

Rugby Football Development Limited

Registered number: 05429073

Annual Report

For the year ended 30 June 2018



COMPANY INFORMATION

Director S Day

Registered number 05429073

Registered office Rugby House
Twickenham Stadium
200 Whitton Road
Twickenham
Middlesex
TW2 7BA

Independent auditor Mazars LLP
Chartered Accountants & Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD

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RUGBY FOOTBALL DEVELOPMENT LIMITED
STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2018

The director presents her Strategic Report for the Company for the year ended 30 June 2018.

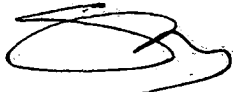
Business review and key performance indicators

The director believes that the performance of the Company was satisfactory during the year. Management use a range of performance measures to monitor and manage the business. The key performance indicator (KPI) is investment in grassroots rugby. The target KPI was to invest at least £31,000,000 (2017: £31,000,000) and the results show that this has been achieved for the current year.

Principal risks and uncertainties

Management continually monitor the key risks facing the Company together with assessing the controls used for managing these risks. The Company's principal business risk rests with its ability to deliver the community rugby programme at a competitive cost.

This report was approved by the Board and signed on its behalf by:



S Day
Director

Date: 27/5/19

RUGBY FOOTBALL DEVELOPMENT LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2018

The director presents her report and the audited financial statements for the year ended 30 June 2018.

Principal activity

The principal activity of the Company is the provision of community and other rugby development programmes.

The Company's functional and presentational currency is pounds sterling.

Results

The loss for the year, after taxation, amounted to £50,000 (2017: £102,000 (profit)).

Directors

The directors who served during the year and up to the date of this report are as follows:

S Day (appointed 27 August 2018)
S Brown (resigned (1 January 2019)
R Daniel (resigned 27 August 2018)

Future developments

The director expects that the nature of the activities of the Company will not change for the foreseeable future.

Going Concern

The financial statements have been prepared on a going concern basis. The Rugby Football Union is the Company's ultimate parent undertaking and the Company is dependent on continued funding from its Parent in order to deliver the Community Rugby Programme. The Rugby Football Union has confirmed to the directors its intention to continue to provide funding to enable the Company to meet its liabilities as they fall due in the normal course of business. The directors have seen projections for the Rugby Football Union that show that it will be able to provide this funding, and have therefore prepared the financial statements on a going concern basis.

Employee involvement

The Company operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2004. During the year, the policy of providing employees with information about the Company has been continued and employees have also been encouraged to present their suggestions and views on the Company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

RUGBY FOOTBALL DEVELOPMENT LIMITED
DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2018 (continued)

Disabled employees

The Company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Director's liabilities

The Company has granted an indemnity to the director against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Director's Report.

Matters covered in the Strategic Report

As permitted by paragraph 1A of Schedule 7 the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, certain matters which are required to be disclosed in the Director's Report have been omitted as they are included in the Strategic Report. These matters relate to the business review, principle risks and uncertainties and key performance indicators.

Disclosure of information to auditor

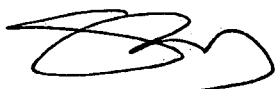
Each of the persons who are director's at the time when this Director's Report is approved, the Director has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company'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 relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

This report was approved by the Board and signed on its behalf by:



S Day
Director

Date: 27/3/19

RUGBY FOOTBALL DEVELOPMENT LIMITED
DIRECTOR'S RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

The director is responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'FRS 102' 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the director must not approve the financial statements unless she is satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 102, 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 Company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable her to ensure that the financial statements comply with the Companies Act 2006. She is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Rugby Football Development Limited

Opinion

We have audited the financial statements of Rugby Football Development Limited (the 'Company') for the year ended 30 June 2018 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

The impact of uncertainties due to Britain exiting the European Union on our audit

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Company's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the Company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Company's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Company and this is particularly the case in relation to Brexit.

Independent auditor's report to the members of Rugby Football Development Limited (continued)

Conclusions relating to going concern

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

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Independent auditor's report to the members of Rugby Football Development Limited (continued)

Matters on which we are required to report by exception

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

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

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

Responsibilities of Director

As explained more fully in the director's responsibilities statement set out on page 7, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

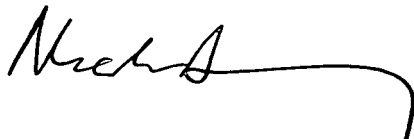
Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.

