RFL (Governing Body) Limited (a company limited by guarantee)

Annual report and financial statements

Registered number 05835638

31 December 2017

Contents

Strategic Report

Principal activities

The principal activity of RFL (Governing Body) Limited ("the RFL" or "the League") throughout the year was the promotion of the game of Rugby Football League. The League organises and promotes competitions to maximise returns to members. The League is also the governing body for the sport of Rugby League in Great Britain and Ireland.

Business Model

Day to day management of the RFL is delegated to the management team under the leadership of the Chief Executive Officer. The Board of Directors receive presentations and reports from members of the senior management team at each Board meeting and may also request updates or attendance at Board meetings from an individual departmental manager if there are significant issues to discuss in an area.

Management of the business is organised through key areas; Commercial, Marketing, Media, Compliance, Operations, Performance and Development which together with Central Services, provides support to all areas.

The strategic plans provide a road map for Rugby League over the next few years. These plans cover distinct areas of activity: the full time Super League competition, the mainly semi-professional Championship and League One competition, the Community Game and the International game. Over the next few years performance against these strategic plans will be closely monitored by the Board.

The Super League clubs are also members of Super League (Europe) Ltd which acts as an agency for the distribution of shared revenues earned by the Super League from broadcasting, commercial partnerships and the staging of events. The RFL is a non-participating shareholder in the company with key rights over specific issues.

The Championship and League One clubs meet at least three times a year to discuss matters of common interest. Two of these meetings are a collective of all clubs whilst the third separates Championship and League One in a separate forum.

The RFL also has a Community Board which comprises representatives from various sections of the Community Game including youth and adult participation, schools, universities, and armed services. This Board meet four times a year to discuss matters of importance to the Community Game.

Business review and results

The consolidated accounts for RFL (Governing Body) Ltd show a loss for the financial year of £1,819k for the year ended 31 December 2017 (*2016: loss £1k*). RFL (Governing Body) Ltd has maintained an aggregate positive cash and short-term deposit balance throughout the year. At 31 December 2017, this aggregate balance was £3,291k (*2016:* £3,407). During 2017, a potential short-term cash shortfall was identified for 2018. The Executive has sought external finance together with re-negotiated payments terms on its contracted income. A long-term external finance arrangement is in place and this will support the cash flow of the business for the foreseeable future. In the meantime, cash flow is monitored closely and a budget for 2018 generates a profit of £800k to increase cash reserves. Therefore, at the time of approval of the Financial Statements, the directors are satisfied regarding the funding of RFL (Governing Body) Ltd for the foreseeable future. Future expectations for the financial position of the League are positive, and the Board of Directors expect to build on the results of recent years by increasing the Net Assets of the Group and extending support to all sections of the game.

Key performance indicators

The Board monitors Executive performance by reference to key performance indicators. The three principle Key Financial Performance Indicators of the company are Turnover, Amounts Payable to clubs and Operating Profit, all of which are reviewed regularly by the directors. Of these, the RFL's policy of distributing profits into the game means that turnover and amounts payable to clubs are the two primary measures. These KPIs have been chosen as they allow the directors to closely monitor the performance of the RFL.

Strategic Report *(continued)*

KPI	**2017**	2016
	£000	£000
Turnover	**22,037**	27,395
Payments to and on behalf of clubs	**11,021**	12,170
(Loss)/Profit before Tax for the financial year	**(2,030)**	6

The Key Non-Financial Performance Indicators of the company are the on-the-field performance by our international teams, participation in the sport by players, coaches and volunteers at all levels of the game, and increasing the level of spectators and viewers in the professional game.

Future targets for KPIs are set during the annual planning process and always endeavour to be an improvement on current year performance where appropriate.

Principal Risks and Uncertainties

The Company has made a loss in 2017. This was a planned position by the Board as part of the cycle of investment in the England team culminating in the World Cup in Australia and New Zealand in November and December 2017. The financial plan and budget for 2018 aims to generate a return to profitability both in 2018 and for future years.

A planned review of structure is currently being held to assess the first three years of the reintroduction of promotion and relegation, the current league structure having been introduced in 2015. The outcome of this review may result in a revision to league structure in the period running up to the end of the current broadcast contract in 2021.

Detailed Analysis of Trading

Year on year turnover has decreased by 20% from £27,395k to £22,037k which can be attributed in the main to there being The Home Four Nations Tournament in 2016 and no event of similar size in 2017 due to the Rugby League World Cup 2017 occurring.

Match income decreased from £4,954k in 2016 to £2,466k in 2017 – a decrease of 50%. This is due to hosting the Four Nations Tournament in the autumn of 2016 and there being no equivalent event in 2017 due to the holding of the Rugby League World Cup in 2017. Sponsorship income decreased to £1,265k (*2016:* £1,441k) – a decrease of 12% being because of not having an event like The Four Nations in 2017 and which attracted sponsorship in 2016.

Government funding through Sport England has decreased in 2017 from £3,956k in 2016 to £2,960– a decrease of 25% in line with the profile submitted for 2017 to 2021.

