

ANNUAL REPORT  
2020  
ADRODDIAD BLYNYDDOL





Dewrder | Hiwmor | Cywirdeb | Rhagoriaeth | Teulu | Llwyddiant  
Courage | Humour | Integrity | Excellence | Family | Success





# THE WELSH RUGBY UNION LIMITED

## ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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# President's Message



Gerald Davies

**First came the storms and then came the plague.**

**My first year in office has seen Welsh rugby tested to the core as indeed have the rest of our communities, and it should be a matter of great pride to all of us that our rugby clubs, in this extreme set of circumstances, unparalleled in our recent history, have not been found wanting. We should feel proud to have witnessed our game galvanised and equal to the task. It has not been easy.**

It was incredibly heart-wrenching to see the damage Storm Dennis did to the physical structures of our clubhouses and to lay waste many of our pitches but heart-warming to see the vigorous and inspiring response.

Over 60 clubs were affected by the storm, but members rallied round and having suffered the disaster the sense of camaraderie and fellow feeling, so exceptional within rugby clubs, made certain that all was not lost and helped ensure the potential for recovery.

On the pitch rivals turned up in each other's domains with paint brushes and toolboxes containing

all the necessary equipment to revamp, re-varnish and re-build premises.

Your union rallied around this selfless activity to offer funds, supplies and advice where needed, as did rugby supporters who donated to bucket collections at Wales matches and funds were found to help fund the fight back and to keep the storm at bay. We began to feel the strain lessen. But then, unbelievably it seemed, as if it could not get any worse, it did. From nowhere, without exaggeration as if in an Old Testament sense, a pestilential scourge enveloped the world; hitherto unheard of. It has had a devastating effect on all our lives.



Like everyone in all walks of life our rugby clubs were called upon to unite once again with a strong sense of togetherness.

The coronavirus pandemic (“Covid-19”) has struck at the very heart of our rugby communities. It is cruel to individual people and in responding to the need to limit its fatal consequences it has caused separation within families and divisions between communities at large. Our togetherness was under threat.

**I believe Welsh rugby’s reaction to this strange and frightening phenomenon has been a shining light in the darkness reflecting the very best of human nature.**

We have found other ways to keep in touch with clubhouses by becoming, for example, ‘virtual’ and we did what we do best in threatening circumstances; we supported each other and those more vulnerable than ourselves.

Our pitches have been out of bounds but throughout Wales our rugby clubs embarked on fund raising initiatives which saw them not only run, walk and cycle paths, tracks, and country roads but also some unique and admirable, if sometimes novel, ideas.

The Brecon shepherd put his sheep out to pasture on the club’s unused pitch so he could re-join the ambulance service, to the children who drew rainbows for clubhouse windows to show support for NHS and key workers everywhere.

In many cases our players were found to be leaders in some of these initiatives.

**This all-encompassing and benevolent spirit needs, as it hitherto has, to survive not only in desperate times but into creating an optimistic future**

When I wrote to you earlier this year, I said that we all hoped that the pandemic would be over before too long. Clearly that was over hopeful as we have entered what appears to be another devastating stage.



We must not be impatient which is so easy for us say and to be, as we all long to play once more. In part there are those who question the restrictions and the need for 'personal freedom'.

In which case I am reminded of those words *"The more freedom we enjoy the greater responsibility we bear towards others as well as ourselves"*

We still need to take very great care.

I began the season succeeding Dennis Gethin as President, a post which dates back over 130-years to the humble beginnings of our national game, and I put on record my thanks to him and each of my predecessors of our national game for all they have achieved in the role.

It is a great honour and again I would like to thank all of the member clubs throughout Wales for giving me the opportunity to serve Welsh rugby.

We must acknowledge and respect at all times the great and influential history of our Union and the very vital part we have played in evolving and enhancing this great game worldwide.

**While the clubs and their members give life to the game, rightly belonging to our villages, towns and cities and in wishing to reinforce that spirited and irrepressible life, we must at all times consider and promote our place in the world and what it is we have to offer and what invaluable contribution they expect of us.**

And to conduct ourselves in the manner of our seniority with the rugby world and to earn their esteem in the way we have done throughout our history.

It has been my greatest privilege to have played international rugby for Wales, but this accolade is truly the pinnacle of my lifetime in the game. I value and cherish this enormous honour.

The new coaching team is now in place. Wayne Pivac and his coaching colleagues began their work at about the same time following on from Warren Gatland's legacy. Wayne, like me, is following in the footsteps of great men. It is truly sad that having got underway and progress was being made, the pandemic arrived to haunt us all and put a halt to everything.

We also say goodbye to our chairman of six years, Gareth Davies, at this year's Annual General Meeting at the end of his second term on Board and Council. It is my great pleasure to be able to formally



thank him for the dedication and commitment he has shown to Welsh rugby during his tenure.

History will remember him as a chairman who not only cared passionately, but made a genuine and positive impact on Welsh rugby and his legacy, in terms of governance modernisation and progress in particular, will continue to pay dividends to our game.

The same can be said, from a legacy perspective, of Martyn Phillips who will also leave us at this year's Annual General Meeting, despite staying on beyond his self-imposed retirement date to guide Welsh rugby through the turbulence of Covid-19 and its significant repercussions. I thank both men wholeheartedly for their unwavering dedication to our game.

At the start of the season, before the Rugby World Cup, new caps were awarded to two new players Rhys Carre and Owen Lane and I welcome them to the fold.

Since then, Wayne has already blooded more new players in Johnny McNichol, Nick Tompkins and Will Rowlands. It was a great honour for me to award these new caps to these individuals personally.

It is worth remembering that we are merely custodians of the jersey for a short while before it is passed on. We are reminded of this when we remember Matthew J Watkins, Leighton Jenkins, Steve Blackmore, Russell Robins and Brian Davies who passed away this year. We also lost our oldest international, Peter Rees, once Chairman and President of Llanelli.

A full assessment of the contribution of each to Welsh rugby appears elsewhere in this document. It is my honour as President of the Welsh Rugby Union to record their contribution and to ensure their place in Welsh rugby.

**It is worth remembering that we are merely custodians of the jersey for a short while before it is passed on.**

**Let me add my good wishes to you all and to hope we shall all be back soon – very soon - doing our best for each other and for the good of Welsh rugby.**

**Gerald Davies  
CBE DL MA LLD**

**President, The Welsh Rugby Union  
Limited**



# Chairman's State

**I must begin with an expression of gratitude to our clubs, their members and our own staff for the way in which they have handled an apocalyptic challenge. This is not the place, nor has it been a tendency of my tenure, to sound like a prophet of doom, but there have been times this year for all of us when it has truly seemed like the end is nigh.**

But, in our lowest moments, we have been there for each other and are closer together than we have ever been. We have been struck by Storm Dennis and the Covid-19 pandemic which has suppressed the nation, but so far taken each punch.

Over £1m of funds have been made available to member clubs and we have been able to target this money where it is needed most thanks to feedback and dialogue. We are not out of the woods yet, but like Muhammed Ali during the 'Rumble in the Jungle' it will soon be time for us all to spring off the ropes. And we will be able to do this because our clubs have been open and honest about their finances, their available resources, their ambitions and their wants and needs – and we have listened.

We have publicly stated that we aim to bring Welsh rugby successfully through to the other side of this crisis in its entirety and we are on course to do so.

There are still rough waters ahead, but we have put ourselves in the very best position to steady the ship.

**Clubs have proved to anyone who ever doubted that they are the heartbeat of towns, villages, cities and communities throughout Wales.**

So often it is the rugby club which has organised fundraising activity, online social gatherings or shared resources with the vulnerable and delivered food and supplies and more. Of course there are other groups, organisations and individuals that have exemplified the human spirit in this way but it is only us, Welsh rugby, which boasts a network of clubs the length and breadth of Wales with such a galvanising influence.

At international level we began the season with high hopes of bringing back the Webb Ellis Cup from World Rugby's centrepiece tournament in Japan and Warren Gatland's squad did not disappoint him for the most part of his final campaign at the helm – emulating the Rugby World Cup semi-final reaching heroics of 2011 and 1987, in both New Zealand and Australia.

My own time representing Welsh rugby in Japan was a career highlight in terms of the sheer scale of the operation, the people I met and the hospitality of the host nation. This was the most successful tournament to date, economically, commercially and socially, despite disruption from typhoon Hagibis which, in retrospect, could seem like an ominous warning of times ahead.



Next came a changing of the guard and Wayne Pivac was the man in charge of a Guinness Six Nations campaign cut short by the pandemic. Wayne has begun to shape a new way of playing and the signs are incredibly promising for a period of continued success under his tenure. With the final rounds of the 2020 championship postponed, at the time of writing, we remain the reigning Champions after all!



# ment

Gareth Davies



In the women's game, a new coaching team of Chris Horsman, Geraint Lewis and Gareth Wyatt took over from Rowland Phillips and the trio have laid foundations ahead of a new strategy for Wales women, one which means increased funding and more new appointments at the helm. These are exciting times for Wales Women who have ambitions, matched by our Performance Director Ryan Jones, to compete at the very highest level in the years ahead and continue to grow participation in the game at an exponential rate.

Our four Regions have felt the impact of the Covid-19 pandemic as acutely as anyone in Welsh rugby. Before the crisis hit two, the Scarlets and the Dragons, were set to feature in the European Challenge Cup quarter-finals and the Scarlets were our leading lights in the PRO14, sitting in third position in conference B. Our players, represented by the Welsh Rugby Players Association, have been professional throughout our talks in these trying times and we have shared an ambition to do the right thing for Welsh rugby, as we have worked our way through postponements, lockdowns, furloughs and salary negotiations together.

**This year has presented us with a golden opportunity to change some elements of the world game, in terms of clashes in the global calendar, in the interests of both player welfare and maximum commercial gain for all parties.**

There has been private equity investment in the PRO14 which must be invested wisely and we must continue down the line of ensuring the financial future of Welsh rugby at a time of huge potential change.

I would like to take this opportunity to welcome John Manders who became a newly elected WRU Council member in July and Ieuan Evans, who is set to join the Council in October and also recognise Liza Burgess who, in November 2019, became the first female to be elected by member clubs to the Council and consequently the Board of the WRU. We have sought to encourage candidates from a wide variety of backgrounds so that we can increase the pool of talent on our Council, available to serve our game at all levels and work will continue on this front.

From a personal point of view I have been enriched by my experiences as a Board member and as Chairman of the WRU Board and I have achieved many of the things that I set out to achieve during my six year tenure. We have introduced governance change and modernisation that many thought an historic Union like ours would have found impossible to do, but we are not the finished article yet.

There is more to do, and these are particularly challenging times for our game, for the many reasons outlined above. I offer my successor or successors on Council, Board and as WRU chair my very best and sincere wishes as they seek to address the challenges ahead and further secure the future of our cherished national game. It has been my great honour to be of service.

Yours in rugby

A handwritten signature in black ink, appearing to read 'Gareth Davies'.

**Gareth Davies**

**Chairman, The Welsh Rugby Union Limited**





# Group Chief Executive's Summary

**The temptation is to write off the year, put it down to experience and look ahead. But that would mean overlooking many months of achievement throughout Welsh Rugby and not marking the herculean efforts we have made to ensure that our game emerges from the current health crisis intact and in its entirety.**

Despite our internal financial systems initially indicating a far bleaker position due to the Covid-19 pandemic, our report today outlines a £5.3m loss. There is still a funding hole, which will be felt most keenly by the professional end of our game in the years ahead, but there is a significant turnaround which is a direct result of the reaction and hard work of our staff, partners and other stakeholders to a crisis situation unprecedented in modern times.

Through a combination of cost cutting, careful management and utilising various, welcome, government schemes we have managed to tighten our belts significantly.

The year began with a Rugby World Cup campaign in Japan where our Wales side captured the hearts of a nation and, in particular, the locals at the training base in Kitakyushu. We have held open training sessions before at our own Principality Stadium when fans have turned out in their droves to support their heroes but to see 15,000 locals on foreign soil, dressed in red and singing Hen Wlad Fy Nhadau was something special. It set the tone for the tournament and that wave of goodwill, together with the highly professional efforts of our national squad coaching team and players, carried us to a third World Cup semi-final.



We said goodbye to Warren Gatland and welcomed a new coaching team on board led by Wayne Pivac.

**The transition, with Wayne starting ahead of the Rugby World Cup, has gone well with a healthy mix of 'new and old' meaning that the evolution Wayne proposed was evident in his first few games.**

On a domestic front, two of our Regional sides reached the quarter-final stages of the European Challenge Cup, in the Scarlets and the Dragons and in the community game we were 60% of the way through the season when the pandemic struck.

The professional season was postponed, and the community game was cancelled. This decision was not taken lightly and there was no diminishing of the games that had already taken place nor the efforts of everyone involved. The impact on clubs with the potential to be promoted or win competitions was to be most severe; thankfully there were few leagues still 'up for grabs' but the decision had to be taken to ensure we played our part in safeguarding Welsh communities and rugby rallied round.

Build anything and you will only find out if it works when you test it. Put the thing under real stress and that's when cracks and weak spots will show. You learn an awful lot in a crisis about yourself, those around you and the plans and strategies that you have in place as a business. Those plans have been tested to their limits and it should be huge comfort to all of Welsh Rugby that plans, priorities and strategic objectives remain on course. Of course, we have had to make adjustments to meet the situation we find ourselves in, but an example of our commitment to projects is the increased investment in the female game at the elite and community

level, which we announced in June 2020. Rugby is a game for everyone, we want it to be played by more people, more often and with more enjoyment and this is why we continue to invest in this important growth area for our sport.

In YE19, we took the decision to ring-fence funding to our community game at £11.2m. This new approach meant the community game is guaranteed its annual investment, with the professional game in effect carrying the risk and reward of the fluctuation in financial performance. As a union of clubs this seemed entirely appropriate and we were pleased to have gained agreement to this new and innovative way of funding the game in Wales. This is a policy which has played a hugely significant part in our ambition to ensure we see as many clubs out of this crisis as we proudly supported upon entering it. Ring-fencing has come into its own and this now looks like one of the best decisions we have ever made. The clubs that are the lifeblood of our game have a certainty to their funding structure which will be the envy of many similar organisations around the globe at this time.



In addition, we have been proactive in providing increased funding to our clubs, we sent £1,000 to every member club at the start of this pandemic and provided a further £500 per club in July. The total funding package, including money provided in response to damage caused by Storm Dennis, available to clubs has reached the £1.0m mark. This money is in addition to welcome emergency funding provided by Welsh Government, such as the Economic Resilience Fund which the WRU has helped clubs access.

We are now at the start of a process where rugby adjusts to the 'new normal' both on and off the field. Competitions at the professional end of the game may well change and it is vital that Wales continues to be at the heart of those discussions. It is highly likely that we will require loans to survive and our future budgeting will be reliant on the management of that debt. Because of the way our game is structured and funded it is the professional game that will feel this most acutely, but the plan is for the drawdown of debt to be for a maximum of a one-year period.



**Aside from the Westgate Hotel, which is due to open in 2021, all capital expenditure projects have been paused. This reflects a move from proactive future-proofing of the business to reactive management of a crisis.**

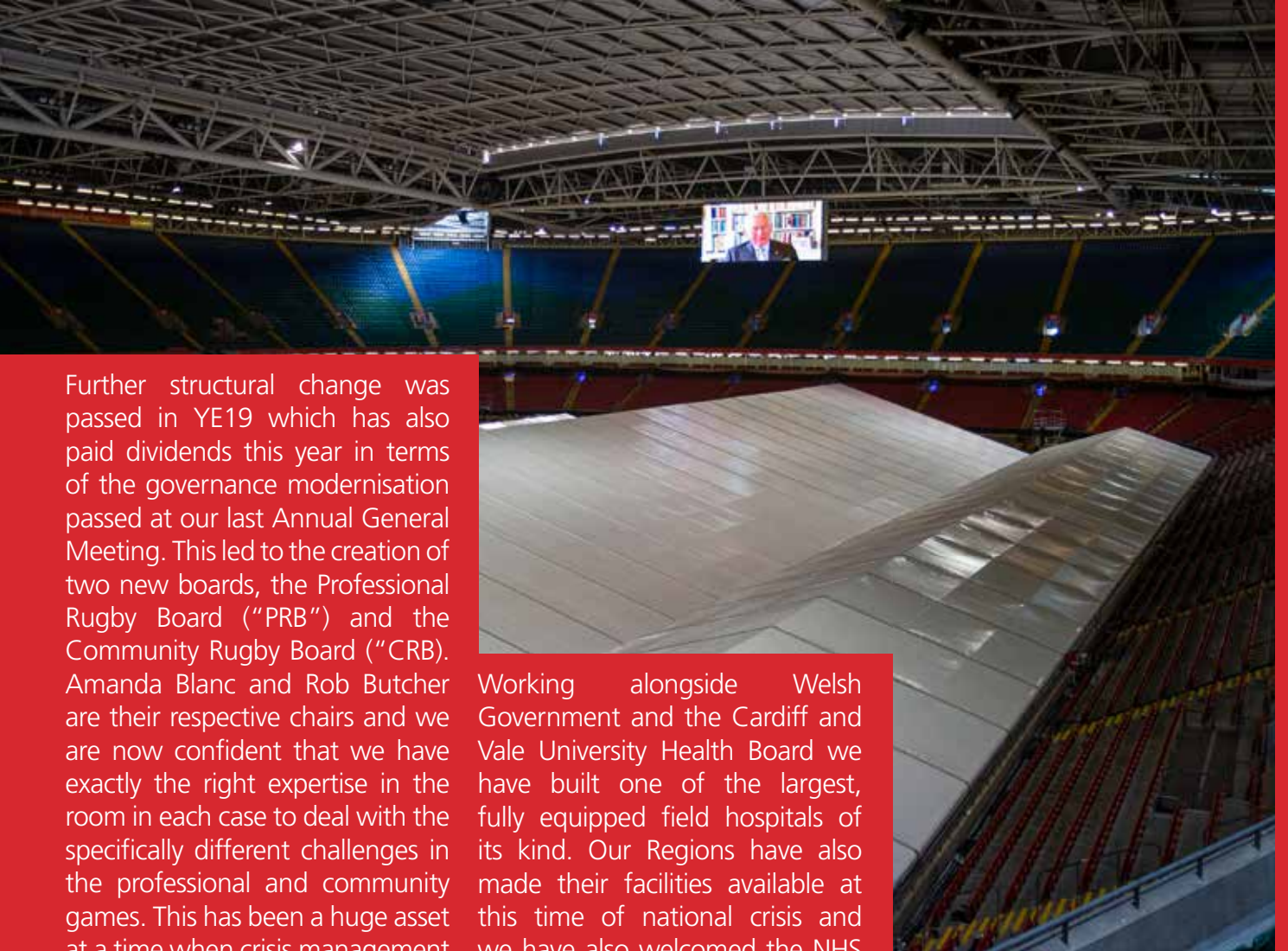
That said these mothballed projects are ready to return at a future date and are seen as a method of securely investing

and maximising future income. If anything, this period has reaffirmed our plans to explore ways of creating new income streams in the future to protect the WRU.

