)	14.5
(Loss)/profit on ordinary activities at the average rate of corporation tax in the UK of 25.5% (2011: 27.5%)	(1.4)	4.0
Effects of:		
Expenses not deductible for tax purposes	2.1	0.6
Depreciation in excess of capital allowances	2.5	0.7
Net mutual trading income not taxable	(0.6)	(2.7)
Tax losses utilised	(0.1)	(0.1)
Charitable income not taxable	(1.5)	(1.3)
Current tax charge	1.0	1.2

7. Profit of Parent

The profit and loss account of the parent is not presented as part of these financial statements as the Friends and Industrial Provident Societies Acts 1968 includes no specific provision requiring the presentation of it. The parent's loss after tax for the financial year was £12.3m (2011: £6.4m profit).

8. Acquisition of Quasi-Subsidiary

On 1 July 2011 the group obtained control of Support Paraplegics in Rugby Enterprises (SPIRE) for a consideration of £nil. This was achieved through the RFU Injured Players Foundation (an existing quasi-subsubsidiary) gaining control through becoming the sole corporate trustee. The Deemed acquisition has been account for by the acquisition method of accounting.

The Value of assets at the date of acquisition were as follows:

	Book value	Fair value adjustment	Fair value to Group
Fixed assets Investments	5.0	-	5.0
Net assets	5.0	-	5.0

Due to a consideration of £nil being payable, negative goodwill of £5.0m is generated upon consolidation. The full amount of this has been credited to the profit and loss account in the year of acquisition as in the opinion of the Board of Directors the group gained the economic benefit in the period.

9. Tangible fixed assets

Group	Freehold land, stadium, stadium fittings and equipment £m	Long-term leasehold property £m	Ground and office equipment and vehicles £m	Assets in the course of construction £m	Total £m
Cost					
At 1 July 2011	204.6	0.5	75.0	1.0	281.1
Additions	0.6	-	2.5	2.1	5.2
Disposals	-	-	(0.4)	-	(0.4)
At 30 June 2012	205.2	0.5	77.1	3.1	285.9
Depreciation					
At 1 July 2011	65.3	0.2	24.9	-	90.4
Charge for the year	5.8	-	5.0	-	10.8
Depreciation on disposals	-	-	(0.2)	-	(0.2)
At 30 June 2012	71.1	0.2	29.7	-	101.0
Net book value					
At 30 June 2012	134.1	0.3	47.4	3.1	184.9
At 30 June 2011	139.3	0.3	50.1	1.0	190.7

Notes to the Financial Statements continued

9. Tangible fixed assets continued

Parent	Freehold land, stadium, stadium fittings and equipment £m	Long-term leasehold property £m	Ground and office equipment and vehicles £m	Assets in the course of construction £m	Total £m
Cost					
At 1 July 2011	204.6	0.5	64.6	1.0	270.7
Additions	0.6	-	2.1	2.1	4.8
Disposals	-	-	(0.4)	-	(0.4)
At 30 June 2012	205.2	0.5	66.3	3.1	275.1
Depreciation					
At 1 July 2011	65.3	0.2	18.8	-	84.3
Charge for the year	5.8	-	3.7	-	9.5
Depreciation on disposals	-	-	(0.2)	-	(0.2)
At 30 June 2012	71.1	0.2	22.3	-	93.6
Group					
Net book value					
At 30 June 2012	134.1	0.3	44.0	3.1	181.5
At 30 June 2011	139.3	0.3	45.8	1.0	186.4

Group and Company

Assets held under finance leases, capitalised and included in tangible assets	2012 £m	2011 £m
Cost	0.2	0.4
Accumulated depreciation	-	(0.1)
Net book value	0.2	0.3

Included in freehold land, stadium, stadium fittings and equipment of the Group and of the Parent is £4.5m (2011: £4.5m) in respect of freehold land which is not subject to depreciation.

The net book value of interest capitalised is £6.7m (2011: £6.9m).

Assets in the course of construction as at 30 June 2012 represent costs in respect of the North Car Park housing project and the stadium refurbishment project.