The existing BBC and Sky contracts continued in 2017. Overall broadcast income fell from £12,534k in 2016 to £9,867k in 2017. The fall is due to their being no broadcast income in 2017 to replace that generated by The Four Nations Tournament in 2016.

Within the RFL accounts, the cost of sales heading is broken down into two sections. The first being the external, third party costs of making the sale and the second being those cost of sales that are internal to the RFL's stakeholders such as payments directly made to clubs. External cost of sales decreased in 2017 by 37% from £11,771k in 2016 to £7,449k in 2017. This is primarily due to costs of hosting the Four Nations Tournament in 2016. Grant funded activities expenditure has decreased from £3,951k in 2016 to £2,857k in 2017 reflecting the level of programme delivered and associated income. Whole Sport Plan expenditure within this line has decreased in the year, with the overall decline mitigated by expenditure on the Sky Try programme. The income for the Sky Try programme is contained within Other Income.

Payments to and on behalf of clubs is made up from the cost of sales element of £2,887k (*2016:* £4,222k) and a further amount shown below Gross Profit on the Profit and Loss Account, which in 2017 brought the total payable to and on behalf of clubs to £11,021k (*2016: £12,170*).

Strategic Report *(continued)*

In 2017, Operating Costs have increased to £5,630k from £3,519k in 2016. This is predominantly due to the decline in Sport England Funding. This resulted in an increase in operating costs due to costs being classified as operating costs in 2017 rather than government funded cost of sales as in 2016.

Interest receivable by the RFL, which has historically been a very significant income stream, was again low at £34k (*2016: £71k*). The relatively low amount is a result of the general economic impact felt from banks offering much lower interest rates since 2008 and lower average bank balances in 2017 than in 2016.

Our People

Our People are at the heart of our sport. The RFL recognises that without their commitment, professionalism and expertise in delivering customer service excellence it would be unable to achieve its goals. We are committed to providing on going investment to their learning and development to achieve the highest standards. We fully support all opportunities for employment, career progression and development, irrespective of age, ethnicity, gender, disability or religion through our equality and diversity action plan.

Our Communities

As a leading National Sports Governing Body, we are committed to transforming our local communities by delivering an approach to corporate social responsibility encompassing cash donations, support for volunteering, environmentally friendly practices and investment in our people. In line with this commitment we have supported several sports related charities including the RFL Benevolent Fund, the RFL Facilities Trust, Rugby League Cares, the Rugby League Heritage Trust. We support these organisations in cash and in kind.

Corporate Governance

The RFL is committed to high standards of corporate governance and is continually looking at ways to improve this governance.

Review of 2017

Super League

The 2017 campaign once again delivered magnificent entertainment for spectators and viewers alike. The Super 8's series seeing a particularly tense race culminating in semi-finals between Leeds Rhinos and Hull FC and Castleford Tigers and St Helens. Castleford progressed to the Grand Final for the first time via a hugely entertaining contest that really did go down to the last few seconds of the match.

A record attendance was recorded at the Grand Final in which Castleford Tigers competed against local rivals Leeds Rhinos in an encounter in which Leeds Rhinos brought the curtain down on another classic season by defeating the Tigers to take another Grand Final crown.

Rugby League World Cup 2017

England headed down under to Australia and New Zealand to compete against the best in the world in the Rugby League World Cup 2017. The emergence of the Pacific nations was a highlight of the competition with some truly engaging encounters and the resulting atmospheres at games in the later stages of the competition was highly compelling.

England competed strongly throughout the competition as a result of meticulous planning and preparation and reached the Final to face Australia at Brisbane Stadium. Always a tight game the competition came down to the final ten minutes when a steadfast Kangaroo defence held the line and denied the English a hard-fought victory. Champions by 6-0, Australia lifted the Paul Barriere trophy on Australian soil for the first time in forty years.

Strategic Report *(continued)*

Summary

The trading results in 2017 reflected a significant investment in the England programme to engage fully in the World Cup cycle, part of the multi-year strategy underpinned by a return to surplus in 2018 that aimed to propel England to the highest level of international competition.

Signed on behalf of the Board

Ralph Rimmer
Interim Chief Executive
Officer

Red Hall, Red Hall Lane, Leeds, LS17 8NB

25 September 2018

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2017.

Principal activities

The principal activity of RFL (Governing Body) Limited ("the RFL" or "the League") throughout the year was the promotion of the game of Rugby Football League. The League organises and promotes competitions to maximise returns to members. The League is also the governing body for the sport of Rugby League in Great Britain and Ireland.

Business Review

The RFL has made a loss for the financial year of £1,819k for the year ended 31 December 2017 (*2016: loss* £1k). The RFL has maintained an aggregate positive cash and short-term deposit balance throughout the year. At 31 December 2017, this aggregate balance was £3,291 (*2016:* £3,407k). Therefore, at the time of approval of the Financial Statements, the directors are satisfied regarding the funding of the RFL for the foreseeable future.