On the subject of investment, we welcomed CVC as partners in PRO14 in May 2020. We considered a number of options and felt, on balance, the commitment, investment and industry expertise CVC would bring to the league made this a partnership that will benefit the game. Their investment is evidence that rugby has room for commercial growth. They are a highly experienced external investor and we fully expect them to be a catalyst for change and progress.

Our decision to bring forward negotiations for a new Professional Rugby Agreement ("PRA") with our four Regions replacing the old Rugby Services Agreement ("RSA") has also paid dividends. The original RSA was due to expire in June 2020 but, with these negotiations completed during YE19, the professional game was on a stable footing when the Covid-19 crisis hit us in March 2020. Planning a long-term agreement of such fundamental importance during a crisis would have been extremely challenging, if not impossible.





Further structural change was passed in YE19 which has also paid dividends this year in terms of the governance modernisation passed at our last Annual General Meeting. This led to the creation of two new boards, the Professional Rugby Board (“PRB”) and the Community Rugby Board (“CRB”). Amanda Blanc and Rob Butcher are their respective chairs and we are now confident that we have exactly the right expertise in the room in each case to deal with the specifically different challenges in the professional and community games. This has been a huge asset at a time when crisis management has been so important.

**We have re-ordered our rolling three year strategy to take into account the demands the pandemic has imposed and will continue to impose, but are confident that our plans, aims and objectives – made pre-Covid-19 – are robust and will withstand the test of time.**

Of course, we will continually evaluate. For example, the decision we took to house the Dragon’s Heart Hospital at Principality Stadium has come under a great deal of scrutiny and rightly so.

Working alongside Welsh Government and the Cardiff and Vale University Health Board we have built one of the largest, fully equipped field hospitals of its kind. Our Regions have also made their facilities available at this time of national crisis and we have also welcomed the NHS into the WRU National Centre of Excellence in Hensol. The Dragon’s Heart Hospital, because of the scale of the resource it provides is set to remain throughout this autumn, coinciding with our own ambitions to return to playing rugby on the international stage. This has meant some new strategic thinking on our behalf, in terms of finding a temporary home for our national side.

The economic impact of this decision on Cardiff in general is not something to be shrugged off easily. We know that Principality Stadium generated £2.75bn in economic output during the first 20-year period of its operation, as set out in an independent report from Econactive carried out on behalf of the WRU in YE19. We are mindful of the fact that this will hurt the wider entertainment industry in Cardiff.

On average, Principality Stadium has supported around £135m of output and 2,500 FTE jobs in Cardiff and Wales in each year since it hosted its first event in June 1999, amounting to 50,275 person years of employment in total and £1.32bn of gross value added. The report also estimates visitor spending has provided £1.95bn for the local economy, whilst producing a £55m increase on the average estimated yearly impact in YE19 alone and supporting around one in ten tourism jobs.

But it is a measure of the scale of the current pandemic that all this pales into insignificance when measured against the potential human cost of not hosting the Dragon’s Heart Hospital at Principality Stadium. And there is no doubt that, given our time over, we would do it again.

Stadium events have in recent years been central to additional income for the WRU Group and Covid-19 will continue to have a huge impact on that business. We hope that lifting of restrictions in YE21 will provide a significant uplift, but know we must continue to be agile and responsive in this fast moving area and invest in the right infrastructure to ensure that our events business can thrive once again.



**From a personal perspective I am nearing the end of my five years with the WRU. The variety, challenge and breadth of the role coupled with the importance of our sport to Wales has meant it has been a privilege to serve as Group Chief Executive.**

Five years at the WRU, serving on the boards of Six Nations, PRO14, the British & Irish Lions and working with World Rugby means I have acquired a great deal of rugby knowledge. Whilst I took the decision to step away before the Rugby World Cup it has been a continued privilege to have been able to stay on to help manage the Covid-19 challenge. I hope that I can put this knowledge and the rugby relationships I have built to use for the WRU in some capacity in the future.

Finally, I would like to offer some thanks. Managing the impact of Covid-19 down to a much more manageable £5.3m deficit would not have been possible without the efforts of the Board, our commercial partners and the wider rugby family. Special mention should go to our Executive and the wider staff. Their passion and commitment to Welsh Rugby has been tangible. Whilst there remain choppy waters to navigate, I am convinced that they have already gone above and beyond to mitigate the many challenges to be faced.

**Martyn Phillips**  
Group Chief Executive,  
The Welsh Rugby Union Limited



# Strategic Report

## THE GROUP'S BUSINESS AND OBJECTIVES

### Group activities

The Welsh Rugby Union Limited's ("Company") purpose and principal activity is to promote rugby and to encourage more people to engage with the game, more often with more enjoyment and more success. The Company majority owns Millennium Stadium plc ("MS"), Millennium Stadium Experience Limited ("MSEL"), WRU National Centre of Excellence Ltd ("WRUNCE"), WRU Gwent Region Limited (and its subsidiaries), WRU Supporters Club Ltd ("WRUSC"), WRU Properties Limited ("WPL") and Westgate Hotel (Cardiff) Limited ("WHL"). Collectively, the Company and these subsidiaries are referred to in this Annual Report as the "Group".

WRU Gwent Region Limited (including its subsidiaries: WRU Gwent Rugby Limited and WRU Gwent Stadium Limited) own and manage the professional rugby team known as the Dragons and the land and other assets at Rodney Parade (collectively, "WRU Gwent").



## KEY PERFORMANCE INDICATORS ("KPIs")

The Group's KPIs are:

### Participation in rugby

- Participation levels in Community Rugby; including men's, women's and junior members

An analysis of the Group's performance against these measures is shown in the "A year in Community Rugby" section of this Annual Report.

### Rugby performance

- Success of the National Squads – men and women
- Performance of the four Welsh Regions
- Performance of the Group's age-grade teams

An analysis of the Group's performance against these measures is shown in the "A year in Professional Rugby" section of this Annual Report.

### Financial performance

- Generation of sufficient earnings before interest, depreciation, amortisation, allocations and exceptional items ("EBITDA"), over the medium term, to fulfil the Group's principal activity and primary objective
- Number of and attendances at international rugby matches featuring the Welsh team at Principality Stadium
- Provision of consistent and affordable levels of funding to clubs and affiliated organisations to allow them to implement long term plans to fulfil their objectives

An analysis of the Group's performance against these financial measures is set out below.



## FINANCIAL STRATEGY

Given the existing net asset base of the Group, the Group's strategy is typically to seek to re-invest more into the game annually rather than retaining any profits to enhance net assets. Furthermore, the Group is prepared to adjust its re-investment which may create retained profits and/or losses provided there is no material change, in the aggregate, to the net asset base over the medium term.

The Group had expected to show a break even result for the current year and was on track to achieve this up until the business and economic disruption that was caused by the Covid-19 pandemic. The impact of the pandemic on the Group has meant that an unanticipated loss has been incurred in the current year. The Group expects to be able to retain profits over the medium term to be able to offset this loss and return net assets to levels similar as at YE19.

## EU REFERENDUM

Following the referendum and decision to leave the EU, there has been increased economic uncertainty, exchange rate volatility and an impact on consumer confidence in the UK market. This is likely to continue until the transition period is completed and new trade deals come in to force. These trade deals may result in further changes to regulation and operational frameworks which may impact on the Group's operations. Given the ongoing uncertainty, the actual impact on the Group of the UK's decision to leave the EU is unclear. At the present time, the Directors consider the short-term impact on the Group to be not material and have therefore decided to exclude this from current principal risks.

## WESTGATE HOTEL

The Group continues the process of redeveloping and refurbishing the consolidated property created from the building already owned by the Group and the property acquired on Westgate Street, Cardiff, with a view to operating it as a hotel. As at the balance sheet date, the expenditure on the property amounted to £26.6m and a related liability was held at £23.3m. It was originally anticipated that the hotel would become operational in early 2021 but, given delays resulting from the Covid-19 pandemic, this is now expected to be towards the end of 2021.

## SALE OF PARTNERSHIP INTEREST IN THE PRO14 TOURNAMENT

During the year, Celtic Rugby Designated Activity Company ("CRDAC"), in which the Company is a shareholder, transferred the business of the PRO14 tournament to a separate Limited Partnership ("LP") in which CVC Capital Partners ("CVC") acquired a partnership interest. The proceeds of this transaction were ultimately paid to the shareholders of CRDAC by way of dividends. The £4.9m received in the year reflects the Group's share of the dividend from this transaction post professional fees.

The agreement between CRDAC and CVC includes future options for the sale of further tranches of CRDAC's holding in the LP to CVC. These are annual options in each year to YE24. If these options are exercised it will result in further dividends payable to the Group. Additionally, there is a further potential payment in YE25, which is conditional on certain financial metrics being achieved by the LP.

## HEADLINES OF THE FINANCIAL PERFORMANCE – YE20 v YE19

The Group's result for YE20 has been significantly impacted by disruption caused by the Covid-19 pandemic. This included the postponement of the Scotland Guinness Six Nations fixture, the cancellation of Judgment Day and the postponement of third-party events, including the Rammstein concert. As mentioned above, up until the disruption brought about by the Covid-19 pandemic, the Group was expecting to break even, in line with the current financial strategy. The following demonstrate the resulting outcomes:

	2020 £'m	2019 £'m
Turnover	79.9	90.5
Re-investment in the game	47.5	49.6
Group share of retained loss	(5.3)	(4.3)
Net bank debt	5.7	9.0

## DYNAMICS OF THE BUSINESS

The activities, both operational and financial, of each company in the Group are so intrinsically linked that there is little merit in assessing individual performance. Whilst they are all separate legal entities and are obliged to prepare separate financial statements, it is the Group's performance that is the only meaningful measure.

The Group must deliver on its commercial activities to allow re-investment in community rugby, performance rugby and Principality Stadium.

Accordingly, the Group's income generation is paramount to delivering on its principal activity and primary objective. The key economic income driver of the Group's business is the hosting of events at Principality Stadium; particularly, the hosting of international rugby events featuring the senior men's Welsh team and especially a winning Welsh team. The more matches that are played, the greater the Group's revenues that are available for re-investment in Welsh rugby. The Group welcomed 335,000 (2019: 393,000) rugby spectators to Principality Stadium for the Under Armour Series and the Guinness Six Nations, analysed as follows:

	2020 No. of home matches	2020 '000	2019 No. of home matches	2019 '000
Under Armour Autumn Series	-	-	4	246
Under Armour Summer Series	2	133	-	-
Wales v Barbarians	1	62	-	-
Guinness Six Nations	2	140	2	147
	<b>5</b>	<b>335</b>	<b>6</b>	<b>393</b>

The primary reason that the overall attendance decreased in YE20 was due to playing five home fixtures compared with six in YE19. The Group was scheduled to play six home matches in YE20 but the Scotland Guinness Six Nations fixture was postponed due to the Covid-19 pandemic. The average attendance per match was 67,000 (2019: 66,000) and equated to an average of 91% (2019: 89%) when expressed as a measure of capacity attendance.

The average ticket income per attendee at matches held at Principality Stadium in YE20 was £43 (2019: £49).

The Group's operational cost base is relatively fixed; albeit there are incremental costs if more Group controlled events are staged. As a consequence, incremental events mean incremental revenue, costs and ultimately incremental profits which can be re-invested into the game across all levels.

## FINANCIAL PERFORMANCE

### Overview of performance

The Group generates income from its international matches (including sponsorship and broadcast rights) and incremental revenue from the use of Principality Stadium. This income meets the operating costs of the Group to allow the majority of the surplus to be "invested" in "Welsh rugby", as follows:

	2020 £'m	2019 £'m
<b>Group income</b>	<b>79.9</b>	90.5
Less: operational business costs		
• Business and administration	(9.9)	(7.5)
• Hospitality and catering costs	(4.5)	(6.5)
• Direct costs	(18.6)	(19.4)
• Stadia costs	(7.3)	(7.2)
<b>Total</b>	<b>(40.3)</b>	(40.6)
<b>Surplus</b>	<b>39.6</b>	49.9

Group income is analysed as follows:

	2020 £'m	2019 £'m
Match income	33.0	44.9
Competition income	7.1	11.9
Commercial income	15.4	14.2
Hospitality and catering income	9.3	14.0
Other event income	1.1	2.4
Other income	14.0	3.1
	<b>79.9</b>	90.5



The Group earned some £79.9m (2019: £90.5m) predominantly from international rugby matches staged at Principality Stadium. These matches generated 41% (2019: 50%) of the Group's overall income.

Match income was £33.0m (2019: £44.9m), with one less home fixture, lower average ticket prices and reduced broadcast income contributing to the reduction from 2019. The postponement of the Wales v Scotland Guinness Six Nations fixture in March 2020 resulted in a reduction in match income of c.£8.1m.

Commercial income increased to £15.4m (2019: £14.2m). Commercial income contributes 19% (2019: 16%) of the Group's overall income.

Hospitality and catering income amounted to £9.3m (2019: £14.0m) with the decrease largely driven by reduced events in Principality Stadium, contributing 12% (2019: 15%) of overall income.

Other event income decreased to £1.1m (2019: £2.4m) due to fewer non-Group events at Principality Stadium. Other event income represents events staged at Principality Stadium apart from rugby matches featuring the senior men's National Squad – including, in the two years indicated above, music concerts and motorsport.

Competition income represents the income from competitions including the Champions Cup, the Challenge Cup and the Guinness PRO14 (see Note 2 for further details).

The remaining income arises from ancillary activities and various grant sources, including the Rugby World Cup, Coronavirus Job Retention Scheme ("CJRS") grants and recharges relating to the Dragon's Heart Hospital. During YE20, the Group received £1.1m (2019: £0.9m) of grant funding from Sport Wales.

### **Operational business costs**

The business and administration costs represent the costs of managing the Group; the direct costs represent the costs of staging both international rugby matches and other events held at Principality Stadium and Rodney Parade; the stadia costs represent the costs of managing the stadia other than those directly attributable to events.

The Group's operational business costs have reduced during the year to £40.3m (2019: £40.6m).

Business and administration costs have increased by 32% to £9.9m. This is due mainly to some one-off credits in YE19 not being repeated in YE20, increased legal costs incurred in defending litigation, increased provision for doubtful debts and some other one-off items in YE20.

Direct costs are those incurred directly in relation to attracting revenues and include all National Squad costs and third-party costs incurred in delivering events at Principality Stadium and Rodney Parade. These costs have decreased by £0.8m mainly as a result of a decrease in activity at Principality Stadium.

Hospitality and catering costs decreased to £4.5m (2019: £6.5m). The decrease year on year is due to the reduced number of home matches and other events in the year and is in line with the reduced turnover.

Stadia costs have increased by £0.1m to £7.3m (2019: £7.2m).

## Surplus invested in rugby

The surplus of £39.6m (2019: £49.9m) made by the Group which is invested in “Welsh rugby” can be analysed as follows:

	2020 £'m	2019 £'m
Operational costs		
- Performance rugby	5.2	5.5
- Community rugby	4.5	4.9
- WRU Gwent – regional rugby	7.1	7.6
	<b>16.8</b>	<b>18.0</b>
Allocations to affiliates		
- Regions (professional)	25.0	25.4
- Clubs (semi - professional)	1.1	1.7
- Community rugby	4.6	4.5
	<b>30.7</b>	<b>31.6</b>
Total investment in “Welsh rugby”	<b>47.5</b>	<b>49.6</b>
The balance is analysed as follows:		
Surplus	39.6	49.9
Total investment in “Welsh rugby”	(47.5)	(49.6)
	<b>(7.9)</b>	<b>0.3</b>
Depreciation and amortisation (net of grants)	4.1	3.7
Exceptional items (see Note 5)	-	0.2
Income from Investment	(4.9)	-
Interest costs	0.8	0.6
Non-controlling interests	-	0.4
Tax credit	(2.6)	(0.3)
Transferred to reserves	(5.3)	(4.3)
	<b>(7.9)</b>	<b>0.3</b>

## Investment in “Welsh rugby”

The Group’s investment in “Welsh rugby” has decreased during the year to £47.5m (2019: £49.6m).

The costs in respect of performance rugby decreased to £5.2m (2019: £5.5m) due to the curtailment of the rugby season. These costs include managing the age-grade structures, the national 7s sides, player development, referee costs, the National Centre of Excellence and insurance which collectively amount to some 66% (2019: 70%) of the total with the balance of the 34% (2019: 30%) comprising staff costs.