10. Loans

Loans to clubs	Group 2012 £m	Group 2011 £m	Parent 2012 £m	Parent 2011 £m
At 1 July 2011	6.6	6.8	0.1	0.2
Advances during the year	0.7	0.6	-	-
Repayments during the year	(0.7)	(0.8)	-	(0.1)
At 30 June 2012	6.6	6.6	0.1	0.1

11. Investments

	Group 2012 £m	Group 2011 £m	Parent 2012 £m	Parent 2011 £m
Shares in group undertakings				
At 1 July 2011	-	(0.5)	31.4	30.9
Disposal of associate	-	0.5	-	0.5
At 30 June 2012	-	-	31.4	31.4
Capitalised loans to group undertakings				
At 1 July 2011	-	-	-	-
Reclassification of loans to group undertakings	-	-	9.5	-
At 30 June 2012	-	-	9.5	-
Investments in group undertakings				
	-	-	40.9	-
Other investments				
Market value at 1 July 2011	1.0	0.6	0.1	0.1
Additions at cost	5.1	0.3	-	-
Revaluations	(0.5)	0.1	-	-
Market value at 30 June 2012	5.6	1.0	0.1	0.1
Total fixed asset investments	5.6	1.0	41.0	31.5

During the year the RFU has reclassified certain loans to group undertakings from current to fixed assets as this better reflects the nature of the loans.

Included in other investments are investments held by SPIRE of £4.6m. These investments are held in permanent endowment and, as such, the group is only able to use the investment income generated in its related charitable activities. The capital amounts must remain invested.

Other investments of the group represents the investments held by the RFU Injured Players Foundation and SPIRE. The investment portfolio is in the following proportions: bonds 29.7%; equities 61.3%; and cash 8.9% (2011: 22%, 72% and 6% respectively).

Subsidiary, associated and other undertakings at 30 June 2012 were:

	Country of incorporation	% holding of ordinary shares	Year end	Principal activities
1) Twickenham Experience Limited	Great Britain	52.5%	30 June	Hospitality services
2) England Rugby Limited	Great Britain	100%	30 June	Elite rugby
3) England Rugby Travel Limited	Great Britain	51%	30 June	Sports travel agency
4) European Rugby Cup Limited	Rep Ireland	19%	30 June	Competition management
5) Rugby Reflink Limited	Great Britain	60%	30 June	Radio equipment
6) Sports Link (UK) Limited	Great Britain	40%	30 June	Radio equipment
7) Rugby Football Foundation	Great Britain	n/a*	30 June	Community rugby
8) Rugby Football Development Limited	Great Britain	100%	30 June	Community rugby
9) RFU Hotel Limited	Great Britain	100%	30 June	Hospitality services
10) RFU Health and Leisure Limited	Great Britain	100%	30 June	Health club
11) Rugby Sure Limited	Isle of Man	100%	30 June	Insurance
12) RFU Injured Players Foundation	Great Britain	n/a*	30 June	Player Welfare
13) IPF Trading Limited	Great Britain	100%	30 June	Player Welfare
14) England Rugby 2015 Limited	Great Britain	100%	30 June	Hosting RWC 2015

* As charities, neither Rugby Football Foundation or RFU Injured Players Foundation have share capital. The Rugby Football Union has control of these entities through representation on their Boards of Trustees and they are therefore considered to be quasi-subsidiaries.

Notes to the Financial Statements continued

12. Stock

	Group 2012 £m	Group 2011 £m	Parent 2012 £m	Parent 2011 £m
Finished goods and goods for resale	1.1	0.9	0.9	0.8

There is no material difference between the net book value of stock and its replacement cost.

13. Debtors and prepayments

	Group 2012 £m	Group 2011 £m	Parent 2012 £m	Parent 2011 £m
Amounts falling due within one year:				
Trade debtors	10.1	9.1	7.5	6.9
Amounts owed by group undertakings	-	-	1.8	11.6
Corporation tax	0.1	-	-	-
Amounts due from debenture holders	0.1	2.0	0.1	2.0
Other debtors	0.7	2.7	0.5	1.1
Prepayments	4.0	7.8	1.8	11.9
	15.0	21.6	11.7	33.5
Amounts falling due after one year:				
Amounts owed by group undertakings	-	-	1.9	-
Other debtors	2.1	0.3	0.3	0.3
Loan to associate	-	2.2	-	2.2
Less: Provision for impairment of loan to associate	-	(2.2)	-	(2.2)
	2.1	0.3	2.2	0.3

Concentration of credit risk in respect of trade receivables is limited due to the Group's customer base being large and unrelated. Due to this, management believe that no credit risk provision is required for doubtful debts.