Board of Directors

The RFL has a Board of Directors that is totally independent of any club or member involvement. The Board is comprised of three Executive Directors, and four Non-Executive Directors – including the Non-Executive Chairman.

All non-executive directors are subject to election by the RFL Council at the first opportunity after their appointment, and to re-election at regular intervals and at least every three years. Non-executive directors retire by rotation and may offer themselves for immediate re-election.

The Directors who held office during the year therefore was as follows:

B Barwick	(Non-Executive Chairman)	
N Wood	(Chief Executive Officer)	Resigned 31 January 2018
C Morrow		
R Rimmer		
R Draper		Resigned 15 January 2018
S Johnson		
C Brindley		

The Board undertakes a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors. This includes a review of whether each director continues to contribute effectively and demonstrate a commitment to the role (including commitment of time for Board and committee meetings and any other duties). The evaluation process is used constructively as a mechanism to improve Board effectiveness, maximise strengths and address areas of improvement.

Directors' Report *(continued)*

Board Committees

The Board has established five specific committees, each with defined terms of reference. Minutes of the meetings are circulated to and reviewed by the Board.

The Audit Committee
This consists of the three non-executive directors and the CEO. This Committee is chaired by Simon Johnson, and normally meets once a year and in addition to the Committee members is attended by representatives of the external auditors and the Director of Finance. The non-executive Chairman, and all other board directors have a standing invite to attend. The Audit Committee considers the Annual Report and Accounts before submission to RFL Council for approval. The Committee also reviews accounting practices to ensure compliance with accounting standards. In addition, it recommends the appointment of the external auditors for approval at the AGM, considers the scope of past and future audits, deals with matters arising from the audit and reviews internal control procedures. All non-audit services provided by the Group's auditors are considered by the Chairman of the Audit Committee and the Chief Executive Officer and are reviewed by the Audit Committee where expenditure is above a set limit for this type of work.

The Remuneration Committee
The Board of Directors consider it important to benchmark key staff against other businesses of similar size and against other sports governing bodies. To this end, the Remuneration Committee meets as appropriate under the chairmanship of Clare Morrow and comprises Simon Johnson. The Committee determines the terms and conditions of employment for executive directors and agrees the level of remuneration for senior managers whose earnings are more than the committee's prescribed limit.

The Nominations Committee
The RFL believes that there should be a formal and transparent procedure for appointing new members to the Board of Directors. To this end the Board established a Nominations Committee which will lead the process for board appointments. This Committee is chaired by Brian Barwick and includes Clare Morrow, Simon Johnson and the RFL CEO. The Committee is responsible for nominating candidates to fill board vacancies for the approval of the Board as and when they arise. Before considering any appointment, the balance of skills, knowledge and experience on the Board is evaluated and, in the light of this evaluation, a description of the role and capabilities required for an appointment is prepared. In addition, full consideration is given to succession planning during its work, considering the challenges and opportunities facing the company and the skills and expertise that are therefore needed on the Board in the future as well as regularly reviewing the structure, size and composition (including skills, knowledge and experience) of the Board and making recommendations to the Board with regard to any changes.

Risk Management Control Committee
The RFL have had a Risk Management Control Group for several years. This group has reported into the Board since its inception, but in 2013 the Board decided that this group should be a formal Committee of the RFL Board to further demonstrate the Boards commitment to risk. The Committee is chaired by Clare Morrow and includes the RFL's Company Secretary and Director of Finance; the RFL's Legal and Compliance Officer, the RFL's Facilities Manager, and an external insurance specialist from Bartlett & Company. The Committee reviews the risks of the business and investigates appropriate responses to the identified risks.

In late 2017 the Risk Management Control Committee and the Audit Committee were merged to form the Audit & Risk Committee. Revised Terms of Reference were agreed in preparation for the meetings to be held throughout 2018.

Directors' Report *(continued)*

Laws Committee
This group has been in existence for some time but such is the importance that the Board place on this, that during 2014 the Board requested that this become a formal sub-committee of the Board. The Committee is chaired by the RFL's CEO. The Committee meet three times each year to review the current laws of the game whilst also fully considering the potential impact of the introduction of new laws based on criteria such as; game spectacle, player safety and the international landscape. Drawing from across the game, the Committee comprises of the Director of Projects and Planning, who is the Committee Secretary and the RFL's Chief Operating Officer. They are joined by Bob Barker representing the Community game, Carl Hall representing Championship and L1 and Mike Rush representing Super League. The Committee consider it vital to understand the views of coaching staff, and Brian Mc Dermott represents this group whilst players are represented by Jon Wilkin. Finally, the Committee also includes representation from the Match Officials department who give expertise on the potential implications of suggested law changes.

Internal Control

The Board is responsible for establishing and maintaining the RFL's system of internal controls. Internal control systems are intended to meet the needs of the organisation and the risks to which it is exposed. By their nature, such systems and procedures are designed to manage rather than eliminate the risk of failure to achieve objectives and can therefore provide reasonable and not absolute reassurance against material loss or misstatement.