The costs in respect of community rugby have decreased by 8% to £4.5m. Community rugby costs include coach development, referee costs, school club hub costs, digital strategy investment and insurance which amount to some 59% (2019: 60%) of the total with the balance of the 41% (2019: 40%) comprising staff costs. The decrease in the year is primarily due to the curtailment of the rugby season and community rugby programmes due to Covid-19.

The allocations to the three Regions not within the Group are £25.0m (2019: £25.4m). The allocations in YE20 and YE19 are made pursuant to the Professional Rugby Agreement (“PRA”) - which was signed in November 2018. The PRA payments cover all international player release and provide financial support for the four Regions in accordance with its terms.

The allocation to the Group’s semi-professional league has reduced to £1.1m (2019; £1.7m), in line with the Group’s strategic review of the semi-professional game.

The allocations to the Group’s community clubs have, as explained above, increased to £4.6m. The total investment in the community game is:

	2020 £'m	2019 £'m
Operational costs	4.5	4.9
Allocations	4.6	4.5
	<b>9.1</b>	<b>9.4</b>

## EBITDA and net result

One of the key measures of the Group is the earnings before interest, tax, depreciation, amortisation, exceptional items and allocations to affiliates (“EBITDA”). This is a key measure as it is the best proxy for cash generated from the Group’s operational activities. This provides the cash to fund the Group’s primary objective.

The Group’s EBITDA was £22.8m (2019: £31.9m). The Group’s pre-exceptional loss before tax and non-controlling interests was £7.9m (2019: loss of £4.0m); after exceptional items, a loss before tax and non-controlling interests of £7.9m (2019: loss of £4.2m). This can be analysed as follows:

	2020 £’m	2019 £’m
<b>Group EBITDA</b>	<b>22.8</b>	31.9
Allocations to affiliated organisations	(30.7)	(31.6)
Exceptional items	-	(0.2)
Depreciation and amortisation (net of grant release)	(4.1)	(3.7)
<b>Operating loss</b>	<b>(12.0)</b>	(3.6)
Income from investment	4.9	-
Net interest	(0.8)	(0.6)
<b>Loss before tax</b>	<b>(7.9)</b>	(4.2)
Tax	2.6	0.3
Non-controlling interests	-	(0.4)
<b>Retained loss</b>	<b>(5.3)</b>	(4.3)

## Net interest expense

The Group’s net interest expense is analysed as follows:

	2020 £’m	2019 £’m
Bank interest payable	0.4	0.3
Bank charges	0.4	0.3
<b>Total</b>	<b>0.8</b>	0.6

Interest expense has increased, driven by higher bank charges and a higher net debt position over the course of the year.

## Exceptional items

During YE19, the Group incurred charges that due to their size and nature were considered “exceptional”. The Group’s definition of exceptional items includes the identification of significant non-recurring items that enable the “normal” financial performance of the Group to be better understood. As shown in Note 5, the exceptional items in YE19 arose from some restructuring costs.

	2020 £’m	2019 £’m
Restructuring costs	-	(0.2)

## Community Rugby Board

The expenditure within the remit of the CRB was as follows:

	2020 £’m	2019 £’m
Operational costs – community rugby	4.5	4.9
Allocations to affiliated organisations – community rugby	4.6	4.5
Allocations to affiliated organisations – Premiership	1.1	1.7
Certain other costs included within performance rugby	0.3	0.7
	<b>10.5</b>	11.8
Costs in respect of women’s elite rugby	-	(0.6)
	<b>10.5</b>	11.2

Costs in respect of women’s elite rugby have now been removed from the remit of CRB. The table above provides a reconciliation of how the £11.8m previously reported as CRB expenditure in 2019 would have looked if women’s elite rugby had also been excluded in that year to enable an accurate year-on-year comparison.

## Investment in Professional Rugby

The investment in professional rugby was as follows:

	2020 £’m	2019 £’m
Operational costs – WRU Gwent	7.1	7.6
Allocations to affiliated organisations – Regions	25.0	25.4
	<b>32.1</b>	33.0

## Cashflow

The Group's net cash (outflows)/inflows from operating activities were as follows:

	2020 £'m	2019 £'m
EBITDA	22.8	31.9
Allocations to affiliated organisations	(30.7)	(31.6)
Exceptional items	-	(0.2)
Working capital movements	4.8	2.8
<b>Net cash (outflows)/inflows from operating activities</b>	<b>(3.1)</b>	<b>2.9</b>

## Net debt

Net debt, which is defined as bank loans, debenture loans, finance lease obligations (including, in 2019, creditors that will be settled by a future finance lease agreement) less cash balances, as at 30 June 2020 was £75.6m (2019: £62.0m). The net debt position of the Group is as follows:

	2020 £'m	2019 £'m
<b>Debt:</b>		
Bank loans	6.5	11.2
Debenture loans	46.6	38.0
Finance lease	23.3	-
Other creditor to be ultimately settled by a future finance lease agreement	-	15.0
	<b>76.4</b>	64.2
<b>Cash</b>	<b>(0.8)</b>	(2.2)
<b>Net debt</b>	<b>75.6</b>	62.0

The finance lease creditor relates to funding received towards the Westgate Hotel development. The £23.3m shown as a finance lease creditor includes the £15.0m classified as "Other creditor to be ultimately settled by a future finance lease agreement" in YE19, which has now been converted to a finance lease creditor, plus an additional drawdown of £8.3m.

Net bank debt, which is bank loans less cash balances, was £5.7m (2019: £9.0m). The net bank debt position of the Group is as follows:

	30 June 2020 £'m	30 June 2019 £'m
<b>Loans:</b>		
Regions loan	1.7	2.0
Revolving credit facility ("RCF")	5.0	9.5
Unamortised issue costs	(0.2)	(0.3)
	<b>6.5</b>	11.2
<b>Cash</b>	<b>(0.8)</b>	(2.2)
<b>Net bank debt</b>	<b>5.7</b>	9.0

The decrease in net bank debt during the year of £3.3m includes: (i) a £4.5m reduction in the RCF; (ii) a reduction in the Regions' loan of £0.3m due to repayments made by the Regions; (iii) offset by the decrease in cash balances of £1.4m and the amortisation of £0.1m of the debt issue costs. Further details of the amounts due from the Regions are set out in Note 12.

During YE20, the Group has raised some £8.6m from debentures, by way of new issues and extending the term of certain series of existing debentures, which has contributed to the reduction in net bank debt. At 30 June 2020 the Group was also holding ticket receipts from the postponed Scotland game, which were subsequently refunded.

The RCF was £5.0m drawn as at 30 June 2020, £9.2m drawn as at 30 June 2019 and had a maximum draw of £19.4m during the year.

As at 30 June 2020, the Group had unutilised facilities of £30.0m (2019: £25.8m), of which £20.0m (2019: £14.0m) has all conditions precedent met at that date.

As part of its banking agreements, the Group has to comply with bank covenants which require the Group to, inter alia, meet certain levels of cashflows and surpluses. This enforces normal business practices on the Group but limits the extent to which the Group can invest, make allocations to affiliated organisations and access the facilities above.

These bank covenants are typical of those applying to commercial businesses. It is in the Group's best interests to comply with these covenants as a breach would be a default of the loan agreements. The Group's financial management and controls are structured so that the Group complies with these covenants.

## Capital expenditure

During YE20, the Group invested in some £14.4m of capital expenditure; the main categories of investment were as follows:

	2020 £'m
Catering equipment and improvements	0.4
Westgate Hotel – asset in the course of construction	10.3
Diesel rotary uninterrupted power supply (“DRUPS”)	1.9
Stadium improvements	1.5
Other fixed asset additions	0.3
	<b>14.4</b>

The Westgate Hotel is explained earlier in this Strategic Report.

## Balance sheet and reserves

The Group’s reserves attributable to the Company have decreased by £5.3m to £18.1m. This decrease arises from the retained loss for the year and the loss recognised in the Consolidated Statement of Comprehensive Income.

The fixed assets of the Group increased by some £8.8m, reflecting the capital expenditure of £14.4m offset by the depreciation charged in the year of £5.6m.

Operating working capital fluctuates from year to year depending upon the timing of events arising immediately prior to the year end.

## Welsh Language

The Group continues to work in accordance with its Welsh Language Policy. Where possible, the Group ensures that the Welsh language is widely used in its operations and continually considers whether it can do more through the medium of Welsh.

## IMPACT POSED BY COVID-19 AND FUTURE OUTLOOK

### Protecting people, clients, suppliers and communities

The Group remains focused on taking all necessary steps to ensure the health and well-being of its employees, clients, suppliers and communities as a result of the Covid-19 pandemic. Stringent protocols to mitigate the risk of contracting Covid-19 have been in place and the transition of employees to remote working occurred quickly and effectively to minimise business disruption.

The Group is supporting employees who are volunteering to join the fight against Covid-19 in the communities where they live and work. The Group is very proud of how its employees have responded during this crisis going above and beyond for both the Group and in the interests of the rugby clubs and wider communities. To support the long-term sustainability of the business, the Group has taken the decisions to utilise the Government’s Covid-19 Job Retention Scheme. The decision to furlough employees has been based solely on the level of work they could meaningfully undertake given how the Group’s business was affected by the pandemic. To support furloughed employees through this challenging time, the Group, mindful of the importance of their wellbeing, encouraged regular contact with their teams to ensure they are up to date, felt connected and would be ready to return to work when it was appropriate to do so. The Group regularly provided health and wellbeing resources to employees.

The Group’s investment in IT has meant switching operations to remote working was able to be delivered quickly and successfully and the Group continues to communicate and engage regularly with all employees.

As the phased return to work planning continues, the Group is conscious that each employee has different personal circumstances and the Group is committed to supporting them as effectively as possible. The Group will not be asking those employees who are vulnerable or shielding the vulnerable to return to work at this stage. The Group will not ask any employee or sub-contractor to work in an environment in which they do not feel safe.

## Reducing costs

In this period of unprecedented disruption, the Group is taking decisive actions to protect the long-term health of the business. These include:

- Reducing salaries of senior management and most other employees by between 10%-25%
- Utilising the Government's Covid-19 Job Retention Scheme
- Reducing non-essential costs and cutting non-essential capital expenditure

Together with the natural reduction in costs arising from the curtailment of rugby activities, in aggregate, the above measures reduced costs by c.£1.9m in YE20 and are expected, whilst difficult to quantify currently, to reduce costs by up to c.£2.5m in YE21.

## Conserving cash and liquidity

The Group is committed to maintaining a strong balance sheet and liquidity. The Group has worked with its bankers, NatWest, who have been very supportive in reacting to the financial challenges caused by the pandemic; NatWest are re-purposing existing facilities, providing additional facilities and realigning financial covenants to reflect the current trading position.

In this period of extreme economic uncertainty, the Directors believe it is prudent to take steps to preserve cash and liquidity, including cutting non-essential capital expenditure and managing working capital in addition to the cost reductions indicated above. The Directors will review further when the full impact of the Covid-19 pandemic on the Group is known.

## Outlook

The Group has a healthy business, with a strong balance sheet and adequate liquidity and immediate measures are being taken to reduce costs and protect its financial position. However, it is too early to ascertain and quantify the actual impact of the Covid-19 pandemic on future financial performance and the Group will continue to closely monitor the developing situation.

## PRINCIPAL RISKS AND MITIGATION STRATEGIES

As outlined earlier in this Annual Report, the Group's primary objective is to promote rugby and to encourage more people to engage with the game, more often with more enjoyment and more success, which is achieved by re-investment in community rugby, performance rugby and Principality Stadium.

The Directors' assessment of the principal risks to delivering this objective, their potential effect and the steps taken by the Group to mitigate these risks are set out below:

**Income generation** – the ability to generate income dictates the level of re-investment the Group is able to make in all forms of rugby. A sustained fall in income would lead to a reduction in financial resource available for re-investment in rugby.

Some 78% (2019: 74%) of the Group's income is derived from staging international matches featuring the Welsh team and the commercial activities associated with the Welsh team. Given its significance, the mitigation of income risk is therefore focused on match and commercial incomes.

The Group seeks to mitigate risk to income by, where possible, entering into long term arrangements with its broadcasters, sponsors and other commercial partners. The Group's ticket pricing strategy is focused on maintaining a balance between the highest possible attendances and strong financial returns. The Group's ticket prices are reviewed annually with reference to market conditions and the opposition faced.

As noted above, 78% (2019: 74%) of the Group's income is derived from activities associated with the senior men's Welsh team. The performance of the team will have an impact on the Group's ability to generate income, particularly over the medium to long term. The Group aims to ensure the success of the team by recruiting a world class coaching and medical team to provide the best possible support to its international players, securing additional preparation time for the team and extensive investment in training facilities, to ensure the team has the best possible environment in which to train.



### **The provision of adequate banking facilities**

- the Group is financed by a mixture of bank and debenture debt. The continued availability of the bank debt facilities, at competitive rates, is crucial to the future prospects of the Group. The Group's banking facilities are subject to compliance with financial covenants and non-compliance of these covenants could significantly impact on the Group's banking facilities. Ensuring adherence to the financial covenants forms a key part of all policy and strategy and the Group has a rigorous annual budgeting process that is focused on covenant compliance. The Group reviews performance against this budget throughout the year in order to identify any potential risks to compliance. The Group continually communicates with its bankers, in respect of the Group's activities and performance.

### **The maintenance, physical security and insurance of its main assets, primarily Principality Stadium**

– the majority of the Group's income is derived from the staging of international matches at Principality Stadium and should Principality Stadium not be available to host matches the Group would have to seek alternative venues, which would likely incur significant costs and may not have similar capacity. Loss of or restricted access to the Group's other assets, such as the National Centre of Excellence ("NCE"), would also have a severely detrimental impact on the Group. The training facilities at the NCE are amongst the best in the world and performance may suffer as a result of loss of access to those facilities. The Group takes extensive measures to safeguard its assets. The Group employs a team of maintenance and facility management personnel who undertake a thorough preventative maintenance programme at all of the Group's relevant facilities. The Group procures comprehensive insurance policies that, in the event of damage to assets, provide recompense for rectification of damage and for loss of earnings due to business interruption.

## **COMPANIES ACT 2006 – SECTION 172**

The Directors have sought, collectively and individually, to conduct themselves at all times honestly, fairly, impartially and in accordance with the highest ethical standards. These behaviours are considered central to promoting the success of the Group, and in exhibiting them, the Board has carefully considered the matters set out in section 172(1) (a-f) of the Companies Act 2006. Examples of how the Directors have had regard to each of those matters is set out below:

### **a) Making decisions in the long term**

Securing the long-term health of rugby union in Wales, at all levels, is vital to the success of the Group and is therefore central to the decision-making processes of the Board. As a result, consideration of the likely consequences of a decision in the long term is part of the Board's thinking on all issues. Whilst day-to-day management is delegated to the Executive Board, the Board retains oversight of matters of strategic importance, including the long-term objectives and overall strategic policy of the Group.

### **b) Considering employees**

Engagement with employees is an important part of the Group's thinking. This is delivered via all employee meetings where updates on business matters are provided, as well as regular internal updates containing information on the latest developments within the organisation; this is supplemented by an annual employee conference. Business updates and financial review information is shared through our internal communications and various regular forums are held to communicate and cascade information to the business. This includes regular team meetings, where colleagues are encouraged to and do provide feedback to the Executive Board. An update on employee matters is provided to the Directors at Board meetings which allows the Directors to input into any such matters and consider the same when making decisions.

### c) Fostering relationships with stakeholders

The Board is very conscious of the importance of lasting relationships with participants, players, volunteers, supporters, debenture holders and other important stakeholder groups, such as broadcasters, sponsors and hospitality clients. The Directors discuss the feedback received from supporters and all stakeholders and, in addition, the Executive Board provide updates to the Board where appropriate on relevant matters. This enables the Board to consider that information when making decisions. The Directors believe it is important to continue to foster good relationships with all key stakeholders.

By way of example, a comprehensive 'National Representative Survey' is conducted annually that covers sentiment towards rugby at a professional and community level. The insights derived from this shape strategy for marketing, communications and product offering for the Group.

#### Stakeholders

The Group regularly engages with stakeholders through a variety of means. This includes various departments and key personnel throughout the Group to ensure strong relationships are being built and delivering stakeholder requirements. Key areas affecting stakeholders are communicated to the Board for consideration.

Externally, the Group actively engages with a wide range of stakeholders including, but not limited to:

#### Wales-specific

- Welsh Government
- The education sector including schools, further education and higher education institutions
- Local councils and unitary authorities
- Public Health Wales
- Sport Wales
- Welsh Sports Association

#### Rugby-specific

- Six Nations
- World Rugby
- Rugby World Cup
- EPCR
- PRO14
- British & Irish Lions
- GB 7s Olympic Committee

#### Participants and supporters

Growing the game and providing enjoyment is a key priority for the Group and therefore there is strong engagement with participants and supporters to help achieve this. Annual club and player surveys take place as well as feedback relating to players from meetings of the Community Rugby Board and the Professional Rugby Board. This feedback influences amongst other matters formats and competitions. A supporter survey is also sent to spectators attending international matches and the feedback helps the Group to improve the experience both at the matches and on digital channels. The Group organizes various events and opportunities for supporters outside of match days to help strengthen its relationship with this key group and also holds customer engagement events, including a "debenture evening" and "Meet the Team", in which different strategies and plans are presented to supporters for feedback prior to implementation.

#### Suppliers

Where appropriate, the Group runs tender processes for the provision of certain goods and services during which meetings are held with prospective suppliers to give them more information but also for the Group to understand more about what can be offered. This can shape the tender process and improve the service which is then provided. Regular meetings take place with certain existing suppliers and with prospective suppliers to ensure that they are able to meet the requirements of the Group and for the Group to understand any challenges facing the suppliers in their industry. Such feedback and good relations enable the Group to make decisions knowing any supplier related risks and to put in place plans to mitigate them.