Independent auditor's report to the members of Rugby Football Development Limited (continued)

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

Use of audit report

This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.



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: 29 March 2019

RUGBY FOOTBALL DEVELOPMENT LIMITED
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 £000	2017 £000
Turnover	4	34,883	34,640
Direct expenses		<u>(31,770)</u>	<u>(31,196)</u>
Gross profit		3,113	3,444
Administrative expenses		<u>(3,132)</u>	<u>(3,238)</u>
Operating (loss)/profit	5	(19)	206
Tax charge	7	<u>(31)</u>	<u>(104)</u>
(Loss)/profit for the year		<u>(50)</u>	<u>102</u>

There was no other comprehensive income for 2018 (2017: £NIL).

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

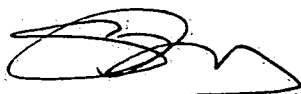
The notes on pages 15 to 25 form part of these financial statements.

RUGBY FOOTBALL DEVELOPMENT LIMITED
BALANCE SHEET AS AT 30 JUNE 2018

REGISTERED NUMBER: 05429073

	Note	2018 £000	2017 £000
Fixed assets			
Intangible fixed assets	8	109	342
Tangible fixed assets	9	13,102	3,553
		<u>13,211</u>	<u>3,895</u>
Current assets			
Debtors	10	37,114	11,454
Cash at bank and in hand		346	-
		<u>37,460</u>	<u>11,454</u>
Creditors: Amounts falling due within one year	11	(45,941)	(10,569)
Net current (liabilities)/assets		<u>(8,481)</u>	<u>885</u>
Net assets		<u>4,730</u>	<u>4,780</u>
Capital and reserves			
Called up share capital	13	1	1
Profit and loss reserve		4,729	4,779
Total equity		<u>4,730</u>	<u>4,780</u>

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



S Day
 Director

Date: 27/3/19

The notes on pages 15 to 25 form part of these financial statements.

RUGBY FOOTBALL DEVELOPMENT LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Called up share capital £000	Profit and loss reserve £000	Total equity funds £000
As at 1 July 2016	1	4,677	4,678
Comprehensive income for the year			
Profit for the year	-	102	102
Total comprehensive income for the year	-	102	102
At 30 June 2017	1	4,779	4,780
Comprehensive income for the year			
Loss for the year	-	(50)	(50)
Total comprehensive income for the year	-	(50)	(50)
At 30 June 2018	1	4,729	4,730

The Profit and Loss reserve represents accumulated profits and losses for the current and prior periods.

The notes on pages 15 to 25 form part of these financial statements.

RUGBY FOOTBALL DEVELOPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. General information

Rugby Football Development Limited is a limited liability company incorporated in England and Wales under the Companies Act. The Registered Office is Rugby House, Twickenham Stadium, 200 Whitton Road, Twickenham, TW2 7BA.

The Company's functional and presentational currency is pounds sterling.

2. Accounting policies

The following principal accounting policies have been applied:

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

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

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Rugby Football Union as at 30 June 2017 and these financial statements may be obtained from Rugby House, Twickenham Stadium, 200 Whitton Road, Twickenham, TW2 7BA.

RUGBY FOOTBALL DEVELOPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2.3 Going concern

The financial statements have been prepared on a going concern basis. The Rugby Football Union is the Company's ultimate parent undertaking and the Company is dependent on continued funding from its Parent in order to deliver the Community Rugby Programme. The Rugby Football Union has confirmed to the director its intention to continue to provide funding to enable the Company to meet its liabilities as they fall due in the normal course of business. The director has seen projections for the Rugby Football Union that show that it will be able to provide this funding, and has therefore prepared the financial statements on a going concern basis.

2.4 Revenue

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

Rendering of services

Revenue from the contract with the Rugby Football Foundation (RFF) to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and
- the costs incurred and the costs to complete the contract can be measured reliably.

Grants received are recognised as revenue when the respective grant conditions have been satisfied and in line with the timing of corresponding expenditure.

2.5 Intangible fixed assets

Intangible fixed assets are initially recognised at cost. After recognition intangible fixed assets are measured at cost less accumulated amortisation and accumulated impairment losses.