Key elements of the internal control systems are:

- Clearly defined management structure and delegation of authority to committees of the Board and the management team.
- High recruitment standards and formal career development and training to ensure the integrity and competence of staff.
- Regular information provided to management and staff, covering financial performance and key performance indicators.
- A detailed budgeting process where departmental managers participate in the budget formation before approval by the Board.
- Procedures for the approval of capital expenditure, investments and significant trading purchases.
- Monthly monitoring and re-forecasting of results against budget, with management action taken and recorded against major variances.
- On-going procedures to maintain the risk register, evaluate the risks faced by the business and monitor the systems to control and reduce the risks.

Proposed dividend

The directors do not recommend the payment of a dividend.

Political contributions

The Company made no political donations or incurred any disclosable political expenditure during the year.

Other information

An indication of likely future developments in the business and of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 1.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Directors' Report *(continued)*

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board

Ralph Rimmer
Interim Chief Executive Officer

25 September 2018

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

KPMG LLP

1 Sovereign Square
Sovereign Street
Leeds LS1 4DA
United Kingdom

Independent auditor's report to the members of RFL (Governing Body) Limited

Opinion

We have audited the financial statements of RFL (Governing Body) Limited ("the company") for the year ended 31 December 2017 which comprise the Consolidated profit and loss account other comprehensive income, Consolidated balance sheet, Company balance sheet, Statement of changes in equity, Consolidated cash flow statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2017 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 9, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent 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 they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Chris Butt **(Senior Statutory Auditor)**
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

27 September 2018

Statement of directors' responsibilities in respect of the annual report, strategic report, the directors' report and the financial statements

The directors are responsible for preparing the Annual Report, Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Consolidated Profit and Loss Account and Other Comprehensive Income
for the year ended 31 December 2017

	Note		2017		2016
		£	£	£	£
Turnover	*1,2*		**22,037,280**		27,394,921
Cost of sales	*3*	**(7,449,029)**		(11,770,974)	
Cost of sales – payable to or on behalf of clubs	*4*	**(2,886,968)**		(4,222,350)	
Total cost of sales			**(10,335,997)**		(15,993,324)
Gross profit			**11,701,283**		11,401,597
Payments to or on behalf of clubs and other member organisations	*4*	**(8,134,423)**		(7,948,012)	
Operating costs		**(5,630,841)**		(3,518,722)	
Administrative costs			**(13,765,264)**		(11,466,734)
Operating loss			**(2,063,981)**		(65,137)
Other interest receivable and similar income	*8*		**33,933**		71,138
Loss on ordinary activities before taxation			**(2,030,048)**		6,001
Tax on profit/(loss) on ordinary activities	*9*		**211,403**		(6,703)
Loss for the financial year			**(1,818,645)**		(702)

All items above relate to continuing operations.

There is no difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents.

There are no other items of comprehensive income.

The notes on pages 19 to 32 form part of these financial statements.

Consolidated balance sheet
at 31 December 2017

	Note		2017		2016
		£	£	£	£
Fixed assets					
Tangible assets	*10*		**1,947,219**		1,737,803
Investment property	*11*		**750,000**		1,122,361
			2,697,219		2,860,164
Current assets					
Debtors	*13*	**12,872,505**		17,377,423	
Cash at bank and in hand	*14*	**3,290,615**		3,406,785	
		16,163,120		20,784,208	
Creditors: amounts falling due within one year	*15*	**(18,860,719)**		(21,834,701)	
Net current liabilities			**(2,697,599)**		(1,050,493)
Total assets less net current liabilities			**(380)**		1,809,671
Net (liabilities)/assets			**(380)**		1,809,671
Capital and Reserves					
Revaluation reserve	*18*		**428,469**		419,875
Accumulated (deficit)/surplus	*18*		**(428,849)**		1,389,796
Shareholders' (deficit)/funds			**(380)**		1,809,671

The notes on pages 19 to 32 form part of these financial statements.

These financial statements were approved by the board of directors on 25 September 2018 and were signed on its behalf by:

Ralph Rimmer
Interim Chief Executive Officer

Company registered number: 05835638

Company balance sheet
at 31 December 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	*10*		**1,444,250**		1,444,250
Investment property	*11*		**750,000**		1,122,361
Investments	*12*		**389,861**		389,861
			2,584,111		2,956,472
Creditors: amounts falling due within one year	*15*	**(94,642)**		(175,237)	
Net current liabilities			**(94,642)**		(175,237)
Total assets less current liabilities			**2,489,469**		2,781,235
Net assets			**2,489,469**		2,781,235
Members' funds					
Revaluation reserve	*18*		**428,469**		419,875
Accumulated surplus	*18*		**2,061,000**		2,361,360
Shareholders' funds			**2,489,469**		2,781,235

The notes on pages 19 to 32 form part of these financial statements.

The company is limited by guarantee.