**d) Community and environment**

The playing of rugby union and contributing to the community is a key part of the Group’s activities, especially with regard to rugby at community and grassroots levels. The Group runs various projects and initiatives to support the community game, including ensuring that the game is fully inclusive. The Group provides funding in support of these measures. The Group works with members to mitigate the impact of rugby on the environment.

**e) Maintaining a reputation for high standards of conduct**

The Board aspires to the highest ethical standards in its management of the Group. By way of example, the Board achieves this by adherence to the Group’s codes of conduct, conflict of interest and anti-bribery policies and by prioritising the integrity of the Group in each decision it makes. The Board considers that the reputation of the Group and operating it in accordance with high standards of conduct is of paramount importance to safeguarding rugby union in the long-term in Wales.

**f) Acting fairly between Members**

The Board is aware of the importance of acting fairly between its members and this is considered whenever a decision is being taken which affects one or more of the members. The Board and various sub-boards engage with members to ensure that it is aware of members’ views and to assist it in complying with its duty to act fairly between them.

**By Order of the Board**

**Rhodri Lewis**

Company Secretary  
5 October 2020

# A Year in Community Rugby





**Cardiff were sitting pretty at the top of the Indigo Group Premiership and Pontypool were eyeing promotion from the Specsavers National Championship when play throughout the community game was suspended on Saturday 14 March 2020.**

**A week later, with 1,113 games left to play in both competitions the 2019/20 season was cancelled entirely, for all WRU cup and league competitions including the cross-border competition between Welsh and Scottish clubs due to kick off in April 2020. This Board decision, to cease all rugby activity, was informed by a comprehensive review of the game as a whole, encapsulating all league and cup competitions.**

In addition to rugby considerations, a presentation to the Board from medical staff addressed three key health and well-being factors: that continuing to play would bring with it transmission risks for players, coaches, referees, volunteers and supporters; that some competitions require medical support and doctors in attendance; and that continuing to play brings with it the risk of adding to the unprecedented burden on the NHS and it would be socially irresponsible to do this

A review of the competitions was also considered with the key points being:

- (a) no team in any league was mathematically guaranteed promotion or relegation;
- (b) there were over a thousand WRU Specsavers National League and Indigo Group Premiership games that would need to be played to complete league competitions; and
- (c) an absolute minimum of eight weeks would be required to complete the outstanding fixtures.

A significant number of potential solutions were explored, but ultimately it was agreed that the only consistent and fair option was to cancel the season, meaning: there

would be no promotion or relegation in any of the WRU leagues and teams will remain in the league they are currently in; and rugby activity would remain suspended until further notice, including no organised training or games, use of club gym facilities, organised sessions or unsanctioned gatherings at rugby premises.

**Neither Cardiff, nor any other club, would lift the Indigo Group Premiership title in 2020, Pontypool would not resolve their promotion battle with close rivals Bargoed and Bedwas, but nevertheless a great deal of rugby was played during the season.**

The Specsavers WRU National Cup reached its semi-final stages, with Carmarthen Quins due to play league leaders Cardiff and Merthyr set to host Aberavon. The Specsavers WRU National Plate was also down to the final four with Glynneath due to take on Rhydyfelin and Penallta facing Newbridge. In the Bowl Aberaeron and Fairwater had won through to the penultimate round and Tumble were set to face Abertysswg Falcons and, finally, in the Shield it was Hollyhead and South Gower in one side of the draw and Rhigos and Cwmgwrach in the other striving to reach the final.

There may not have been winners in these competitions but in each knock-out contest and in each of the WRU national leagues a season of competition to be proud of had been underway until March. Billy McBryde ended the Indigo Group Premiership season 40 points clear of his nearest rival in the race for the title of leading scorer in the truncated campaign. The former Wales U20 outside half notched 163 points for RGC as he completed 50 unbroken games. That put him well ahead of the top scorer in 2018/19, Aberavon's Jack Maynard with 148, and he still had five games to play.

The north Walian were the leading points and try scorers in the Premiership with 409 and 53 respectively. That kept them just ahead of table-toppers Cardiff, six places above them, although they played one more game than their Arms Park rivals, who ended with 392 points and 50 tries. McBryde's total included six tries – two short of Pontypridd wing Dale Stuckey, who topped the table with eight. This is the second season in a row a winger from Pontypridd has claimed the honours, with Alex Webber running away with the gong last year. One try behind Stuckey was the Carmarthen Quins hooker Torin Myhill, who plundered his tries on the back of his side's lethal driving maul, while the RGC wings Afon Bagshaw and Rhys Tudor also ended with a magnificent seven. Cardiff ended the season seven points clear of the Quins having played one game less. Aberavon were one point further back in third, on the same number of matches as the Blue & Blacks.

The response from clubs around Wales was extremely empathetic with Pontypool singled out as a leading example of how the decision to cancel the season was taken in 'good grace and proper perspective' by WRU chairman Gareth Davies. Pontypool were bidding for a fourth successive Championship title, which would have produced long sought after automatic promotion at the time, but their positive attitude in the face of adversity was reflective of a universally supportive response from clubs throughout Welsh rugby who were in similar positions.





## WOMEN AND GIRLS

Whilst the 2019/20 season presented significant challenges during unprecedented times, the early part of the year, saw a huge amount of development work undertaken by the female rugby network to come together in the spirit of collaboration and aim for a joined up approach to female community rugby.

Clubs and female hubs began to take steps to a synergised regional pathway for girls. For the first time, a collaborative approach across regions, mapping out a variety of rugby offers for female players came to fruition. This is something is hoped will continue to strengthen the growth of the women's game in years to come. This year saw the number for female hubs across Wales grow from 31 to 34 and further growth is anticipated next year.

Across September to December, there was the pilot of a merit table, to encourage a participation and engagement focus to increase participation and fixture completion and this proved invaluable, showing a 20% increase in fixture completion from the previous year. Swansea's Women once again ended the league as winners of the Premiership, with Deri Diamond's securing promotion to the Premiership next year by finishing on top of the table in Division One. Division Two saw Llantwit Fadre come out on top, with Whitchurch Women securing top billing in Division 3. The biggest competition, however, was arguably that for top spot in the newly piloted merit table, with Piod y Pinc winning this inaugural table format.

Rookie Rugby 2020 saw another fantastic week of female rugby engagement across all corners of Wales. By the end of the week in February, a record 12,000 young females had experienced rugby through non-traditional formats in fun, friendly venues.

The Ready2Ref programme also launched during the year, aimed at developing the next cohort of female referees, and during the autumn, the female refs were deployed across the community game to begin their journey into officiating. Rugby Fit continues to be used across the rugby network, particularly in female hubs and education provision. During lockdown, a Hub Officer in the North Wales region, Hannah Hughes, has been working in partnership with StreetGames and their Girls programme to deliver live Rugby Fit sessions via social media, supporting the rugby family during these challenging months.

Across the lockdown period, the Hubs and Clubs have also been particularly active, not only within the rugby network, but supporting their local communities as well. The Sospans Hub joined forces with the Scarlets Community Foundation to help deliver care packages to vulnerable people and Whitland Ladies took part in a huge fundraising event for NHS charities to name just two.

## WRU HUB PROGRAMME AND EDUCATION

The ambition of the WRU 'Hub' programme is to grow, develop and enhance whilst future proofing rugby union in Wales by broadening appeal and ensuring an inclusive and engaging experience for all ages and communities. By increasing and enhancing regular engagement and participation in strong vibrant educational settings and communities that retain the values of rugby, every young person and their families can have a 'Positive Rugby Experience' whilst contributing to the long-term health and social wellbeing of the local communities, aligned to the Wellbeing of Future Generations Act (Wales) 2017. Welsh Rugby holds a longstanding position at the heart of Welsh culture: when the game, its clubs and educational providers are strong, it inspires and motivates people binding them together in a way that no other sport can. It breeds values such as courage and integrity, discipline and respect, leadership and commitment, as well as building health, fitness and wellbeing, family and community cohesion.

This ambition and function of the Hub Programme has been, and will never be more, important during this period of uncertainty and post Covid-19. The ability to activate and enable the 87 Hub Officers within 86 School, College and University institutions pan Wales within their associated communities has and will inspire and provide an opportunity for young people and their families to engage whilst supporting Welsh society. The Hub programme and its Officers can be uniquely deployed where there is a tangible benefit to be gained and making it a powerful aid for good in Wales.

### **Key Hub headlines for the academic year September 2019 to March 2020 (before Covid-19) include:**

(a) within Hub Secondary Schools 32,260 females and 33,608 males were enrolled in participating secondary schools, 41% of females engaged in some form of rugby activity and 26% of males. This participation includes the traditional game, Rugby Fit, Touch, Tag, Mixed, Sevens and Rookie rugby. Records show this activity led to a total of 3,892 players signposted into mini, U16, U17 and U19 rugby across Wales and 3,423 female players engaging with Female Hub teams.



Over 800 young people were recorded getting involved in non-playing, coaching or officiating roles and over 6,000 individuals, both male and female, attended Continued Professional Development (CPD) events and courses run by the Hub Officers from secondary schools across Wales.

- (b) at WRU College Hubs 19,058 female students and 18,134 male students were enrolled during the year. A total of 45 new teams were formed as part of the Hub Officer delivery outcomes across both the female and the male game with 2,434 girls and 4,357 boys playing a form of the game or involved in rugby related activity – either 15s/12s/10s, 7s, Touch, Tag or Rugby Fit. CPD events run by Hub Officers were attended by 471 individuals and nearly 100 volunteer students were deployed externally to the club game and out into the community.
- (c) in WRU University Hubs around 400 games were played prior to lockdown, with male participation still in the majority (278 matches) but over 100 female, traditional 15s, 12s and 10s, touch and mixed touch matches also took place. University Hubs contributed 263 student transferred players to the club game and 85 student coaches were trained and deployed across girls' hubs and partner schools. Coach and referee education saw around 250 individuals pass Level 1, Level 2 or officiating Level 1 courses. Nearly 200 individuals attended CPD events run by Hub Officers and around 100 volunteers were deployed to the club game in non-playing, coaching or officiating capacities.



The coach education framework has now been developed which will help support coaching throughout formal, non-formal and digital support systems. This framework will be the “go to document” for all support material and development of coaches in the future. Work is also being done in the female game, looking at ways to recruit more female coaches, provide education to develop them and support them through learning platforms. All female qualified coaches have been surveyed to gather information that will assist them further.

Before Covid-19, similar levels of engagement seen last year were on course, during this time two online courses have been developed: the Tag Award and the Early Contact. Other current courses have been reviewed to see how best they can continue to be delivered. Further work is being done to look at ways to support coaches through Covid-19 by using more webinars and digitally based platforms.

Resources are being developed to support coaches through this situation and to give them guidance when carrying out coaching sessions, looking at how they session plan for the different stages of return within the government guidance. Also, over the year, the Adverse Childhood Experiences project has been supported in association with Public Health Wales NHS Trust by developing the whole coach module for them to deliver to coaches to help them, in turn, support their players. Further plans are in place to develop a course with Street Games partners, which looks at building resilience in players and contains key interventions to support coaches to help players with their resilience.

A purpose-built online platform has been created for teachers and pupils to engage with ‘New Curriculum’ based WRU rugby activities, with all content written by teachers for teachers. The content is written in Welsh first and translated to English and 60% of primary schools across Wales have now signed up to the programme. Due to the success of the platform, it is now set to expand into secondary schools around Wales.

The WRU Game Locker is a newly designed website for coaches, referees and players and has been created making content more accessible and easier to use across all platforms. Registration for players, coaches and referees is now managed by the Game Locker allowing for better administration of the game both for clubs and the WRU. All content is delivered to participants in a bespoke way, based on their individual roles, making the experience more purposeful. Online learning is now integrated into the WRU Game Locker website and new content is being produced for the WRU Game Locker constantly, in line with WRU Rugby Pathway, Coach and Referee development plans.





## RUGBY ENTERPRISE

The development of alternative and disability rugby continued to grow during the 2019/20 season, with new mixed ability rugby sides launched in Haverfordwest RFC (Pembrokeshire Vikings RFC) and Aberavon Green Stars RFC (Port Talbot Panthers RFC). Dragons Wheelchair Rugby was another exciting side to be launched, giving more people more opportunities to participate. Wales Deaf Rugby Union also put out their first female representative side (7's) and were victorious over England Deaf. Walking Rugby continues to grow, and participation levels have increased. Walking Rugby festivals were played monthly across various sites and this will continue post-lockdown.

**Covid-19 impacted on numerous planned festivals and events and the cancellation of the Urdd WRU National 7's was keenly felt. There was obviously disappointment that this showpiece was cancelled, not least because there were a record number of sides entered, but there is a real determination to come back bigger and better next season.**

During lockdown, the focus shifted to support groups and teams digitally by creating recorded physical sessions, online resources and by meeting virtually.

## AFTER LOCKDOWN

After lockdown Welsh Rugby rallied and the communities around Wales were galvanised by the fundraising activities and support of their local clubs in a manner that has been well documented, not least in a new weekly 'Status Update' alongside other communications issued directly to all members by the WRU.

The WRU immediately set out an ambitious stall for the community game, stating:

**“Our goal is simple. We plan to emerge from this crisis with the WRU and all teams and clubs, whether they be amateur, semi-professional or professional, intact and able to have a sustainable future.”**

Around 60 clubs throughout the country were severely impacted during February's flooding as a result of Storm Dennis, and this latest decision would add to the financial challenges faced.

An 'exceptional circumstances' fund to provide financial assistance after storms had already been set up and additional support was promised to combat the impact of Covid-19.

All clubs would receive a £1,000 hardship payment and the WRU also began searching for new funds and offered regular advice on a range of club-specific issues, such as cost cutting and reducing bills, cellar management, a bank loan payment holiday and advice on seeking Welsh Government business support packages.

A Club Impact Survey was conducted so that support could be directed in the right areas and positive effects of the lockdown started to be found to balance the obvious negatives.

Member clubs largely showed that they were being extremely well run and most had at least six months' worth of funds to keep them sustainable during the enforced downtime. Communication between club and WRU was ramped up in every department and a new improved way of working together, that will pay dividends in the future, was forged.





Funds were made available as lockdown continued with a one-off £600,000 fund, following the hardship payments already distributed, designed to support return to play protocols and to assist with the purchase of equipment or adaptations to premises/facilities that may be required as a result of Covid-19 related social distancing measures

This included signposting to items such as Personal Protective Equipment ("PPE") and cleaning materials, with grants awarded to individual clubs on a criteria and assessment of need basis. All clubs were eligible to apply for a grant for qualifying expenditure within the scheme and the amounts awarded also had the potential to be increased further by external funding sources. In total, the WRU committed over £1m in emergency funding to clubs in the six month period from lockdown, including £100,000 to support remedial works following Storm Dennis, c.£300,000 paid to clubs at the start of the Covid-19 lockdown via the £1,000 grant per club and the £600,000 Return to Rugby Fund.

Clubs also responded in their own way.

They not only sprung to action all over Wales to help the vulnerable and key workers within their communities, but also often co-ordinated relief efforts or were first to answer the requests for help from bodies such as the NHS and local authorities.

Clubs like Hartridge, very close to the Royal Gwent Hospital in Newport, played a key role in a huge fundraising effort which has provided IT equipment to the hospital, so that families can communicate with loved ones, and also in providing meals to key workers and the vulnerable in the locality. Many clubs raised money for NHS charities. Rhydyfelin, Newcastle Emlyn, Caldicot, Magor and Morryston Under 12s showed their support for NHS staff in particular, those clubs alone raising more than £6,000.

In Aberavon, local Indigo Premiership side Aberavon RFC teamed up with Age Connects Neath Port Talbot which saw members of the side do shopping runs and daily tasks for those who are currently unable to do so in the current climate. The good work done by the side known locally as 'The Wizards' has been praised by local boy and Hollywood star Michael Sheen.

Other clubs rallied round to deliver food, prescriptions and other key supplies to elderly and vulnerable people in their area.

Other clubs rallied round to deliver food, prescriptions and other key supplies to elderly and vulnerable people in their area.

Nant Conwy, Bethesda and many clubs in the Scarlets region, coordinated by the Scarlets Foundation, are just a few examples of those, while others, such as Penallta and CRICC delivered hands-on supplies to hospitals and NHS staff and there are even examples of clubs producing medical equipment to support the NHS.

Felinfoel were another to answer the call of the Scarlets community group - to assist in distributing vital care packages to people in isolation and volunteers included coaches, first team players, parents and committee members with everyone rallying round.

Dolgellau RFC donated all perishable stock to the local police and ambulance stations and senior players are on the local register of volunteers for shopping and delivering provisions, a service co-ordinated locally by volunteers who are also club committee members.