Other debtors falling due after more than one year include accrued income in respect of Rugby World Cup 2015.

14. Creditors: amounts falling due within one year

	Group 2012 £m	Group 2011 £m	Parent 2012 £m	Parent 2011 £m
Bank overdraft	-	-	0.5	0.7
Unsecured term loan	18.0	-	18.0	-
Trade creditors	15.4	20.9	12.1	11.0
Amounts owed to group undertakings	-	-	5.7	8.9
Obligations under finance leases (see note 16)	-	0.1	-	0.1
Accruals and deferred income	14.6	9.4	10.8	6.5
Other taxes and social security	0.8	0.2	0.8	0.2
Other creditors	-	-	1.2	0.1
	48.8	30.6	49.1	27.5

15. Creditors: amounts falling due after one year

	Group 2012 £m	Group 2011 £m	Parent 2012 £m	Parent 2011 £m
Obligations under finance leases (see note 15)	0.2	0.3	0.2	0.3
Unsecured bank facilities (see note 27)	-	23.0	-	23.0
Deferred income	0.7	0.7	0.7	0.7
	0.9	24.0	0.9	24.0

The maturity profile of the carrying amount of the Group's noncurrent liabilities at 30 June 2012 was as follows:

	Group 2012 £m	Group 2011 £m	Parent 2012 £m	Parent 2011 £m
Between one and two years	0.8	23.9	0.8	23.9
Between two and five years	0.1	0.1	0.1	0.1
Total	0.9	24.0	0.9	24.0

16. Finance leases

	Group 2012 £m	Group 2011 £m	Parent 2012 £m	Parent 2011 £m
Rentals payable:				
In one year	-	0.1	-	0.1
Between one and two years	0.2	0.2	0.2	0.2
Between two and five years	-	0.1	-	0.1
	0.2	0.4	0.2	0.4

17. Deferred Tax

	£m			
Group				
Liability at 1 July 2011				(0.3)
Credit for the year				2.9
Asset at 30 June 2012				2.6
Parent				
Liability at 1 July 2011				(0.3)
Credit for the year				2.8
Asset at 30 June 2012				2.5
	Group 2012 £m	Group 2011 £m	Parent 2012 £m	Parent 2011 £m
Deferred Tax				
Accelerated depreciation	3.8	3.1	3.7	3.1
Accelerated tax relief on capitalised interest	(1.6)	(1.8)	(1.6)	(1.8)
Other	0.4	(1.6)	0.4	(1.6)
Deferred tax asset/(liability)	2.6	(0.3)	2.5	(0.3)

Factors that may affect future tax charges:

Based on current capital investment, the Group expects that depreciation will exceed capital allowances in future years.

Notes to the Financial Statements continued

18. Debentures 2075-2088

During the year, 207 debentures were issued at par, for a total value of £1.7m (2011: £7.1m). At the end of the year £0.1m (2011: £2.0m) remains receivable by the Group and is included within debtors. All debentures are interest free, unsecured and are repayable at par according to the schedule in the following table.

	Group 2012 £m	Group 2011 £m	Parent 2012 £m	Parent 2011 £m
Analysis of debt maturity				
Debentures 2075	9.8	9.8	9.8	9.8
Debentures 2076	6.7	6.7	6.7	6.7
Debentures 2077	4.0	4.0	4.0	4.0
Debentures 2078	19.1	19.1	19.1	19.1
Debentures 2079	5.2	5.2	5.2	5.2
Debentures 2080	12.6	12.6	12.6	12.6
Debentures 2081	26.4	26.4	26.4	26.4
Debentures 2083	6.6	6.6	6.6	6.6
Debentures 2085	13.0	13.0	13.0	13.0
Debentures 2086	8.7	8.0	8.7	8.0
Debentures 2087	4.2	3.3	4.2	3.3
Debentures 2088	0.1	-	0.1	-
	116.4	114.7	116.4	114.7

19. Share capital

There are a total of 2,000 allotted, issued and fully paid up ordinary shares of £1 each as at 30 June 2011 and at 30 June 2012. Each member of the Rugby Football Union must hold one share which is subject to forfeiture on ceasing to be a member.