These financial statements were approved by the board of directors on 25 September 2018 and were signed on its behalf by:

Ralph Rimmer
Interim Chief Executive Officer

Company registered number: 05835638

Statement of Changes in Equity

	Group		
	Revaluation reserve	**Accumulated surplus**	**Total equity**
	£	**£**	**£**
Balance at 1 January 2016	412,378	1,390,498	1,802,876
Total comprehensive income for the period			
Profit or loss	-	(702)	(702)
Deferred taxation on revalued assets	7,497	-	7,497
Total comprehensive income for the period	7,497	(702)	6,795
Balance at 31 December 2016	**419,875**	**1,389,796**	**1,809,671**

	Group		
	Revaluation reserve	**Accumulated surplus**	**Total equity**
	£	**£**	**£**
Balance at 1 January 2017	419,875	1,389,796	1,809,671
Total comprehensive income for the period			
Profit or loss	-	(1,818,645)	(1,818,645)
Deferred taxation on revalued assets	8,594	-	8,594
Total comprehensive income for the period	8,594	(1,818,645)	(1,810,051)
Balance at 31 December 2017	**428,469**	**(428,849)**	**(380)**

Statement of Changes in Equity (continued)

	Company		
	Revaluation reserve	**Accumulated surplus**	**Total equity**
	£	**£**	**£**
Balance at 1 January 2016	412,378	2,297,653	2,710,031
Total comprehensive income for the period			
Profit or loss	-	63,707	63,707
Deferred taxation on revalued assets	7,497	-	7,497
Total comprehensive income for the period	7,497	63,707	71,204
Balance at 31 December 2016	**419,875**	**2,361,360**	**2,781,235**

	Company		
	Revaluation reserve	**Accumulated surplus**	**Total equity**
	£	**£**	**£**
Balance at 1 January 2017	419,875	2,361,360	2,781,235
Total comprehensive income for the period			
Profit or loss	-	(300,360)	(300,360)
Deferred taxation on revalued assets	8,594	-	8,594
Total comprehensive income for the period	8,594	(300,360)	(300,360)
Balance at 31 December 2017	**428,469**	**2,061,000**	**2,489,469**

Consolidated Cash Flow Statement

for year ended 31 December 2017

	Note	2017	2016
		£	£
Cash flows from operating activities			
Loss for the year		**(1,818,645)**	(702)
Adjustments for:			
Depreciation, amortisation and impairment		**132,614**	181,906
Impairment of investment property		**372,361**	-
Interest receivable and similar income		**(33,933)**	(71,138)
Taxation		**(211,403)**	6,703
		(1,559,006)	116,768
Decrease/(Increase) in trade and other debtors		**4,694,345**	(6,395,560)
(Decrease)/Increase in trade and other creditors		**(2,922,296)**	(559,877)
		213,043	(6,838,668)
Tax paid		**(21,116)**	(54,857)
Purchase of fixed assets	*10*	**(342,030)**	(173,647)
Net cash from operating activities		**(150,103)**	(7,067,172)
Cash flows from investing activities			
Interest received		**33,933**	71,138
Net cash from investing activities		**33,933**	71,138
Net (decrease) in cash and cash equivalents		**(116,170)**	(6,996,034)
Cash and cash equivalents at 1 January		**3,406,785**	10,402,819
Cash and cash equivalents at 31 December	*14*	**3,290,615**	3,406,785

Notes
(forming part of the financial statements)

1 Accounting policies

RFL (Governing Body) Limited (the "Company") is a company limited by guarantee and incorporated and domiciled in the UK.

These Group and Parent Company financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: investment property, and tangible fixed assets.

1.2 Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Review on pages 1 to 3.

The working capital cycle of the business means there are certain pinch points where the cash balance is low due to the profile of cash receipts from some of the major income streams. Management forecast these pinch points for the foreseeable future and have pro-actively managed the cash risk through securing both a new long term external finance arrangement together with re-negotiating payments terms on its contracted income. The Cash flow budget for 2018 indicates a profit of £800k in order to increase cash reserves. The Company has net current liabilities of £2,698k which is attributable to the large amount of deferred income held on the balance sheet rather than true financial liabilities.

As the Company has a long-term contract with its major broadcast partner and several customers and suppliers across different geographic areas and industries, has access to external finance and the ability to manage working capital, the directors believe that the company is well placed to manage its cash flow and other business risks successfully. The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for at least the next 12 months following the date of these accounts. Thus, they continue to adopt the going concern basis of accounting.

1.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2017. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

1.4 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Notes *(continued)*

1.5 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of tangible fixed assets that had been revalued to fair value on or prior to the date of transition to FRS 102, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described at 1.12 below.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- Leasehold properties 25 years
- Fixtures & Fittings 8 years
- Office Equipment 4 years
- Computer Equipment 4 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Revaluation

Freehold properties are stated at fair value less any subsequent accumulated depreciation and impairment losses.

Gains on revaluation are recognised in other comprehensive income and accumulated in the revaluation reserve. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease previously recognised in profit or loss.