All intangible fixed assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

The estimated useful lives range as follows:

Computer software - 3 years

RUGBY FOOTBALL DEVELOPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2.6 Tangible fixed assets

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

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of tangible fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Comprehensive Income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Artificial Grass Pitches	10 - 30 years
Office equipment	3 - 5 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

No depreciation is charged for assets under construction until the asset is available for use.

Artificial Grass Pitch (AGP) Project

The Company has developed a national facilities strategy to deliver 60 AGP's to the grassroots of the game in the future. The AGP project is a capital investment and each pitch will be owned and managed by the Company, with the RFU leasing a land site for 30 years from the selected clubs on which it will build the pitches.

The pitches consist of two layers: the base layer which has a useful economic life of 30 years and the top layer which has a useful economic life of 10 years. The layers of the pitches are therefore capitalised as separate assets and depreciated using the straight line method over their respective economic lives.

Depreciation is charged from the date that the asset is available for use. This is deemed to be when a practical completion handover document from the supplier has been signed by the Company. At this point the asset ceases to be an "Asset under Construction" and is transferred to the asset class "AGPs".

RUGBY FOOTBALL DEVELOPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2.7 Debtors

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

2.8 Creditors

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

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions.

2.10 Pensions

Defined contribution pension plan

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

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

Defined benefit pension plan

The Company participates in the RFU defined benefits pension scheme. The scheme is a multi-employer scheme where it is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the share of the underlying assets and liabilities belonging to individual participating employers. Therefore, as permitted by FRS 102, the Company accounts for this scheme as if it was a defined contribution scheme. The amount charged to the Statement of Comprehensive Income represents contributions payable to the scheme in respect of the accounting period. The scheme surplus is recognised in the Parent company's financial statements.

RUGBY FOOTBALL DEVELOPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2.11 Current and deferred taxation

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

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

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

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

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

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Balance Sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Artificial Grass Pitches (AGP)

RFDL has committed to deliver AGPs to the grassroots game and these are considered to be capital investment. Each pitch is owned and managed by RFDL with the RFU group leasing a site for the 30 years from the selected clubs on which the pitches are built.

The pitches are capitalised and treated as tangible fixed assets, with their component parts depreciated from the date they are available for use.

No provision is recognised for RFDL's requirement to ensure that each AGP is in such a condition that it has five years playing usage remaining at the end of the lease. It is anticipated that technological advancements in this area mean that no additional costs will be incurred to bring it to that condition.

RUGBY FOOTBALL DEVELOPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Artificial Grass Pitches (AGP) (continued)

The pitches are considered to be largely for the provision of social benefits by a public benefit entity and therefore are accounted for as items of property, plant and equipment as required by FRS102.

Taxation

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits, together with an assessment of the effect of future tax planning strategies.

4. Turnover

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

	2018	2017
	£000	£000
Rendering of services	31,348	30,703
Grants	3,535	3,937
	<u>34,883</u>	<u>34,640</u>

All turnover arose within the United Kingdom.

5. Operating (loss)/profit

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

	2018	2017
	£000	£000
Depreciation of tangible fixed assets	298	111
Amortisation of intangible fixed assets	44	57
Auditor's remuneration – audit services	3	3

RUGBY FOOTBALL DEVELOPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

6. Employees

Staff costs were as follows:

	2018	2017
	£000	£000
Wages and salaries	8,232	8,375
Social security costs	906	853
Defined contribution pension costs	557	430
Defined benefit pension costs	30	30
	9,725	9,680

During the year, no director received any emoluments in respect of services to the Company (2017 - £nil). The directors are also directors of the Company's parent undertaking, the Rugby Football Union, and received remuneration from that undertaking in respect of services to the Group. It is not possible to determine the amount of remuneration that relates to services to the Company.