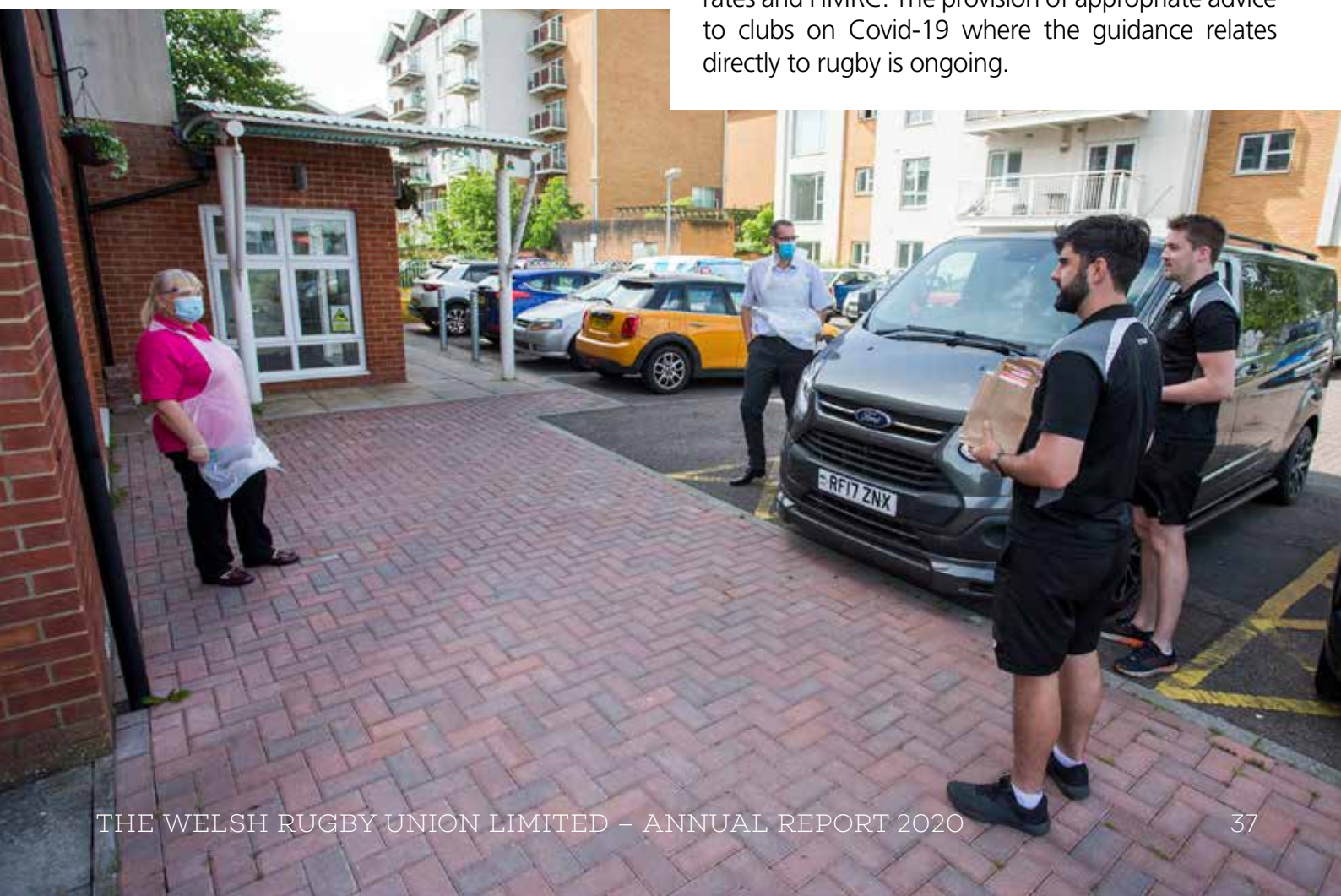
Dinbych whose motto is Heart of the Community were only too pleased to help when asked to become a GP Fever Assessment Centre and Treharris, who also take pride in their place within the community, are providing meals to key workers and the vulnerable in the area, delivered by club volunteers.

Rhydyfelin raised more than £1,600 with players and coaches shaving their heads and clubs from Whitland to Caldicot, Risca to Dolgellau and Barry to Brecon ran, walked and cycled all over Wales and raised many more thousands of pounds. Some clubs even went 'virtual' with bike rides from Caldicot to Canada, Crickhowell to Bucharest, Newport to Marbella and Pentyrch to Toronto adding to the impressive amounts of money raised.

The total fundraising effort has been far too numerous to mention but contributions recorded also include those from: Menai Bridge, Treharris Phoenix, WRU girls hubs across Ceredigion, Carmarthenshire and Pembrokeshire, Ystradgynlais, Ebbw Vale, Croesyceiliog, Bedwas, Cylchdaith Cymru Club, Kidwelly, Pencoed, Welshpool and Treorchy.

Many clubs and individuals from the rugby family will be missing from this list and fundraising and support efforts remain ongoing, but Welsh Rugby is proud of you all.

Work continues to shape options for competitions as and when those competitions are permitted to resume. The Community Game Board continues to assess options for the semi-professional and amateur game should the season be permitted to resume. Constructive dialogue with commercial partners remains open and we are working with our banks, NatWest and Barclays, to determine what assistance they can provide to Welsh rugby as a whole. The process of providing advice to clubs on what financial relief could be available from local councils and authorities at local level is ongoing. Various Government led packages are also being proposed and provide advice to clubs on what aid is available to assist with ongoing operations including business rates and HMRC. The provision of appropriate advice to clubs on Covid-19 where the guidance relates directly to rugby is ongoing.





# Return to Rugby

**A Return to Rugby working group was formed to plan for life after lockdown. The impact of Covid-19 on the game was closely examined and influenced the return to rugby and outlined a phased, safety-first return for the community game following the latest Welsh Government guidance.**

At each stage the WRU worked collaboratively with Welsh Government and other sports as plans to train and ultimately play rugby were mapped. Part of the process has been to develop protocols and guidelines aimed to assist member clubs manage through this period from an operational perspective and each club was approached to nominate a Club Operations Manager to oversee the return to rugby. This role ensures internal plans are in place within clubs to enable safe return.

A network of contacts and a support mechanism around each Club Operations Manager was established to ensure the relevant protocols were implemented and the return to rugby was conducted in a safe and managed environment. The plan has been phased and the WRU continue to work with Welsh Government and Public Health Wales as it is developed. A protocol and guidance document for community clubs was also developed which stepped them through every element of the phased return through webinars and focus groups.

The Club Operations Manager is the nominated representative for each member club in managing and overseeing the return to play within their club. Each club was also asked to identify and appoint one or more Operational Leads, to be responsible for implementing the guidance (and all other relevant guidance, advice and instruction regarding Covid-19)

in respect of elements, such as particular training facilities, match day venues and team travel. The club webinars, often attended by 300 club representative or more, clarified how rugby clubs and groups in Wales can plan returns to rugby. The return to club-organised training has been dependent on the completion of a period of education and preparation steps and caveats. For example:

- all coaches, players - or parents of junior players – were asked to complete World Rugby's online Covid-19 Return to Play awareness course and then complete the WRU's online registration process. Once fully registered, players and coaches may take part in club-organised training sessions. These were initially to be organised in small groups of between 10 and 15 players with a focus on fitness, skills and small-sided, non-contact games within training groups.



**The Return to Rugby working group felt it vital to take a phased approach, with contact training only being permitted with significant further easing of restrictions, especially when it comes to social distancing. Further guidance on the graduated Return to Rugby continues to be provided.**

- Club Operations Managers were also invited to a sanctioned training webinar, as well as being provided with detailed Return to Rugby guidelines. These webinars covered areas such as behaviours and hygiene before, during and after training, the use of equipment and the organisation of training pitches to keep training groups separate.
- an online symptom checker was provided to complete ahead of all training sessions.
- additional webinars were provided on preparing facilities, on funding and updated First Aid procedures which cover the use of relevant PPE where necessary.

The WRU has been determined to take a responsible approach to Covid-19 and conscious of not to place any unnecessary demand on the NHS. For this to happen it has been important to work together with member clubs and, having established the pivotal role of Club Operations Managers within the club network, the game has been put in the best position to deliver a phased return to rugby. The safety of everyone involved in Welsh community rugby and their wider communities has been of paramount importance, meaning that when rugby returns it does so safely and it returns for good).

## NATIONAL TROPHIES / NATIONAL LEAGUES FINAL POSITIONS PRE-LOCKDOWN

### Specsavers WRU National Cup

#### Quarter-Final Results

Aberavon	26 – 20	Llandovery
Llanelli	20 – 35	Cardiff
Merthyr	44 – 18	Neath
Pontypool	17 – 21	Carmarthen Quins

#### Semi-Final Draw

Carmarthen Quins	v	Cardiff
Merthyr	v	Aberavon

### Specsavers WRU National Plate

#### Quarter Final Results

Birchgrove	19 – 35	Glynneath
Newbridge	13 – 7	Brecon
Penallta	12 – 8	Felinfoel
Treorchy	6 – 15	Rhydyfelin

#### Semi-Final Draw

Glynneath	v	Rhydyfelin
Penallta	v	Newbridge

### Specsavers WRU National Bowl

#### Quarter-Final Results

Baglan	8 – 17	Aberaeron
Fairwater	13 – 3	Aberavon Green Stars
Penygraig	3 – 13	Abertyswg Falcons
Tumble	32 – 0	Canton

#### Semi-Final Draw

Aberaeron	v	Fairwater
Tumble	v	Abertyswg Falcons

### Specsavers WRU National Shield

#### Quarter-Final Results

Cardiff Saracens	13 – 23	Holyhead
Hollybush	0 – 33	Cwmgwrach
Rhigos	20 – 18	Pontardawe
South Gower	8 – 3	Bettws

#### Semi-Final Draw

Holyhead	v	South Gower
Rhigos	v	Cwmgwrach

### Indigo Group Premiership

	P	W	D	L	Pts
1 Cardiff	16	13	0	3	61
2 Carmarthen Quins	17	10	3	4	54
3 Aberavon	16	11	0	5	53

### Specsavers National Championship

	P	W	D	L	Pts
1 Pontypool	16	16	0	0	78
2 Bargoed	16	14	1	1	73
3 Bedwas	17	13	0	4	65

### Specsavers National Leagues

#### EAST

Division 1	P	W	D	L	Pts
1 Newbridge	14	13	1	0	62
2 Penallta	15	11	0	4	54
3 Brynmawr	13	11	0	2	50

Division 2	P	W	D	L	Pts
1 Talywain	15	13	0	2	59
2 Abergavenny	15	10	0	5	47
3 Ynysddu	13	10	1	2	45

Division 3A	P	W	D	L	Pts
1 Usk	15	14	0	1	67
2 Abercarn	13	10	0	3	47
3 RTB Ebbw Vale	14	9	1	4	47

Division 3B	P	W	D	L	Pts
1 Nantyglo	16	14	0	2	67
2 Fleur De Lys	13	12	0	1	58
3 Chepstow	16	12	0	4	56

Division 3C	P	W	D	L	Pts
1 Crickhowell	12	9	0	3	49
2 Bettws	11	10	0	1	48
3 Crumlin	13	9	0	4	43



## EAST CENTRAL

<b>Division 1</b>	<b>P</b>	<b>W</b>	<b>D</b>	<b>L</b>	<b>Pts</b>
1 Treorchy	13	11	0	2	48
2 Rhydyfelin	12	9	0	3	45
3 Rumney	11	9	1	1	41

<b>Division 2</b>	<b>P</b>	<b>W</b>	<b>D</b>	<b>L</b>	<b>Pts</b>
1 Aberdare	14	12	2	0	57
2 Cilfynydd	15	12	0	3	54
3 Treharris	12	10	1	1	48

<b>Division 3A</b>	<b>P</b>	<b>W</b>	<b>D</b>	<b>L</b>	<b>Pts</b>
1 Canton	15	12	0	3	61
2 Pontyclun	13	10	1	2	51
3 Penygraig	14	9	0	5	43

<b>Division 3B</b>	<b>P</b>	<b>W</b>	<b>D</b>	<b>L</b>	<b>Pts</b>
1 Llantwit Major	16	13	1	2	66
2 Tonyrefail	14	9	1	4	44
3 Wattstown	14	7	2	5	37

<b>Division 3C</b>	<b>P</b>	<b>W</b>	<b>D</b>	<b>L</b>	<b>Pts</b>
1 Brackla	13	12	0	1	60
2 Cardiff Saracens	11	11	0	0	52
3 Trefil	14	10	0	4	47

## WEST

<b>Division 1</b>	<b>P</b>	<b>W</b>	<b>D</b>	<b>L</b>	<b>Pts</b>
1 Llangennech	15	12	0	3	60
2 Newcastle Emlyn	14	13	0	1	57
3 Felinfoel	14	10	0	4	49

<b>Division 2</b>	<b>P</b>	<b>W</b>	<b>D</b>	<b>L</b>	<b>Pts</b>
1 Burry Port	15	15	0	0	65
2 Mumbles	14	10	1	3	51
3 Tycroes	14	9	1	4	44

<b>Division 3A</b>	<b>P</b>	<b>W</b>	<b>D</b>	<b>L</b>	<b>Pts</b>
1 Lampeter Town	16	12	1	3	60
2 St Clear's	16	12	1	3	58
3 Laugharne	13	11	1	1	55

<b>Division 3B</b>	<b>P</b>	<b>W</b>	<b>D</b>	<b>L</b>	<b>Pts</b>
1 Amman United	13	11	1	1	54
2 Tumble	14	11	1	2	54
3 Trimsaran	17	9	1	7	46

## WEST CENTRAL

<b>Division 1</b>	<b>P</b>	<b>W</b>	<b>D</b>	<b>L</b>	<b>Pts</b>
1 Bonymaen	14	12	0	2	55
2 Dunvant	16	11	2	3	54
3 Glynneath	14	11	2	1	52

<b>Division 2</b>	<b>P</b>	<b>W</b>	<b>D</b>	<b>L</b>	<b>Pts</b>
1 Aberavon Quins	15	13	0	2	61
2 Maesteg Celtic	14	12	0	2	54
3 Porthcawl	14	11	0	3	51

<b>Division 3A</b>	<b>P</b>	<b>W</b>	<b>D</b>	<b>L</b>	<b>Pts</b>
1 Aberavon Green Stars	11	10	0	1	50
2 Vardre	11	10	0	1	49
3 Abercrave	14	8	0	6	41

<b>Division 3B</b>	<b>P</b>	<b>W</b>	<b>D</b>	<b>L</b>	<b>Pts</b>
1 Glynccorwg	13	13	0	0	62
2 Bryncethin	11	9	0	2	44
3 Cefn Cribwr	10	7	0	3	35

<b>Division 3C</b>	<b>P</b>	<b>W</b>	<b>D</b>	<b>L</b>	<b>Pts</b>
1 South Gower	14	14	0	0	65
2 Cwmgwrach	13	12	0	1	55
3 Tonna	16	11	0	5	50

## NORTH

<b>Division 1</b>	<b>P</b>	<b>W</b>	<b>D</b>	<b>L</b>	<b>Pts</b>
1 Llandudno	15	15	0	0	69
2 Ruthin	16	11	0	5	56
3 Bethesda	14	10	0	4	49

<b>Division 2</b>	<b>P</b>	<b>W</b>	<b>D</b>	<b>L</b>	<b>Pts</b>
1 Wrexham	14	13	1	0	62
2 Rhyl	14	12	0	2	60
3 Mold	15	12	1	2	56

<b>Division 3</b>	<b>P</b>	<b>W</b>	<b>D</b>	<b>L</b>	<b>Pts</b>
1 Ruthin II	14	14	0	0	66
2 Holyhead	11	10	0	1	49
3 Machynlleth	12	10	0	2	45

# A Year in Professional Rugby



**The international season started with rugby's showpiece event, the Rugby World Cup.**

Japan 2019 has been widely reported as the most economically successful to date, delivering a unique experience for visiting fans, showcasing Japan's renowned culture and spirit and significantly boosting national pride.

It delivered unforgettable moments on and off the field and the tournament has been reinforced as one of the world's most prestigious and exciting sports events.



The 44-day global celebration of rugby, hosted across 12 cities the length and breadth of Japan, captured the imagination of a nation and fans around the world.

It was the most competitive, best attended, most viewed, most socially engaged and most commercially successful of the nine tournaments so far and the biggest sporting event of 2019.

**Wales, under Warren Gatland during his final campaign at the helm, equalled their semi-final reaching heroics of 2011 but still cite 1987 as their best finish after going down to New Zealand in the third-place play-off match.**

It was the semi-final, against South Africa, that captured the imagination of the Welsh nation dreaming of a final match-up against either England or the All Blacks, but it wasn't to be. Gatland, who had led us to a hat-trick of Six Nations Grand Slams in 2008 (his debut campaign), 2011 and 2019, and became Wales' longest serving and most successful coach, could only watch as the Springboks squeezed out a 16-19 victory at the International Stadium Yokohama.