Losses arising on revaluation are recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity, in respect of that asset. Any excess is recognised in profit or loss.

Notes *(continued)*

1.7 Government funding for service delivery

Government funding for service delivery is included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred.

1.8 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition

i. investment properties whose fair value can be measured reliably are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise; and

ii. no depreciation is provided in respect of freehold investment properties applying the fair value model.

1.9 Employee benefits

Post-retirement benefits

The organisation operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the organisation in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Termination benefits

Termination benefits are recognised as an expense when the company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

1.10 Provisions

A provision is recognised in the balance sheet when the Entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Parent Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1.11 Turnover

Income comprises the value of sales excluding VAT of goods and services in the normal course of business, sponsorship monies, grant monies and revenue derived from television broadcasting contracts. Income includes amounts generated as principal and excludes transactions conducted as agent of the Clubs. Income is recognised in the period to which it relates and payments to clubs are recorded as 'payable to clubs' in the period in which the related income is recognised. Government grants are taken to income in order to match them against the related costs. Where amounts have not yet been spent grant monies received are shown as deferred income.

Notes *(continued)*

1.12 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income is recognised in profit or loss as it accrues. Foreign currency gains and losses are reported on a net basis.

1.13 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes *(continued)*

2 Turnover

	2017 £	2016 £
Match income	**2,466,182**	4,953,952
Broadcast	**9,866,597**	12,353,721
Sponsorship	**1,264,835**	1,440,748
Government funding	**2,959,736**	3,955,910
Other	**5,479,930**	4,690,590
Total turnover	**22,037,280**	27,394,921

All turnover is generated in the UK

3 Cost of sales

	2017 £	2016 £
Match costs	**1,807,405**	4,316,303
Grant funded activities	**2,856,525**	3,950,595
Sponsorship and promotional costs	**271,662**	696,962
Other	**2,513,437**	2,807,114
Total cost of sales	**7,449,029**	11,770,974

4 Payments to or on behalf of clubs and other member organisations

	2017 £	2016 £
Awards to clubs	**5,518,043**	5,315,405
Awards to other sections of the game	**191,136**	189,739
Match officials	**1,503,409**	1,440,694
Insurance	**519,789**	543,127
Disciplinary costs and banned substances testing	**207,770**	232,319
Player Welfare	**194,276**	226,728
Total cost of sales	**8,134,423**	7,948,012

In addition to the amounts above, further amounts were paid to or on behalf of clubs relating to events or government funding. These amounts are contained within Cost of sales – payable to or on behalf of clubs and are as follows:

	2017 £	2016 £
Match costs	**1,232,864**	2,500,946
Grant funded activities	**1,654,104**	1,721,404
	2,886,968	4,222,350
Total payments made to or behalf of clubs	**11,021,391**	12,170,362

Notes *(continued)*

5 Expenses and auditor's remuneration

Included in profit/loss are the following:

Auditor's remuneration:

	2017	2016
	£	£
Audit of these financial statements	**15,900**	17,000
Amounts receivable by the company's auditor and its associates in respect of:		
Audit of financial statements of subsidiaries of the company	**15,900**	9,000
Taxation compliance services	**5,300**	5,300

6 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2017	2016
On field staff	**2**	2
Administration staff	**153**	172
	155	174

The aggregate payroll costs of these persons were as follows:

	2017	2016
	£	£
Wages and salaries	**5,654,645**	5,903,318
Social security costs	**581,497**	559,221
Contributions to defined contribution plans	**225,122**	203,874
	6,461,264	6,666,413

Notes *(continued)*

7 Directors' remuneration

	2017	2016
	£	£
Directors' remuneration	**705,857**	618,286
Company contributions to money purchase pension plans	**24,960**	49,031
	730,817	667,317

Included in the above is the remuneration of the independent non-executive board of RFL (Governing Body) Limited. They are detailed as follows:

	2017	2016
	£	£
Brian Barwick	**81,550**	80,600
Simon Johnson	**34,000**	25,000
Clare Morrow	**30,375**	29,000
Christopher Brindley	**27,000**	26,000
	172,925	**160,600**

The aggregate of remuneration receivable of the highest paid director was £269k (2016: £314k), and company pension contributions of £nil (2016: £42k) were made to a money purchase scheme on his behalf.

The total remuneration of the Chief Executive's Senior Management Committee is £905k, (2016 £674k).