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

	2018	2017
	No.	No.
Rugby Development	255	256

7. Taxation

	2018	2017
	£000	£000
Current tax:		
UK corporation tax on profits for the period	87	69
Adjustment in respect of previous periods	(11)	13
Total current tax	76	82
Deferred tax:		
Origination and reversal of timing differences	(35)	7
Adjustment in respect of previous periods	(14)	11
Effect of changes in tax rate	4	4
Total deferred tax (note 12)	(45)	22
Total tax charge for the year	31	104

RUGBY FOOTBALL DEVELOPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

7. Taxation (continued)

The charge for the year can be reconciled to the (loss)/profit per the Statement of Comprehensive Income as follows:

(Loss)/profit for the period before taxation	(19)	206
Tax at standard UK rate of 19% (2017: 19.75%)	(4)	41
Effects of:		
Expenses not deductible for tax purposes	56	35
Adjustment from previous periods	(25)	24
Tax rate changes	4	4
Tax charge for the period	31	104

Factors that may affect future tax charges

Under the Finance Act 2018, the main rate of corporation tax reduced from 20% to 19% effective from 1 April 2017. The Act included a further reduction to 18%, with effect from 1 April 2020. The Finance Act 2017, which was substantively enacted on 6 September 2017, provided a further reduction to the main rate of corporation tax to 17% from 1 April 2020. As the further reduction to 17% was substantively enacted before the balance sheet date of 30 June 2018, the deferred tax balances at this date have been measured at 17%, the rate at which the deferred tax asset is expected to reverse.

8. Intangible fixed assets

	Computer software
	£000
Cost	
At 1 July 2017	487
Disposals	(202)
As at 30 June 2018	285
Amortisation	
At 1 July 2017	145
Charge for the year	44
Disposals	(13)
As at 30 June 2018	176
Net book value	
As at 30 June 2018	109
As at 30 June 2017	342

RUGBY FOOTBALL DEVELOPMENT LIMITED
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9. Tangible fixed assets

	AGPs	Office equipment	Assets in the course of construction	Total
	£000	£000	£000	£000
Cost				
At 1 July 2017	3,083	359	456	3,898
Additions	2,132	6	7,709	9,847
Transfers between asset classes	5,780	-	(5,780)	-
At 30 June 2018	10,995	365	2,385	13,745
Depreciation				
At 1 July 2017	74	271	-	345
Charge for the year	267	31	-	298
At 30 June 2018	341	302	-	643
Net book value				
At 30 June 2018	10,654	63	2,385	13,102
At 30 June 2017	3,009	88	456	3,553

The value of assets held under finance leases is NIL (2017: NIL).

10. Debtors

	2018	2017
	£000	£000
Trade debtors	125	169
Amounts owed by Group undertakings	35,155	10,994
Other debtors	1,472	6
Prepayments and accrued income	236	204
Deferred taxation (note 12)	126	81
	37,114	11,454

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11. Creditors: Amounts falling due within one year

	2018	2017
	£000	£000
Bank overdraft	-	337
Trade creditors	1,022	-
Amounts owed to Group undertakings	40,283	5,221
Taxation and social security	253	263
Other creditors	386	374
Accruals and deferred income	3,997	4,374
	45,941	10,569

12. Deferred taxation asset

	2018	2017
	£000	£000
At the start of the period	81	103
Adjustment in respect of prior years	14	(10)
Amount charged to the profit and loss account	31	(12)
At the end of the period	126	81

The deferred tax asset is made up as follows:

Fixed asset timing differences	125	80
Short term timing differences	1	1
	126	81

13. Share capital

	2018	2017
	£000	£000
Allotted, called up and fully paid		
1,000 ordinary shares of £1 each	1	1

RUGBY FOOTBALL DEVELOPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

14. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge includes contributions payable by the Company to the fund that amounted to £557,000 (2017: £430,000) with a year-end liability of £65,030 (2017: £19,706).

The Company also participates in the Rugby Football Union defined benefit pension scheme. Contributions made to the scheme in respect of employees of the Company amounted to £30,000 (2017: £30,000).

15. Commitments

The Company, together with certain other Group Companies is party to an intercompany unlimited cross guarantee which acts as security for the Group's loan and overdraft arrangement held with NatWest.

16. Controlling party

The Directors consider the Rugby Football Union to be the Company's immediate and ultimate parent undertaking and controlling party. The parent undertaking of the largest and smallest group of which the Company is a member and for which group accounts are prepared is the Rugby Football Union and copies of the group accounts can be obtained from Rugby House, Twickenham Stadium, 200 Whitton Road, Twickenham, TW2 7BA.