20. Other reserve

	Group 2012 £m	Group 2011 £m	Parent 2012 £m	Parent 2011 £m
Other reserve	38.1	38.1	38.1	38.1

The other reserve comprises the accumulated gain on the sale of debentures issued prior to 2000.

21. Profit and loss reserve

	£m
Group	
At 1 July 2011	23.6
Loss for the year after tax	(6.3)
Actuarial loss on pension scheme (net of deferred tax)	(2.4)
Loss on revaluation of investments	(0.5)
At 30 June 2012	14.4
Parent	
At 1 July 2011	47.9
Loss for the year after tax	(12.3)
Actuarial loss on pension scheme (net of deferred tax)	(2.4)
At 30 June 2012	33.2

22. Operating lease commitments

The Group has annual commitments under operating leases at 30 June 2012, which expire as follows:

	2012 £m	2011 £m
Properties		
Group and Parent		
After five years	0.4	0.4

23. Capital and other commitments

Under the terms of an agreement between the RFU, Premier Rugby Limited and the Premiership clubs, the RFU is contracted to pay a total of £51.2m (2011: £76.0m) to the clubs over the remaining four-year period from 2012/13 to 2015/16.

As part of the hosting agreement for RWC 2015 the RFU will be required to pay the IRB a minimum of £80m. This cost (and all other expected future costs) is expected to be covered by the revenue generated by the contract.

As part of the stadium refurbishment project to prepare for RWC 2015 the RFU board has agreed total project costs of £76m of which £4.4m is committed but not spent.

As part of planning permission granted to develop the South Stand, the RFU must build approximately 24 dwellings to replace those that were demolished to allow the development of the stadium. The value of this commitment is not yet quantifiable.

24. Defined benefit pension scheme

(a) Description of the scheme

The Union operates a defined benefit scheme in the UK. The scheme is closed to new entrants. A full actuarial valuation was carried out at 30 April 2011 and updated to 30 June 2012 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

The Union currently pays contributions at the rate of 27.4% of pensionable pay plus £167,500 per annum. Member contributions are payable in addition at the rate of 5.0% of pensionable pay.

(b) Balance sheet impact

	30/6/2012 £m	30/6/2011 £m
Fair value of scheme assets	26.4	24.8
Present value of scheme liabilities	(29.3)	(24.9)
Deficit in scheme	(2.9)	(0.1)
Deferred tax	0.7	-
Net liability to be recognised	(2.2)	(0.1)

(c) Reconciliation of opening and closing balances of the present value of the scheme liabilities

	Period Ending 30/6/2012 £m	Period Ending 30/6/2011 £m
Scheme liabilities at start of period	24.9	24.9
Current service cost	0.6	0.6
Interest cost	1.4	1.3
Contributions by scheme participants	0.1	0.1
Actuarial loss/(gains)	3.0	(1.5)
Benefits paid & death in service insurance premiums	(0.7)	(0.5)
Present value of scheme liabilities at end of period	29.3	24.9

(d) Reconciliation of opening and closing balances of the fair value of scheme assets

	Period Ending 30/6/2012 £m	Period Ending 30/6/2011 £m
Fair value of scheme assets at start of period	24.8	22.4
Expected return on scheme assets	1.6	1.3
Actuarial (loss)/gains	(0.1)	0.7
Contributions by the Union	0.7	0.8
Contributions by scheme participants	0.1	0.1
Benefits paid & death in service insurance premiums	(0.7)	(0.5)
Fair value of scheme assets at end of period	26.4	24.8

The actual return on the scheme assets over the period ending 30 June 2012 was £1.7m.

Notes to the Financial Statements continued

24. Defined benefit pension scheme continued

(e) Total expense recognised in profit and loss account

	Period Ending 30/6/2012 £m	Period Ending 30/6/2011 £m
Current service cost	0.6	0.6
Interest cost	1.4	1.3
Expected return on scheme assets	(1.6)	(1.3)
Total expense recognised in profit and loss	0.4	0.6

(f) Analysis of total amounts recognised in the Statement of total recognised gains and losses

	Period Ending 30/6/2012 £m	Period Ending 30/6/2011 £m
Difference between expected and actual return on scheme assets: Amount: (loss)/gain	(0.1)	0.7
Experience gains and losses arising on the scheme liabilities: Amount: gain/(loss)	1.6	(0.1)
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities: Amount: (loss)/gain	(4.6)	1.6
Total amount recognised in statement of total recognised gains and losses:		
Amount: (loss)/gain	(3.1)	2.2

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses since 2006 are losses of £3.3m.