	2017	2016
	£	£
Provision for N Wood loss of office payable in 2018	**328,840**	-
	328,840	-

	Number of directors	
	2017	2016
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	**3**	3

8 Other interest receivable and similar income

	2017	2016
	£	£
Net gain on financial assets measured at fair value through profit or loss	**33,933**	**71,138**
Total interest receivable and similar income	**33,933**	**71,138**

Notes *(continued)*

9 Taxation

Total tax expense recognised in the Profit and Loss account and Other Comprehensive Income

	2017		2016	
	£	**£**	£	£
Current tax				
Current tax on income for the period	-		(4,031)	
Adjustments in respect of prior periods	**(545)**		11720	
Total current tax		**(545)**		7,689
Deferred tax				
Origination and reversal of timing differences	**(210,857)**		2,256	
Change in tax rate	**(1)**		(207)	
Adjustments arising from a change in tax status of the company	-		(3,035)	
Total deferred tax		**(210,858)**		(986)
Tax expense(income) relating to changes in accounting policies and material error				
Total tax		**(211,403)**		6,703

		2017			2016	
	£	**£**	**£**	£	£	£
	Current tax	**Deferred tax**	**Total tax**	Current tax	Deferred tax	Total tax
Recognised in Profit and loss account	**(545)**	**(210,858)**	**(211,403)**	7,689	(986)	6,703
Recognised directly in equity		**(8,594)**	**(8,594)**		(7,497)	(7,497)
Total tax	**(545)**	**(219,452)**	**(219,997)**	7,689	(8,483)	(794)

All taxation is UK Corporation Tax

Notes *(continued)*

9 Taxation *(continued)*

Reconciliation of effective tax rate

	2017 £	2016 £
(Loss) / Profit for the year	**(1,818,645)**	(702)
Total tax (credit)/expense	**(211,403)**	6,703
(Loss)/profit excluding taxation	**(2,030,048)**	6,001
Tax using the UK corporation tax rate of 19.25% (20.25%)	**(390,710)**	1,478
Group relief surrendered	**77,643**	(6,108)
Non-deductible expenses	**73,799**	3,412
Losses carried back	-	12,279
Under / (over) provided in prior years current taxation	-	8,711
Credit due to carry back of losses to 2015	-	(12,464)
Adjust deferred tax rate to current rate	**27,865**	(605)
Total tax (credit)/expense included in profit or loss	**(211,403)**	6,703

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on July 2 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 December 2017 has been calculated on these rates.

Notes *(continued)*

10 Tangible fixed assets

Group	Freehold land & buildings £	Equipment, fixtures & fittings £	Total £
Cost or valuation			
At beginning of year	1,444,250	2,105,022	3,549,272
Additions	-	342,030	342,030
At end of year	1,444,250	2,447,052	3,891,302
Depreciation			
At beginning of year	-	1,811,469	1,811,469
Charge for year	-	132,614	132,614
At end of year	-	1,944,083	1,944,083
Net book value			
At 31 December 2017	1,444,250	502,969	1,947,219
At 31 December 2016	1,444,250	293,553	1,737,803

Company	Freehold land & buildings £	Total £
Cost or valuation		
At beginning of year	1,444,250	1,444,250
At end of year	1,444,250	1,444,250
Depreciation		
At beginning of year	-	-
Charge for year	-	-
At end of year	-	-
Net book value		
At 31 December 2017	**1,444,250**	**1,444,250**
At 31 December 2016	1,444,250	1,444,250

Included above is freehold land of £415,000 (2016: £415,000) and other freehold properties of £1,050,000 (2016: £1,050,000), neither of which are depreciated.

Notes *(continued)*

10 Tangible fixed assets *(continued)*

Revaluation

Assets are periodically valued by independent valuers. The last valuation was carried out in 2013.

The aggregate fair value of the freehold properties was measured taking into consideration their current physical condition subject to existing tenancies and with vacant procession as appropriate.

The following information relates to tangible fixed assets carried on the basis of revaluation.

Freehold land and buildings

	2017	2016
	£	£
At fair value	**1,444,250**	1,444,250
Historical cost net book value	**975,822**	975,822

The aggregate fair value of the freehold property at 31 December 2017 was not materially different from the previous valuation and the directors chose not to reflect this in the accounts

Land and Buildings

The net book value of land and buildings comprises:

	2017	2016
	£	£
Freehold	**1,444,250**	1,444,250

11 Investment property

Company and group	**Leasehold land & buildings**
	£
Cost or valuation	
At beginning of year	1,336,145
Additions	-
Revaluation adjustment	(372,361)
At end of year	1,336,145
Depreciation	
At beginning of year	213,784
Charge for year	-
At end of year	213,784
Net book value	
At 31 December 2017	**750,000**
At 31 December 2016	1,122,361

Any gain or loss arising from a change in fair value is recognised in profit or loss. Rental income from investment property is accounted for as described in the Turnover accounting policy.

Notes *(continued)*

12 Fixed asset investments

	Investment in subsidiary undertakings £
Company	
Cost and net book value	
At beginning and end of year	389,861

The undertakings in which the group has interests at 31 December 2017 are:

	Country of incorporation	Principal activity	Percentage of ordinary shares held Group	Company
Subsidiary undertakings				
The Rugby Football League Limited	UK	Sports promotion	**100%**	**100%**
ZZ Merchandising Limited (formerly Rugby League Enterprises)	UK	Sports promotion	**97%**	**97%**
Rugby League Tri-Tournaments Limited	UK	Sports promotion	**100%**	**100%**
Rugby League World Cup 2021 Ltd	UK	Sports promotion	**100%**	**100%**
Rugby League Learning Limited	UK	Education	**100%**	**100%**

The registered office of all the subsidiaries is the same as RFL (Governing Body) Limited.