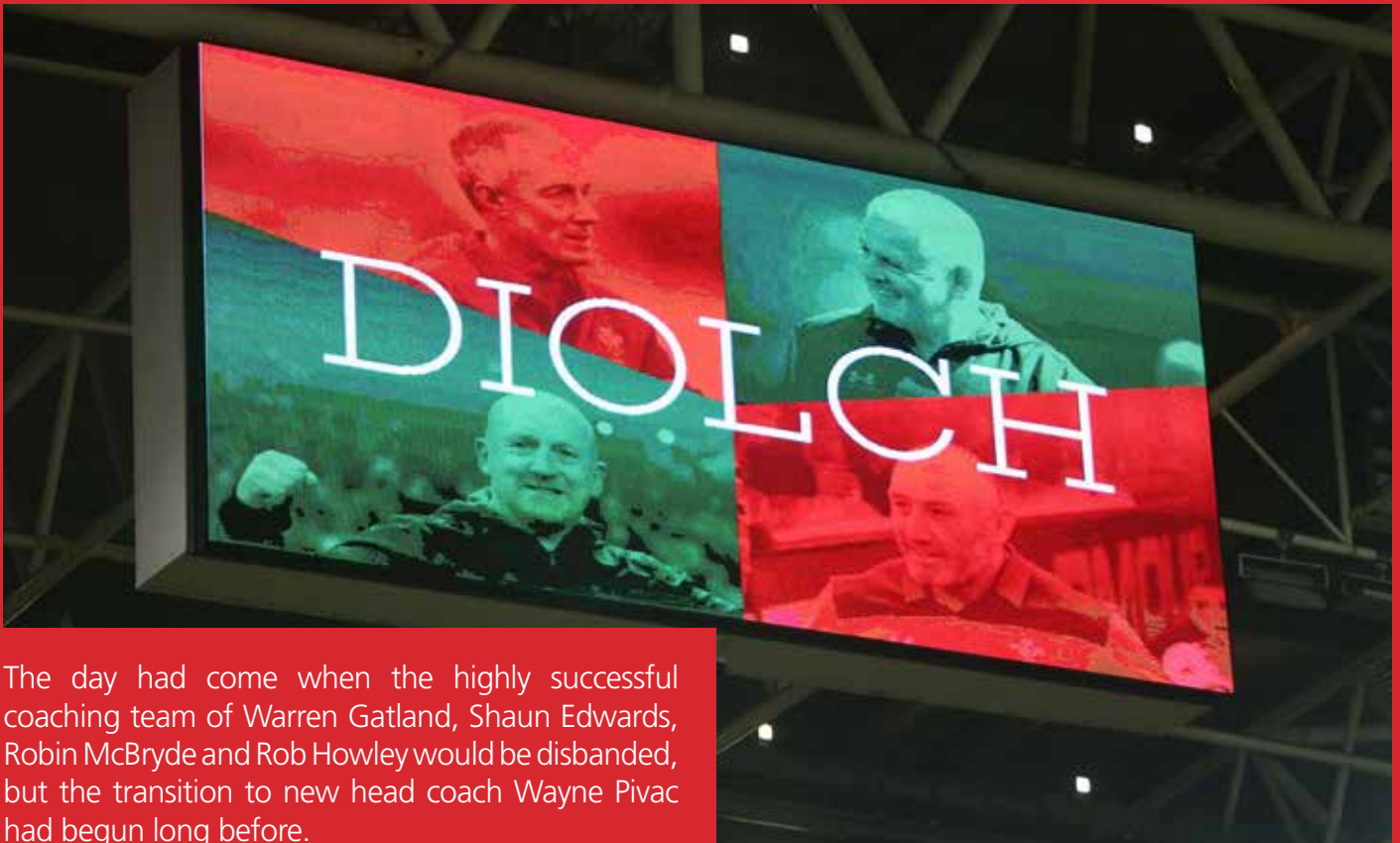
Wales dug deep, very deep, to stay in the arm wrestle in what was a brutal match which saw Tomas Francis and George North depart in the first half.

Wales stood toe to toe with the huge South African side and only trailed 9-6 at the break, with Handre Pollard's three penalties edging his side in front as Dan Biggar's boot kept his side in contention with two successful shots at goal.

And, in a nerve-jangling second half, Pollard and Biggar continued their personal duel with the boot as neither side could be separated.

Damian de Allende's converted try put South Africa back in front but Josh Adams replied – equalling Shane Williams's record of six tries in a World Cup – to keep Wales in the fight, before Pollard's boot five minutes from time put his side through to the final where the Boks would face England.

The All Blacks waited for Wales in the race for third place and Gatland's final game in charge was a loss to the country of his birth and an era ended.



The day had come when the highly successful coaching team of Warren Gatland, Shaun Edwards, Robin McBryde and Rob Howley would be disbanded, but the transition to new head coach Wayne Pivac had begun long before.

Nigel Owens officiated his fourth World Cup and, although a calf injury ruled him out of contention to officiate the final, he remains a record-breaker as the most capped international referee as he closes in on 100 caps and continues to be an important role model for Welsh rugby.

Elsewhere in refereeing Adam Jones was named Premiership referee of the year for the fourth year running and both he and Craig Evans were selected for Olympic Sevens duty. Although the tournament was postponed their services are due to be retained when the competition is reinstalled. Francesca Martin became Wales' first female referee appointed to officiate at a Women's Test match and was assistant referee at two 2020 Six Nations matches. Ben Whitehouse and Dan Jones both again took charge of European Champions Cup matches to represent Welsh officiating at club rugby's flagship tournament.





**The transition from an established management team to the new one has been hugely positive. The time Wayne had in post before the 2019 Rugby World Cup was put to good use.**

### **New Regime**

The relationship between the management team led by Wayne Pivac and the Regions has worked well from the outset. Fresh from his role with the Scarlets and on the back of his early appointment during the summer of 2019 the professional game is more integrated than ever.

The transition from an established management team to the new one has been hugely positive. The time Wayne had in post before the 2019 Rugby World Cup was put to good use. Wayne and his coaching team have spent time at the Regions which will bear fruit for the whole of professional rugby in Wales.

His first game was against a Barbarian's team led by his predecessor, but backs coach Stephen Jones was already in camp after he had taken over from Howley, who had left the World Cup early after admitting to being in breach of World Rugby Regulation 6, around anti-corruption and betting by placing bets on Rugby Union.

Skills coach Neil Jenkins stayed on as did a significant number of the high performance department who had served Gatland, including Paul Stridgeon, Huw Bennett, Ryan Chambers and John Ashby and a medical team that includes Prav Mathema, John Miles and the long serving Mark Davies.

The former Scarlets head coach added three more former Wales captains to his back-room team as Jonathan Humphreys replaced McBryde as forwards coach, Sam Warburton was added, and Martyn Williams assumed team manager duties from the retiring Alan Phillips.

The Baa-Baas were dispatched 43-33 in an uncapped clash at Principality Stadium which kick-started Pivac's tenure and a 42-0 win over Italy in the 2020 Guinness Six Nations opener was the perfect start.

But Pivac's honeymoon period was to be short lived and defeats to Ireland (24 –14) away, France (23-17) at home and England (a hard fought 33-30) at Twickenham followed. A valiant fightback from a 17-point deficit and a losing bonus point gave Wales hope that they could finish on a high against Scotland, but then the pandemic struck, and the final round match was postponed indefinitely.

We should record the fact that Wales' home clash with Scotland was called off the day before it was due to be played, by the WRU. At the time, government advice was that the game could go ahead, but in an incredibly fast-moving situation, the decision was taken to postpone. Hindsight will judge that the right decision was taken, but the circumstances surrounding the lateness of the decision, whilst explicable will always be regretted.

At the time that the professional season was curtailed the regional game in Wales was progressing well with many twists and turns still to play out. The Scarlets and Dragons were both due to play in the quarter-finals of European Professional Club Rugby's Challenge Cup against RC Toulon and Bristol Bears respectively. Both games were rescheduled for September and neither match disappointed as contests despite the delay, although victory proved a stretch too far for both Welsh sides. The Scarlets were outgunned 11-6 in a match that could easily have gone the other way on French soil and the Dragons finished on the wrong side of a 56-17 scoreline at Ashton Gate despite taking an early lead.

That meant Welsh representation left Europe and there would also be no progression from the conference stages of the Guinness PRO14 for a Welsh region, but the season had already produced its qualifiers for next season's European competition, with a revised curtailed end to the 2019/20 season having restarted in August 2020.

PRO14 Rugby agreed that rankings for European qualification for the 2020/21 season would be decided on the conference table positions from Round 13, at the point the normal season was suspended. This includes the points awarded to teams whose postponed games in Round 13 had been deemed 0-0 draws. This is good news for the Dragons and the Scarlets. Scarlets were positioned third in their conference at Round 13, and so are automatically one of the teams qualifying for the Champions Cup, and the Dragons were fifth in conference A. With the top four European teams progressing from the two PRO14 conferences (eight teams in total) to Europe's top competition, the Scarlets were guaranteed a spot, but the Dragons also feature.





The Rodney Parade outfit sat a place behind Toyota Cheetahs, but South African sides don't play in Europe which moved the Dragons up.

Cardiff Blues were sixth in conference B, just six points off fourth spot but must be content with a place in the Challenge Cup, where they will be joined by the Ospreys who propped up the conference A table after Round 13, with two wins in 13 matches.

In September, in conjunction with the Regions and the Welsh Rugby Players Association, a group of 10 players were hand-picked for the inaugural 12-month long Player to Coach programme. The new WRU Player to Coach programme aims to support players who are looking to make the transition into coaching

Ospreys quintet Justin Tipuric, Paul James, Bradley Davies, James Hook and Rob McCusker, Scarlets duo Leigh Halfpenny and Angus O'Brien along with Dragons' Aaron Jarvis and Brok Harris and Cardiff Blues' Dan Fish can reflect on becoming the first graduates of the course, gaining a UKCC Level 3 award in Coaching Rugby Union in the process.



The Women's game received a huge boost with a major strategic announcement coming at the end of a season when coaching trio Chris Horsman, Geraint Lews and Gareth Wyatt were asked to take interim charge after head coach Rowland Phillips left his position to seek other opportunities.

The international season saw Wales Women win three of five matches played in November, wins over Ireland, Scotland and Crawshays, were bookended by losses to Spain and Barbarians. But the Six Nations was a different story and, in four matches played, the closest they came to victory was a 19-15 reverse at home – at Cardiff Arms Park – to Italy. The side, led for the first time during the campaign by captain Siwan Lillicrap, have worked hard on creating competition for places throughout the squad, but the best news of the season came from those pulling the strings off the pitch rather than on it.

A new Head Coach, Senior Women's National Programme responsible for the planning, implementation and delivery of the coaching programme for both the 15s and 7s international programmes in Wales, a Physical Performance Lead for all aspects of physical performance for women's rugby in Wales and a performance analyst for the female performance programme. It is also expected that further coaches will be appointed which is hugely exciting for the Women's National Programme.

Plans had long been approved to grow the women's game and to strengthen its performance side. Clearly Covid-19 impacted those plans but a conscious decision was taken to continue with investments. The aim is to make progress in closing the gap with the top nations in women's rugby and the WRU is committed to increasing female participation numbers and raising standards at all levels of the game for women and girls in Wales.



The WRU announced new investment for a female-specific, world-leading coaching structure for the national 15s and 7-a-side programmes. Three new posts have been identified specifically for the women's performance programme in order to significantly raise standards in the women's game ahead of next year's Rugby World Cup in New Zealand and the Commonwealth Games in 2022.

The WRU is also working more closely with the Premier 15s clubs in England in terms of maximising medical and S&C resources and working together on areas such as season planning. In the short term, the intention is that the performance players will train and play for Premier 15s clubs and longer term the aim is to establish two high performance centres in Wales, hopefully leading to the development of two competitive 'super clubs'.





Exciting youngsters have also continued to benefit from their exposure to top-class competition on the World Series. Again, Covid-19 impacted on the completion of the World Sevens Series, with tournaments in Hong Kong, Singapore, Paris and Twickenham being cancelled.

Promotion and relegation were ruled out at the end of the 2019/20 season due to the cancellation of the season, which saw Wales retaining its position on the World circuit for another season. The long-term strategy in relation to the sevens game will be considered over the coming year and dialogue will continue with World Rugby on next steps for this format of the game.

For now the Wales men's sevens programme has ceased to operate in its current format for the foreseeable future due to the ongoing impact of Covid-19. The global nature of the pandemic – including the disruption of the World Rugby Sevens Series – has rendered the programme unsustainable in the current climate.

Wales U20 were one of only two teams to complete their 2020 Six Nations programme – claiming commendable victories against double junior world champions France and arch enemy England.

On the flip side of the coin, defeats were suffered to Italy, defending champions Ireland and Scotland – who became the only other side to complete their programme with a record 52-17 triumph over Gareth Williams' side at an empty Stadium Zipworld due to Covid-19 induced restrictions. The clash against Scotland was in fact the last rugby match played in Wales before the sporting world went into lockdown due to Covid-19.

Wales finished their campaign with eight points which put them in fifth position at the time of the postponement. Italy are currently below them so Wales will be hoping Ireland and England can keep them pointless in order to avoid the wooden spoon.

Star performer for Wales U20 was fly half Sam Costelow who shone throughout with his silky skills. Against England he ran the show superbly, pulling the strings perfectly as Wales held out for a memorable win at Gloucester. Jac Morgan led the team superbly from the back row – he has already gained game time with the Scarlets and looks a great prospect. With the likes of Cai Evans, Dewi Lake and Tiaan Thomas-Wheeler securing game time with the Ospreys a year after leaving the U20s age group, along with Dragons back row Taine Basham and Leicester Tigers' Tommy Reffell, the U20s programme is certainly producing plenty of talent for the Welsh regions.

The World Rugby U20 Junior Championship due to be staged in Italy in June 2020, was cancelled due to Covid-19 pandemic while all other national age groups fell by the wayside for the same reason.

The Exiles programme continues to thrive with 26 players from the programme involved in the latest Wales U18s, U19s and U20s National Age Grade squads during the season.





**Now that World Rugby has increased the residency eligibility criteria from three years to five years the Exiles programme is more relevant than ever.**

The likes of Nick Tompkins, Ioan Lloyd, Dan John, Ed Scragg, Luke Scully, Theo Bevacqua, Ellis Bevan, Archie Griffin and Will Rowlands have all been identified through the WRU Exiles programme.

Now in its 30th year the programme continues to identify, monitor and potentially recruit Welsh-qualified players who are based outside Wales and have the potential to play 'elite' age grade or senior regional rugby in Wales. The programme now operates more strategically and is aligned closely with the WRU National Age Grade programme and with player recruitment for the Regions in line with senior national succession planning.

The Exiles age grade programme is open to all Welsh qualified players aged 12 to 18 based outside Wales and gives them and their families an opportunity to engage with the WRU and there are plans in place to develop the girls/women's programme too.

Many Exiles have won National Age Grade caps and five products of the Exiles programme played in last summer's World Rugby U20 Championship in Argentina. Eight exiles were involved in the latest U20 Six Nations, while last year nine exiles represented Wales U18s either in the Six Nations or during the summer tour to South Africa.

There are now nearly 1,700 young Welsh qualified players in the programme and there is a pathway for every single one of them to maximise their potential here in Wales. Opportunities have also been facilitated in Wales for young players from New Zealand, South Africa, Canada, Australia and from all over Europe.

The selection of so many exiles for National Age Grade honours this season demonstrates that there is a clear and credible pathway to national age rugby in Wales for exile players. Players from the U20s squad such as Theo Bevacqua (Sussex), Harri O'Connor (Dorset), Archie Griffin (Wiltshire), Ed Scragg (Dorset), Gwilym Bradley (Surrey) and Ellis Bevan (West Midlands) first came into the Exiles programme when they were 14 or 15 and the WRU have been monitoring their development ever since.

The excellent relationship with the Regions means that there's also a credible route to professional rugby too. Now that World Rugby has increased the residency eligibility criteria from three years to five years the Exiles programme is more relevant than ever.

Exiles who represented Wales at National Age Grade level:

### Wales U18s

**Adam Williams** (Dragons)

– (Herefordshire; Exiles programme since the age of 14)

**Tom Cowan**

(Wiltshire; Exiles programme since the age of 15)

**Ethan Morgan**

(Cornwall; Exiles programme since the age of 15)

**Bryn Bradley**

(Surrey; Exiles programme since the age of 14)

**Tom Lockett**

(Essex; Exiles programme since the age of 17)

**Jac Lloyd**

(Cardiff via Clifton College, Bristol; Exiles programme since the age of 16)

**Benji Williams** (Ospreys)

– Swansea via Hartpury College; Exiles programme since the age of 16)

**Ben Murphy**

(Warwickshire; Exiles programme since the age of 14)

**Harry Williams** (Scarlets)

– (Suffolk; Exiles programme since the age of 14)

### Wales U19s

**Harry Breeze** (Scarlets)

– (Surrey; Exiles programme since the age of 14)

**Morgan MacRae** (Scarlets)

– (Oxfordshire; Exiles programme since the age of 14)

**Sam O'Connor** (Scarlets)

– (Dorset; Exiles programme since the age of 14)

**Oliver Holliday**

(Cardiff via Hartpury College; Exiles programme since the age of 17)

**Tommy Matthews**

(Hampshire; Exiles programme since the age of 15)

**Ed Dunford** (Surrey; Exiles programme since the age of 14)

**Charles Rylands** (Northamptonshire; Exiles programme since the age of 15)

### Wales U20s

**Theo Bevacqua** (Cardiff Blues)

– (Sussex; Exiles programme since the age of 14)

**Harri O'Connor** (Scarlets)

– (Dorset; Exiles programme since the age of 14)

**Archie Griffin**

(Wiltshire; Exiles programme since the age of 15)

**Ed Scragg** (Dragons)

– (Dorset; Exiles programme since the age of 15)

**Gwilym Bradley** (Cardiff Blues)

– (Surrey; Exiles programme since the age of 15)

**Ellis Bevan**

– (West Midlands; Exiles programme since the age of 15)

**Sam Costelow**

– (Bridgend via Oakham School; Exiles programme since the age of 16)

**Ioan Lloyd**

– (Cardiff via Clifton College, Bristol; Exiles programme since the age of 16)

**Luke Scully**

– (Swansea / Ospreys via Worcester Warriors; Exiles programme since the age of 18).

# Return to Rugby

**A Return to Rugby working group was formed to plan for life after lockdown. The impact on rugby of Covid-19 was closely examined to influence the return to professional rugby and outlined a phased approach.**

At each stage the WRU have worked collaboratively with Welsh Government and other sports as plans to train and ultimately play rugby were mapped. Part of the process has been to develop protocols and guidelines aimed to assist our professional teams from an operational perspective.

The plan has been phased and the WRU continue to work with Welsh Government and Public Health Wales as it is developed. The WRU also developed a protocol and guidance document for the professional game and have guided the game through every element of the phased return through webinars and focus groups.

It has been key for the WRU to provide confidence to the players and coaches that the environments they are entering are safe and suitably geared towards the return to rugby. With the 2019/20 season restarting in August 2020, each Region has been heavily involved in monitoring and managing each phase of the return.