(g) Fair value of assets

	30/6/2012 £m	30/6/2011 £m
Annuity Policies	13.2	11.4
Equities	11.0	10.8
Government Bonds	0.5	0.2
Corporate Bonds	1.2	1.4
Cash/Other	0.4	0.9
Property	0.1	0.1
Total assets	26.4	24.8

None of the fair values of the assets shown above include any of the Union's own financial instruments or any property occupied by, or other assets used by, the Union.

(h) Principal assumptions

	30/6/2012 % per annum	30/6/2011 % per annum
Rate of discount	4.60%	5.50%
Inflation (RPI)	3.20%	3.45%
Salary increases	4.70%	4.95%
Allowance for revaluation of deferred pensions (capped at 5%)	3.20%	3.45%
Allowance for pension in payment increases (capped at 5%)	3.20%	3.45%
Allowance for pension in payment increases (capped at 3%)	2.75%	n/a
Allowance for commutation of pension for cash at retirement	None	None

The mortality assumptions adopted at 30 June 2012 imply the following post-retirement life expectancies:

Male retiring at age 65 in 2012	22.5
Female retiring at age 65 in 2012	24.6
Male retiring at age 65 in 2032	24.8
Female retiring at age 65 in 2032	27.0

24. Defined benefit pension scheme continued

(i) Expected long-term rates of return

The long-term expected return on bonds is determined by reference to UK long dated government and corporate bond yields at the balance sheet date. The long-term expected rate of return on cash is determined by reference to the expected return on bonds. The long-term expected rate of return on equities is based on the rate of return one with an allowance for out-performance.

The expected long-term rates of return applicable for each period are as follows:

	Period commencing 01/07/2011 % per annum	Period commencing 01/07/2010 % per annum
Annuity Policies	5.5%	5.3%
Equities	7.3%	7.2%
Government Bonds	4.3%	4.2%
Corporate Bonds	5.5%	5.3%
Cash/Other	4.3%	4.3%
Property	7.3%	7.2%
Overall for scheme	6.3%	5.9%

(j) History of experience gains and losses

	2012 £m	2011 £m	2010 £m	2009 £m	2008 £m
Fair value of scheme assets	26.4	24.8	22.4	17.7	18.2
Present value of scheme liabilities	(29.3)	(24.9)	(25.0)	(20.2)	(16.3)
(Deficit)/surplus in scheme	(2.9)	(0.1)	(2.6)	(2.5)	1.9
Experience adjustment on scheme assets	(0.1)	0.7	2.8	(2.2)	(1.4)
Experience adjustment on scheme liabilities	0.6	(0.1)	0.2	(0.3)	0.1

The best estimate of contributions to be paid by the Union to the scheme for the year beginning 1 July 2012 is £0.7m.

25. Related parties

In 2000 the RFU established a subsidiary company, Twickenham Experience Limited ('TEL'), and assigned to that company the rights to provide catering and hospitality services at Twickenham Stadium. The share capital of TEL at 30 June 2012 was held 52.5% RFU, 40.0% Compass Services (UK) Limited ('Compass') and 7.5% Hamsard Five Thousand and Eighteen Limited.

The RFU has leased certain areas of Twickenham Stadium for £0.1 m (2011: £0.1m) per annum for 15 years to TEL.

During the year the RFU received £0.9m (2011: £1.4m) from TEL in respect of ticket revenue and royalties, and paid £1.2m (2011: £1.7m) in respect of catering services. The Group also paid £7.8m (2011: £10.0m) in respect of provisions, staff costs, royalties and other services to Compass and its subsidiary companies.

At 30 June 2012 a balance of £2.6m (2011: £2.0m) was owed to the RFU by TEL and is shown in amounts owed by group undertakings in the Parent balance sheet; also, an amount of £1.1m (2011: £0.7m) was owed by the RFU to TEL and is shown in amounts owed to group undertakings in the Parent balance sheet. At 30 June 2012 a balance of £1.1m (2011: £1.7m) was owed by RFU to TEL and is shown in trade creditors in the Parent balance sheet. At 30 June 2012 a balance of £1.4m was owed to the RFU by TEL and is shown in trade debtors in the parent balance sheet. Both these amounts have been eliminated on consolidation from the Group balance sheet. At 30 June 2012 a balance of £0.1m (2011: £0.1m) was owed to the Group by Compass in respect of operating activities and is shown in trade debtors in the Group balance sheet.