13 Debtors

	Group 2017 £	2016 £	Company 2017 £	2016 £
Trade debtors	**11,559,303**	9,702,781	-	-
Other debtors	**127,549**	956,148	-	-
Taxation and social security	**38,925**	1,597	-	-
Prepayments and accrued income	**628,221**	6,424,042	-	-
Loans to clubs	**329,081**	292,855	-	-
Corporation tax	**12,464**	-		
Deferred tax (see note 16)	**176,962**	-		
	12,872,505	17,377,423	-	-

14 Cash and cash equivalents

	Group 2017 £	2016 £	Company 2017 £	2016 £
Cash at bank and in hand	**3,290,615**	3,406,785	-	-

Notes *(continued)*

15 Creditors: amounts falling due within one year

	Group		Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
Trade creditors	**8,376,332**	7,016,727	**-**	-
Amounts owed to group undertakings	**1**	1	**66,520**	**130,229**
Taxation and social security	**260,372**	234,830	**-**	-
Other creditors	**6,252,978**	10,046,915	**-**	-
Accruals and deferred income	**3,971,036**	4,485,659	**-**	-
Corporation tax	**-**	8,079	**-**	**8,292**
Deferred tax (see note 16)	**-**	42,490	**28,122**	**36,716**
	18,860,719	21,834,701	**94,642**	**175,237**

16 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2017	2016	**2017**	2016	**2017**	2016
	£	£	**£**	£	**£**	£
Accelerated capital allowances	**(176,962)**	-		51,581	**(176,962)**	51,581
Short term timing differences		(9,091)		-		(9,091)
Net tax (assets) / liabilities	**(176,962)**	(9,091)		51,581	**(176,962)**	42,490

17 Employee benefits

Defined contribution plans

The Company operates several defined contribution pension plans.

The total expense relating to these plans in the current year was £224k *(2016: £204k)*

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

18 Capital and reserves

Revaluation reserve

Where tangible fixed assets are revalued or reclassified as investment property, the cumulative increase in the fair value of the property at the date of reclassification in excess of any previous impairment losses is included in the revaluation reserve.

Accumulated surplus

A reconciliation of the accumulated surplus can be found in the Statement of Changes in equity on page 15.

Notes *(continued)*

19 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2017 £	2016 £
Less than one year	**15,096**	17,662
Between one and five years	**55,551**	70,648
	70,647	88,310

During the year £15,096 was recognised as an expense in the profit and loss account in respect of operating leases *(2016: £22,974)*.

20 Related parties

In 2006 the Chairman and Chief Executive Officer of the RFL became the two operational directors of Super League (Europe) Limited (SLE). By these shared directorships, the two companies are now related parties. The RFL receives income from ticket sales and sponsorship and incurs costs relating to SLE – these are all passed on to SLE. Similarly, SLE receives some income and incurs some costs on behalf of the RFL – these are passed on to the RFL.

At 31 December 2017 within trade debtors £746,419 (2016: £338,783) is owed to the RFL by SLE.
At 31 December 2017 within prepayments £4,171 (2016: £4,548,408) is owed to the RFL by SLE.
At 31 December 2017 within trade creditors £6,807,122 (2016: £5,583,406) is owed by the RFL to SLE.
At 31 December 2017 within accruals and deferred income £1,361 (2016: £10,131) is owed by the RFL to SLE.
At 31 December 2017 within other creditors £47,171 (2016: £94,100) is owed by the RFL to SLE.

RFL (Governing Body) Limited has significant influence over Rugby League Cares (RLC).

At 31 December 2017 within trade debtors £39,386 is owed to the RFL by RLC (2016: £nil).
At 31 December 2017 within loans to clubs £125,000 is owed by RLC to RFL (2016: £125,000)
At 31 December 2017 within other debtors £349,581 is owed by RLC to RFL (2016: £391,584).
At 31 December 2017 within accruals and deferred income £141,663 is owed by RFL to RLC (2016: £106,663)

RFL (Governing Body) Limited has significant influence over The RFL Benevolent Fund (RLB).

At 31 December 2017 within other creditors £127,620 is owed by RFL to RLB (2016: £37,467)
At 31 December 2017 within accruals and deferred income £229,591 is owed by RFL to RLB (2016: £103,959)

21 Company limited by guarantee

The company is limited by guarantee and does not have share capital.

The liability of the members in the event of the company being liquidated is limited to £1 per member.

22 Accounting estimates and judgements

In the opinion of the Directors these financial statements are not dependent upon any accounting estimates or judgements except for the investment properties.

23 Post balance sheet event

Further to the agreements made between N Wood and the Board in 2017, N Wood left the RFL on 31/01/2018. An agreement was made that N Wood would receive £288,963 in 2018. This amount has been accrued in the 2017 accounts to be paid in 2018.