The return to professional rugby has been dependent on the completion of a period of education and preparation steps and caveats. For example:

- all coaches, players and staff must complete World Rugby's online Covid-19 Return to Play awareness course.
- following the longest period out of the game for players, the first phase saw small groups of players training, focusing on fitness and skills. Injury prevention was a main driver for the professional game during its return.
- an online symptom checker was provided to complete ahead of all training sessions
- a testing regime was implemented on return to full contact training ahead of the 2019/20 season restart.

The WRU has been determined to take responsible action against Covid-19 and ensure no unnecessary demand is placed on the NHS. The game is in the best position to deliver a phased return to rugby and a successful restart to season 2019/20 and beyond.





# Directors' Report

FOR THE YEAR ENDED 30 JUNE 2020



Due to Covid-19, the Group has made a loss for the year and the Directors present their report and the Group and the Company's audited financial statements for the year ended 30 June 2020.

### **Principal activity and review of the business**

The principal activity of the Group is to promote rugby in Wales and to encourage more people to engage with the game, more often, with more enjoyment and more success. This activity, together with the primary objective and the likely future development of the Group are reviewed in the Chairman's Statement, the Group Chief Executive's Summary and the Strategic Report.

### **Information provided in the Strategic report**

In accordance with section 414C of the Companies Act 2006 the directors have chosen to disclose the following information in the strategic report:

- Principal risks and uncertainties (see page 24);
- Business review (see page 17);
- Factors likely to affect the Group's future development, performance and position (see page 23); and
- Engagement with suppliers, customers and others (see page 25).

### **Financial risk factors**

The Group is exposed to financial risks from interest bearing assets and liabilities and interests in overseas companies. These expose the Group to financial risks including foreign currency risk, interest rate risk, credit risk and liquidity risk.

- **Foreign exchange risk**  
Where applicable, the Group mitigates foreign exchange risk with the use of forward contracts. As at 30 June 2020, the Group has no material foreign exchange risk (2019: £nil).
- **Interest rate risk**  
The Group has interest bearing liabilities. The Group previously hedged against the majority of any interest risk on liabilities by using derivative instruments to effectively hedge the interest rate risk.

The Group is currently exploring replacement derivative instruments to hedge against future interest rate risk. The Group has interest bearing assets which are invested at differing interest rates; these interest rates are fixed at the outset of the investment.

- **Credit risk**  
The Group has no significant concentration of credit risk. The Group has implemented policies that require appropriate credit checks on potential credit customers before sales commence. Interest bearing assets are only invested with financial institutions that have excellent credit ratings.
- **Liquidity risk**  
The Group maintains a balance between continuity of funding and flexibility. As at 30 June 2020, 30% (2019: 39%) of the borrowings were due to expire within five years.

### **Directors**

The Directors who held office during the year and up to the date of signing the financial statements are listed in the 'Welsh Rugby Union Governance' section of this Annual Report.

### **Donations**

The Group's primary charitable donation was £76,000 (2019: £82,000) to the Welsh Rugby Charitable Trust. This trust, which is independent from the Group, was set up to provide support to players who were injured whilst playing rugby in Wales. There were no political donations (2019: £nil).

### **Corporate social responsibility**

The Group is aware of its responsibilities to local communities and its contribution to society. The Group recognises its responsibilities to the communities which are affected by its businesses and reviews its policies with regard to social, ethical and environmental matters as necessary. Any matters in any of these categories which may materially affect the business of the Group are reviewed as required by the Board.

## Employee Involvement

The Group involves all its employees in its objectives, plans and performance and on other relevant matters of interest to employees through various communication methods and regular group meetings. The Group is an equal opportunities employer and does not discriminate in the recruitment and promotion of employees.

## Disabled Employees

The Group's policy is to recruit disabled employees for those vacancies that they are suitable to fill. Arrangements are made, where possible, for retraining employees who become disabled, to enable them to perform the duties identified as appropriate to their aptitudes and abilities. It continues to be the policy of the Group that the training, career development and promotion of disabled persons should as far as is feasible be identical to that of other employees.

## Going concern

Based on the Group's liquidity position and cash flow projections, including a forward looking Covid-19 scenario, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The impacts of Covid-19 have been considered as part of the Group's assessment of post balance sheet events. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are outlined within this Annual Report on page 22. The Directors have considered these areas and how they may impact going concern, the assessment of which is considered to be a critical accounting judgement.

The Directors have prepared cash flow forecasts for a period of 30 months from the date of approval of these financial statements which indicate that the Group will have sufficient funds to meet its liabilities as they fall due for that period. The two short term key assumptions supporting these forecasts include:

- international rugby will return this Autumn but will be played without spectators (this international rugby to include the Guinness Six Nations 2020 Wales v Scotland match which was postponed in March 2020 together with the Autumn Nations Cup); and
- the two home matches in Guinness Six Nations 2021 will be played with an estimated 50% attendance of total capacity pursuant to social distancing legislation.

Under this scenario there would be no breach of the amended banking facilities. The Group has undertaken various sensitivities around attendance levels and these facilities will be sufficiently robust to enable further trading variances to be taken into account within the covenant calculations.

During this period the business is currently taking appropriate measures to preserve liquidity. The following mitigating factors have been built into the base case scenario:

- the Group has re-purposed its banking facilities;
- a significant element of the Group's cost base relates to wages and salaries. The Group has taken the decision to (a) utilise the Government's Covid-19 Job Retention Scheme and (b) reduce employee salaries more generally;
- the Group has rephased or delayed capital expenditure. While the Group's future growth plans include significant new business development capital expenditure, much of this is not currently contracted and can therefore be delayed. Essential capital expenditure to ensure health and safety obligations are met has continued where required;
- the Group is taking advantage of the Government schemes that are available, including the Economic Resilience Fund and CLBILS.



## STREAMLINED ENERGY AND CARBON REPORT (SECR)

### UK Energy Use and GHG Emissions

The tables below detail the energy used by the Group in their business activities involving the combustion of gas and fuels, the purchase of electricity and business mileage in both kWh and tCO<sub>2</sub>e. They also detail the total energy and emissions by scope and as a total.

Type of activity	Energy Usage	Measurement Unit	GHG Emissions	Measurement Unit
Grid Electricity	7,649,884	kWh	1,937	t CO <sub>2</sub> e
Natural Gas	6,163,007	kWh	1,133	t CO <sub>2</sub> e
LPG	123,323	kWh	26	t CO <sub>2</sub> e
Fleet	166,217	kWh	46	t CO <sub>2</sub> e
Fuel reimbursed	648,349	kWh	179	t CO <sub>2</sub> e
<b>Total</b>	<b>14,750,780</b>	<b>kWh</b>	<b>3,321</b>	<b>t CO<sub>2</sub>e</b>

Scope	Energy Usage	Measurement Unit	GHG Emissions	Measurement Unit
Scope 1	6,452,547	kWh	1,206	t CO <sub>2</sub> e
Scope 2	7,649,884	kWh	1,783	t CO <sub>2</sub> e
Scope 3 (including Electricity T&D)	8,298,233	kWh	332	t CO <sub>2</sub> e
<b>Total</b>	<b>14,750,780</b>	<b>kWh</b>	<b>3,321</b>	<b>t CO<sub>2</sub>e</b>



## Intensity Ratio

To convert absolute emissions to an emissions intensity metric, the Group has calculated emissions per a relevant unit of measure.

An intensity ratio is a way of defining the Group's emissions data in relation to an appropriate business metric, such as tonnes of CO<sub>2</sub>e per sales revenue, or tonnes of CO<sub>2</sub>e per total square metres of floor space. This allows comparison of energy efficiency performance over time and with other similar types of organisations.

SECR Intensity ratios are calculated by dividing the Group's emissions by its organisation-specific metric.

In the case of the Group the metric chosen to normalise its emissions is based on turnover and its intensity ratio is detailed below.

<b>Normalising Metric</b>	<b>Turnover</b>	<b>79.9m</b>
<b>Intensity Ratio FY 2019-20</b>	<b>41.57</b>	<b>tCO<sub>2</sub>e/£m</b>

## Principle Energy Efficiency Actions

During this financial reporting period the Group undertook the following energy reduction projects:

- BMS Installation at Principality Stadium

The building management system (BMS) monitors and manages all of the mechanical and electrical services in the building. This includes the heating, ventilation, air condition and power management, ensuring that the building is operating at its optimum (with the controls that are installed). This is achieved through the BMS continually monitoring the systems that it is connected to and providing data for the operators to view and make any necessary adjustments. This removed the scope for energy being wasted through inappropriate usage.

The BMS allows the building to be managed within strictly programmed parameters for efficiency, whilst allowing limited human interaction for comfort adjustment. This takes account of external conditions, such as weather and adjusts the operation

accordingly. In addition, the BMS is linked to the pitch heating system and provides the necessary under-soil environment, managed automatically within the pre-set parameters for the pitch to grow and be maintained.

Through plant rotation, sequencing and management the building management system is estimated to save approximately 15% - 20% energy against normal operations.

## Methodology

Data for this report has been provided from the following sources:

- 52% of data from supplier and the Group's databases
- 45% of data from invoices
- 3% of data from estimation using CIBSE Guide F to determine typical consumption figures for offices, warehouse and sports ground

The DEFRA 2020 conversion figures for CO<sub>2</sub>e were used along with the fuel property figures to determine the kWh content for LPG and unknown liquid fuels used in transport.

Where consumption data was not readily available the known square meterage of a similar property occupied by the Group was used across the remaining premises and a typical consumption figure derived from the CIBSE Guide applied.

The same approach was used for the other properties occupied by the Group.

## **Statement of Directors' responsibilities in respect of the financial statements**

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Disclosure of information to auditors**

- (a) So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (b) The Directors have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

## **Independent auditors**

A resolution to reappoint PricewaterhouseCoopers LLP as the Group's auditors will be proposed at the Annual General Meeting in October.

## **By Order of the Board**



**Rhodri Lewis**

Company Secretary  
5 October 2020

# Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2020



# CONSOLIDATED INCOME STATEMENT

for the year ended 30 June 2020

	Note	Total 2020 £'m	Total 2019 £'m
Match, commercial, hospitality and other income		72.8	78.6
Competition income		7.1	11.9
<b>Turnover</b>	2 (a)	<b>79.9</b>	90.5
<b>Operating expenses</b>	2 (b)	<b>(91.9)</b>	(94.1)
<b>Operating profit before depreciation, exceptional items and allocations to affiliated organisations ("EBITDA")</b>		<b>22.8</b>	31.9
Allocations to affiliated organisations	2 (d)	(30.7)	(31.6)
Exceptional items	5	-	(0.2)
Depreciation and amortisation (net of grant release)	5	(4.1)	(3.7)
<b>Operating loss</b>		<b>(12.0)</b>	(3.6)
Investment income	3	4.9	-
<b>Loss on ordinary activities before interest and tax</b>		<b>(7.1)</b>	(3.6)
Interest payable and similar charges	4	(0.8)	(0.6)
<b>Loss on ordinary activities before tax</b>	5	<b>(7.9)</b>	(4.2)
Tax on loss on ordinary activities	7	2.6	0.3
<b>Loss for the financial year</b>		<b>(5.3)</b>	(3.9)
<b>(Loss)/profit attributable to:</b>			
Company		(5.3)	(4.3)
Non-controlling interest		-	0.4
		<b>(5.3)</b>	(3.9)

The turnover and operating profit shown above are derived from continuing operations.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2020

	Note	Total 2020 £'m	Total 2019 £'m
<b>Loss for the financial year</b>		<b>(5.3)</b>	<b>(3.9)</b>
<b>Other comprehensive expense:</b>			
Cash flow hedges			
• Reclassifications to profit and loss of foreign exchange hedging instruments		-	(0.1)
<b>Other comprehensive expense for the year</b>		<b>-</b>	<b>(0.1)</b>
<b>Total comprehensive expense for the year</b>		<b>(5.3)</b>	<b>(4.0)</b>
<b>Total comprehensive (expense)/income attributable to:</b>			
Company		<b>(5.3)</b>	(4.4)
Non-controlling interest		-	0.4
		<b>(5.3)</b>	<b>(4.0)</b>

# CONSOLIDATED AND COMPANY BALANCE SHEETS

as at 30 June 2020

	Note	2020 Group £'m	2019 Group £'m	2020 Company £'m	2019 Company £'m
<b>Fixed assets</b>					
Intangible asset	8	1.4	1.7	-	-
Tangible fixed assets	9	140.8	132.0	38.2	38.1
Investments	10	-	-	22.9	22.9
		<b>142.2</b>	133.7	<b>61.1</b>	61.0
<b>Current assets</b>					
Stock	11	0.2	0.3	-	-
Deferred tax asset	17	1.1	-	1.7	0.3
Financial assets					
• Debtors	12	10.5	10.7	65.3	60.8
• Cash at bank and in hand	13	0.8	2.2	-	2.3
		<b>12.6</b>	13.2	<b>67.0</b>	63.4
<b>Current liabilities</b>					
<b>Creditors – amounts falling due within one year</b>	14	<b>(31.4)</b>	(26.8)	<b>(23.5)</b>	(20.9)
<b>Net current (liabilities)/assets</b>		<b>(18.8)</b>	(13.6)	<b>43.5</b>	42.5
<b>Total assets less current liabilities</b>		<b>123.4</b>	120.1	<b>104.6</b>	103.5
<b>Creditors – amounts falling due after more than one year</b>	14	<b>(76.0)</b>	(64.7)	<b>(52.8)</b>	(48.9)
Accruals and deferred income	16	(27.7)	(29.6)	-	-
Provisions for liabilities	17	-	(0.5)	-	-
<b>Net assets</b>		<b>19.7</b>	25.3	<b>51.8</b>	54.6
<b>Capital and reserves</b>					
Profit and loss reserve brought forward		23.4	25.5	54.6	51.7
Transfer from other reserves		-	2.3	-	2.6
(Loss)/profit for the year attributable to the Group/Company		(5.3)	(4.4)	(2.8)	0.3
Profit and loss reserve		18.1	23.4	51.8	54.6
<b>Capital and reserves attributable to the Group/Company</b>		<b>18.1</b>	23.4	<b>51.8</b>	54.6
Capital and reserves attributable to non-controlling interests		1.6	1.9	-	-
<b>Total capital and reserves</b>		<b>19.7</b>	25.3	<b>51.8</b>	54.6

These financial statements were approved by the Board of Directors on 5 October 2020 and signed on its behalf by:



**Gareth Davies** Chairman



**Martyn Phillips** Group Chief Executive Officer

The notes on pages 67 to 97 form an integral part of these financial statements.

**The Welsh Rugby Union Limited Company Number 03419514**

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2020

	Note	Other reserves £'m	Hedging reserve £'m	Profit and loss reserve £'m	Non-controlling interest £'m	Total capital and reserves £'m
<b>Balance as at 1 July 2018</b>		<b>2.3</b>	-	<b>25.5</b>	<b>2.3</b>	<b>30.1</b>
(Loss)/profit for the year		-	-	(4.3)	0.4	(3.9)
Other comprehensive expense for the year:						
Reclassifications to profit and loss of foreign exchange hedging instruments	14	-	-	(0.1)	-	(0.1)
Total other comprehensive expense for the year		-	-	(0.1)	-	(0.1)
Total comprehensive (expense)/income for the year		-	-	(4.4)	0.4	(4.0)
Transfers from other reserves to profit and loss reserve		(2.3)	-	2.3	-	-
Dividends		-	-	-	(0.8)	(0.8)
<b>Balance as at 30 June 2019</b>		<b>-</b>	<b>-</b>	<b>23.4</b>	<b>1.9</b>	<b>25.3</b>
<b>Balance as at 1 July 2019</b>		<b>-</b>	<b>-</b>	<b>23.4</b>	<b>1.9</b>	<b>25.3</b>
Loss for the year		-	-	(5.3)	-	(5.3)
Total comprehensive expense for the year		-	-	(5.3)	-	(5.3)
Dividends		-	-	-	(0.3)	(0.3)
<b>Balance as at 30 June 2020</b>		<b>-</b>	<b>-</b>	<b>18.1</b>	<b>1.6</b>	<b>19.7</b>

Other reserves related to reserves pre-incorporation in 1997. These have been transferred to the profit and loss reserve in the prior year.

The hedging reserve is used to record transactions arising from the Group's cash flow hedging arrangements.



## COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2020

	Note	Other reserves £'m	Hedging reserve £'m	Profit and loss reserve £'m	Total capital and reserves £'m
<b>Balance as at 1 July 2018</b>		<b>2.6</b>	-	<b>51.7</b>	<b>54.3</b>
Profit for the year		-	-	0.4	0.4
Other comprehensive expense for the year:					
Reclassifications to profit and loss of foreign exchange hedging instruments	14	-	-	(0.1)	(0.1)
Total other comprehensive expense for the year		-	-	(0.1)	(0.1)
Total comprehensive income for the year		-	-	0.3	0.3
Transfer from other reserves to profit and loss reserve		(2.6)	-	2.6	-
<b>Balance as at 30 June 2019</b>		<b>-</b>	<b>-</b>	<b>54.6</b>	<b>54.6</b>
<b>Balance as at 1 July 2019</b>		<b>-</b>	<b>-</b>	<b>54.6</b>	<b>54.6</b>
Loss for the year		-	-	(2.8)	(2.8)
Total comprehensive expense for the year		-	-	(2.8)	(2.8)
<b>Balance as at 30 June 2020</b>		<b>-</b>	<b>-</b>	<b>51.8</b>	<b>51.8</b>

Other reserves related to reserves pre-incorporation in 1997. These have been transferred to the profit and loss reserve in the prior year.