During the year the RFU disposed of its interest in Churchill Cup Rugby LP. At 30 June 2011 a balance of £2.2m was owed to the RFU by its associate Churchill Cup Rugby LP and a provision for impairment of the loan of associate of £2.2m was made against this balance owed.

During the year, the RFU paid £0.8m (2011: £1.1m) to its subsidiary England Rugby Travel Limited, in respect of travel expenses.

Notes to the Financial Statements continued

26. Financial assets and liabilities

The Group has defined financial assets and liabilities as those asset and liabilities of a financial nature, namely cash, borrowing, and forward contracts. All the Group's financial assets and liabilities are denominated in sterling. The book value of the Group's financial assets and liabilities equate to their fair value and are:

The group holds financial instruments to limit the risks involved in receiving revenue in foreign currencies. This policy is consistent with prior years. The group receives revenue from the Six Nations Tournament in Euros and covers the resulting foreign exchange risk by using forward contracts to fix the rate up to a year in advance. The value of such contracts held at year end was €4.6m (2011: €4.4m)

As the fair value directive has not been adopted it is not appropriate to recognise the fair value of a derivative in the financial statements.

Borrowing facilities

The group has the following undrawn committed facilities available at year end in respect to which all conditions precedent had been met:

	2012 £m	2011 £m
Expiring within one year	7.0	12.0

On the 19 August 2010 the RFU replaced its existing £50m revolving loan facility with a new £35m facility. This facility reduces in three instalments and terminates on 31 December 2012.

27. Rugby Football Foundation

The financial results, position and cash flows of the Rugby Football Foundation, which are included in the group financial statements, are provided below on the grounds that its funds may only be applied towards its charitable objects and therefore are material by nature. The Rugby Football Foundation's charitable objects are, for the benefit of the public: to promote community participation in healthy recreation, provide and assist in providing facilities for sport, recreation and leisure time and to advance the education of children and young people.

	2012 £m	2011 £m
Statement of financial activities		
Donations received	17.9	15.3
Direct charitable activities	(15.9)	(14.6)
Business and administration	(0.2)	(0.2)
Grants to clubs	(0.4)	(0.4)
Operating result	1.4	0.1
Surplus for the year	1.4	0.1

Balance sheet

Loans due from clubs	6.5	6.6
Cash in hand and at bank	1.7	5.2
Loan due to group undertakings	(4.8)	(4.8)
Creditors falling due within one year	(0.2)	(5.2)
	3.2	1.8
Represented by: unrestricted funds	1.6	1.1
restricted funds	1.6	0.7
	3.2	1.8

Five-year Summary

Summary of results

	2012 £m	2011 £m	2010 £m	2009 £m	2008 £m
Revenue	116.6	136.3	112.0	119.2	99.1
Costs	(94.9)	(95.7)	(86.2)	(87.4)	(80.2)
Operating profit	21.7	40.6	25.8	31.8	18.9
Allocations to clubs and Constituent Bodies	(26.8)	(24.7)	(21.3)	(22.5)	(19.9)
Share of losses from associates	-	-	(0.1)	(0.1)	-
Interest (payable)/receivable net	(0.3)	(1.4)	(2.5)	(0.2)	0.5
(Loss)/profit on ordinary activities before taxation	(5.4)	14.5	1.9	9.0	(0.5)
(Loss)/profit for the year	(6.3)	8.7	(1.1)	6.2	(0.8)
	2012 £m	2011 £m	2010 £m	2009 £m	2008 £m
Summary of balance sheets					
Fixed assets	197.1	198.3	205.2	202.3	172.0
Cash	4.1	14.1	11.3	8.2	10.1
Other net current liabilities	(28.0)	(7.8)	(32.2)	(3.2)	(7.1)
Long-term liabilities	(0.9)	(24.0)	(20.0)	(54.8)	(34.3)
Provisions	-	(0.3)	-	-	(0.3)
Pension (liability)/asset	(2.2)	(0.1)	(1.9)	(1.8)	1.4
	170.1	180.2	162.4	150.7	141.8

Notes

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