The hedging reserve is used to record transactions arising from the Company's cash flow hedging arrangements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2020

	Note	2020 £'m	2020 £'m	2019 £'m	2019 £'m
<b>Net cash from operating activities</b>	22	<b>(3.1)</b>		2.9	
Taxation received/(paid)		0.2		(0.8)	
<b>Net cash (used in)/generated from operating activities</b>			<b>(2.9)</b>		2.1
<b>Cash flow from investing activities</b>					
Purchase of tangible fixed assets		(14.4)		(19.9)	
Sale of tangible fixed assets		-		1.0	
Investment income	3	4.9		-	
<b>Net cash used in investing activities</b>			<b>(9.5)</b>		(18.9)
<b>Cash flow from financing activities</b>					
Interest paid		(0.8)		(0.6)	
Grant repaid		(0.1)		(0.1)	
Drawdown of bank loans		-		11.2	
Repayment of bank loans		(4.7)		(6.2)	
Receipt from other creditor in respect of agreement that will ultimately be settled by a finance lease	14	-		15.0	
Drawdown of finance lease		8.3		-	
Debenture issue		8.6		0.4	
Dividends paid to non-controlling interests		(0.3)		(0.8)	
<b>Net cash generated from financing activities</b>			<b>11.0</b>		18.9
<b>Net (decrease)/increase in cash and cash equivalents</b>	23		<b>(1.4)</b>		2.1
<b>Cash and cash equivalents at the beginning of the year</b>			<b>2.2</b>		0.1
<b>Cash and cash equivalents at the end of the year</b>			<b>0.8</b>		2.2

The notes on pages 67 to 97 form an integral part of these financial statements.

## 1. ACCOUNTING POLICIES

### a. General information

The Company is limited by guarantee and is incorporated in England and Wales and domiciled in the UK. The address of its registered office is Principality Stadium, Westgate Street, Cardiff, CF10 1NS.

### b. Statement of compliance

The Group and individual financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS102") and the Companies Act 2006. The Company is considered by the Directors to be a Public Benefit Entity under the definition in FRS102.

### c. Summary of principal accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### d. Basis of preparation

These consolidated and separate financial statements are prepared on the going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas including a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 1(x) to 1(y).

The Company has not presented its own income statement, as permitted by section 408 of the Companies Act 2006.

### e. Going concern

Based on the Group's liquidity position and cash flow projections, including a forward looking Covid-19 scenario, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The impacts of Covid-19 have been considered as part of the Group's assessment of post balance sheet events. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are outlined within this Annual Report on page 22. The Directors have considered these areas and how they may impact going concern, the assessment of which is considered to be a critical accounting judgement.

The Directors have prepared cash flow forecasts for a period of 30 months from the date of approval of these financial statements which indicate that the Group will have sufficient funds to meet its liabilities as they fall due for that period. The two short term key assumptions supporting these forecasts include:

- international rugby will return this Autumn but will be played without spectators (this international rugby to include the Guinness Six Nations 2020 Wales v Scotland match which was postponed in March 2020 together with the Autumn Nations Cup); and
- the two home matches in Guinness Six Nations 2021 will be played with an estimated 50% attendance of total capacity pursuant to social distancing legislation.

Under this scenario there would be no breach of the amended banking facilities. The Group has undertaken various sensitivities around attendance levels and these facilities will be sufficiently robust to enable further trading variances to be taken into account within the covenant calculations.

During this period, the business is currently taking appropriate measures to preserve liquidity. The following mitigating factors have been built into the base case scenario:

- the Group has re-purposed its banking facilities;
- a significant element of the Group's cost base relates to wages and salaries. The Group has taken the decision to (a) utilise the Government's Covid-19 Job Retention Scheme and (b) reduce employee salaries more generally;
- the Group has rephased or delayed capital expenditure. While the Group's future growth plans include significant new business development capital expenditure, much of this is not currently contracted and can therefore be delayed. Essential capital expenditure to ensure health and safety obligations are met has continued where required; and
- the Group is taking advantage of the Government schemes that are available, including the Economic Resilience Fund and CLBILS.

#### **f. Exemptions for qualifying entities under FRS102 for the separate financial statements**

FRS102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's board members.

The Company has taken advantage of the following exemptions for the separate financial statements:

- (i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows;
- (ii) from the financial instrument disclosures, required under FRS102 paragraphs 11.41 to 11.48 and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures; and
- (iii) from disclosing the Company key management personnel compensation, as required by FRS102 paragraph 33.7.

#### **g. Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings together with the Group's share of the results of associates, all of which are made up to 30 June 2020 and prepared using consistent accounting policies. All intergroup transactions are eliminated on consolidation. The results of associates are accounted for using the equity method of accounting.

#### **h. Foreign currency**

The Group's financial statements are presented in pounds sterling and rounded to the nearest hundred thousand. The Group's functional and presentational currency is pounds sterling.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation. Where items are re-measured, foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges.

## **i. Turnover**

The Group, when acting as principal, recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) it retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to it and (e) when the specific criteria relating to each of its sales channels have been met, as described below.

Turnover represents amounts invoiced, excluding net of returns, discounts and rebates allowed by the Group and value added taxes, in respect of the sale of goods and services. Ticket income, sale of hospitality packages, competition income and other event income are recognised as revenue when the related event is staged. Revenue determined by commercial agreements, which makes up the majority of broadcasting revenue, sponsorship and royalty revenue and lease of hospitality boxes is recognised based on the relevant contractual terms. Where consideration is received in kind, income and expenditure are grossed up on the basis of arms' length commercial rates.

Incoming resources from non-exchange transactions, with the exception of grant income (see note 1.r.), are recognised as follows:

- (a) transactions that do not impose specified future performance-related conditions on the recipient are recognised in income when the resources are received or receivable;
- (b) transactions that do impose specified future performance-related conditions on the recipient are recognised in income only when the performance-related conditions are met; and
- (c) where resources are received before the revenue recognition criteria are satisfied, a liability is recognised.

Incoming resources from non-exchange transactions are measured as follows:

- (a) donated services and facilities that would otherwise have been purchased are measured at the value to the entity; and
- (b) all other incoming resources from non-exchange transactions are measured at the fair value of the resources received or receivable.

## **j. Exceptional items**

In order to improve the understanding of the financial statements, the Directors have identified separately, on the face of the income statement, those items of income and charge which by their size, nature and/or incidence are exceptional to the financial statements for the year. These are shown as exceptional within the categories of expenditure to which they relate.

## **k. Intangible fixed assets**

Intangible assets comprise Hospitality Catering Rights. These are initially recognised at fair value and are then amortised on a straight-line basis over the contracted period of 10 years. The carrying value of intangible assets is reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable.

## **l. Tangible fixed assets**

Tangible fixed assets are stated at historic cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

The tangible fixed assets of the Group, excluding land, are depreciated on a straight-line basis calculated to write down their cost to estimated residual values over their estimated useful economic lives as follows:

- Stadium Up to 50 years
- Other buildings Up to 50 years
- National Centre of Excellence Up to 10 years
- Other fixed assets Up to 10 years

No depreciation is charged on assets under construction. Depreciation charges commence once the asset is completed and brought in to use. The depreciation rate charged is then based on the asset class as per the above table.

#### **m. Investments in subsidiaries, associates and other investments**

Investments in subsidiaries, associates and other fixed asset investments are included at cost less any accumulated impairment losses. Dividends received are recognised when the right to receive payment is established and the dividend is included in "Investment income" in the income statement.

In accordance with the Companies Act 2006, the Group has taken advantage of the exemption afforded to certain subsidiary companies to be audited. The Company has given a guarantee to its subsidiary WRU Supporters Club Limited under section 479A of the Companies Act 2006.

#### **n. Leased assets**

Where the Group enters into a lease which entails taking substantially all the risks and rewards of an asset, the lease is treated as a "hire purchase arrangement". The present value of the minimum lease payments is recorded in the balance sheet as a tangible fixed asset. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the income statement, and the capital element which reduces the outstanding lease liability.

All other leases are accounted for as "operating leases" and their rentals are charged to the income statement on a straight-line basis over the life of the lease.

#### **o. Stock**

Stock is valued at the lower of cost and estimated selling price less costs to sell and consists of finished goods purchased for resale and raw materials for use in the supply of catering services. Where necessary, provision is made for obsolete, slow moving and defective stock. Cost is determined on a first in first out basis.

#### **p. Current and deferred tax**

The tax expense comprises current and deferred tax. The current tax charge is calculated on the basis of tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences 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.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

#### **q. Pension costs**

For defined contribution schemes the amount charged to the income statement in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

#### **r. Grants**

Grants receivable in respect of tangible fixed assets are credited to the income statement over the expected useful economic lives of the relevant assets to which they relate. Grants received but not yet released to the income statement are included as deferred income in the balance sheet. Revenue grants are released to the income statement in the same year as the related expense incurred.

## s. Capitalisation of interest

Interest is capitalised on major development projects and capital works in progress where appropriate. Capitalisation ceases when substantially all the activities necessary to get the asset ready for use are completed. Capitalised interest is amortised to the income statement over the useful economic life of the asset to which it relates.

## t. Financial instruments

The Group has chosen to adopt Sections 11 and 12 of FRS102 in respect of financial instruments.

### (i) Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances and loans due from Regions and clubs, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. They are first assessed individually for impairment, or collectively where the debtors are not individually significant. Where there is no objective evidence of impairment for an individual debtor, it is included in a group of debtors with similar credit risk characteristics and these are assessed collectively for impairment based on their ageing.

If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying

amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or, (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

### (ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow Group companies that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

The derivative instruments utilised by the Group are interest rate swaps and foreign exchange forward contracts.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value on the market price data from relevant counterparties. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Financial liabilities are derecognised when the liability is extinguished, which is when the contractual obligation is discharged, cancelled or expires.

#### **(iii) Offsetting**

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **(iv) Hedging arrangements**

The Group applies hedge accounting in respect of forward foreign exchange contracts held to manage the cash flow exposures of forecast transactions denominated in foreign currencies. These foreign exchange hedges have been designated as cash flow hedges.

The Group also applies hedge accounting for transactions entered into to manage the cash flow exposures of borrowings. Interest rate swaps are held to manage the interest rate exposures and are designated as cash flow hedges of floating rate borrowings.

Changes in the fair values of derivatives designated as cash flow hedges, and which are effective, are recognised directly in equity. Any ineffectiveness in the hedging relationship (being the excess of the cumulative change in fair value of the hedging instrument since inception of the hedge over the cumulative change in the fair value of the hedged item since inception of the hedge) is recognised in the income statement.

The gain or loss recognised in other comprehensive income is reclassified to the income statement when the hedge relationship ends. Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised, or the hedging instrument is terminated.

#### **u. Public Benefit Entity concessionary loans (including debentures)**

Concessionary loans arrangements, when received for the purpose of furthering the primary objective of the Group, which include any debentures or loans received below the prevailing market rate of interest are initially measured at the amount received or paid. In subsequent years, the carrying amount of concessionary loans in the financial statements is adjusted to reflect any accrued interest payable or receivable.

To the extent that a loan that has been made is irrecoverable, an impairment loss shall be recognised in the income statement.

#### **v. Cash and cash equivalents**

Cash at bank and in hand includes highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value.

Restricted cash relates to amounts held on deposit charged to cover the contingent liability in respect of Club Loans set out in Note 19.

#### **w. Recognition of constructive liabilities**

Where an event occurs that creates a constructive or legal obligation on the Group and it is probable that an outflow of resources, which can be reliably estimated, will be required to settle the obligation a liability is recognised in full in the period when the event occurred.

Constructive liabilities are measured at the present value of expenditures expected to be required to settle the obligation. In certain circumstances the transfer of cash to settle the liability may occur in subsequent periods.



**x. Critical judgments in applying the Group's accounting policies**

**(i) Control of MSEL (note 10)**

Assessing whether the Group controls MSEL requires judgment. The Group holds 83.5% of the voting rights of MSEL and has a 75% majority representation on the board but through the shareholders' agreement there are a number of decisions that require the unanimous consent of all the shareholders. The Directors have assessed that the decisions that require unanimous consent give protective rights only and that the control of the day to day operating decisions and strategic financial decisions is retained by the Group. Therefore, the Directors consider that MSEL is a subsidiary of the Company and the results of MSEL are included in the Group consolidated financial statements.

**(ii) Qualification of Group as a Public Benefit Entity**

Assessing whether the Group qualifies as a Public Benefit Entity requires judgment. The Directors have reviewed the definition of a Public Benefit Entity, as provided by the FRS102 Glossary of Terms, and consider that this has been met as the primary objective of the Group is to promote, foster, encourage, control and improve rugby football throughout Wales with any wealth created by the Group, given its legal status, being re-invested back into Welsh Rugby rather than providing a financial return to its members. Therefore, the Directors have adopted the FRS102 public benefit entity standards when preparing the Group consolidated financial statements.

**(iii) Acting as principal in respect of competition income**

Assessing whether the Group acts as agent or principal in the receipt of competition incomes requires judgment. The Group receives revenue from the organisers of competitions in which the Regions participate, namely the PRO14, the European Champions Cup and the European Challenge Cup. The net revenue is passed on to the Regions. The Group assessed the factors presented in the respective agreements with the Regions and the competition providers and concluded that its ability to establish the commercial returns and to perform its contractual commitment to determine the competition participants provided sufficient evidence that it is the principal in the transaction with the relevant competition provider.

**y. Key accounting estimates and assumptions**

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Directors consider that there are no key accounting estimates and assumptions in the preparation of these financial statements.

## 2. BUSINESS ANALYSIS

All income is derived from activities within the UK. The information below is provided as additional information.

### (a) Turnover

Turnover is analysed as follows:	2020 £'m	2019 £'m
Match income	33.0	44.9
Commercial income	15.4	14.2
Hospitality and catering income	9.3	14.0
Other event income	1.1	2.4
Other income	14.0	3.1
	<b>72.8</b>	78.6
Competition income	7.1	11.9
	<b>79.9</b>	90.5

Other event income represents amounts receivable in respect of staging fees and other similar income arising within Principality Stadium for events which are not promoted by the Company.

Other income includes income from grants and royalties in both the current and prior years. The current year also includes income from the Rugby World Cup, Coronavirus Job Retention Scheme and recharges relating to the Dragon's Heart Hospital.

Competition income represents amounts received from European Professional Club Rugby, and Celtic Rugby Designated Activity Company in consideration for the participation of teams nominated by the Group in the respective tournaments of those entities. To the extent that the nominated teams have participated in those tournaments the Group remits any competition income, less any costs incurred by the Group in respect of the competitions, to them.

### (b) Operating expenses

	2020 £'m	2019 £'m
Operational costs (see (c) below)	57.1	58.6
Exceptional items (see note 5)	-	0.2
Depreciation and amortisation – net of grant release (see note 5)	4.1	3.7
Allocations to affiliated organisations (see (d) below)	30.7	31.6
	<b>91.9</b>	94.1

## 2. BUSINESS ANALYSIS (CONTINUED)

### (c) Operational costs

	2020 £'m	2019 £'m
Business and administration	9.9	7.5
Direct	18.6	19.4
Hospitality and catering costs	4.5	6.5
Stadia	7.3	7.2
Performance rugby	5.2	5.5
Community rugby	4.5	4.9
WRU Gwent – regional rugby	7.1	7.6
	<b>57.1</b>	<b>58.6</b>

### (d) Allocations to affiliated organisations

These are analysed as follows:	2020 £'m	2019 £'m
Competition income (see note 2(a))	7.1	11.9
Competition income due to WRU Gwent	(1.8)	(3.0)
Competition income payable external to WRU Group	5.3	8.9
Directly from Company	19.7	16.5
Regions – professional rugby	25.0	25.4
Clubs – semi-professional rugby	1.1	1.7
Clubs – community rugby and affiliates	4.6	4.5
	<b>30.7</b>	<b>31.6</b>

### 3. INVESTMENT INCOME

	2020 £'m	2019 £'m
Investment income	4.9	-
<b>Total</b>	<b>4.9</b>	<b>-</b>

Investment income in the current year is dividends received from the Celtic Rugby Designated Activity Company associate company.

### 4. INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £'m	2019 £'m
Interest payable on bank and similar loans	0.4	0.3
Bank charges	0.4	0.3
<b>Total</b>	<b>0.8</b>	<b>0.6</b>

### 5. LOSS ON ORDINARY ACTIVITIES BEFORE TAX

Loss on ordinary activities before tax is arrived at after charging/(crediting):

	Note	2020 £'m	2019 £'m
Depreciation on owned assets	9	5.6	5.2
Amortisation of intangible assets	8	0.3	0.4
Release of deferred income (grant release)	16	(1.8)	(1.9)
Net charge to the income statement		4.1	3.7
Impairment of trade receivables		0.4	-
Rental of land and buildings		0.4	0.4
<b>Exceptional items</b>			
Restructuring costs		-	0.2
<b>Total exceptional items</b>		-	0.2

During the prior year, the Group incurred costs that due to their size and nature were considered "exceptional". In order to assist in understanding the Group's results, the Directors believe that it was appropriate to show separately the operating profit of the Group before exceptional items on the face of the income statement as additional information. In the prior year, these costs are in respect of restructuring costs that were considered exceptional.

## 5. LOSS ON ORDINARY ACTIVITIES BEFORE TAX (CONTINUED)

During the year, the Group obtained the following services from the Group's auditor:

	2020 £'000	2019 £'000
Fees payable to the Company auditor for the audit of the parent company and consolidated financial statements	25	25
Fees payable to the Company's auditor for other services:		
The audit of the Company's subsidiaries pursuant to legislation	45	45
Taxation compliance services	30	27
Other non-audit services	46	48

## 6. STAFF NUMBERS AND COSTS

Staff numbers	2020 Group	2019 Group	2020 Company	2019 Company
The monthly average number of employees, including directors with a service contract, during the year was:				
Management and administration	91	87	72	69
Direct	27	24	25	22
Stadia	62	56	-	-
Performance rugby	38	39	38	39
Community rugby	67	70	65	68
WRU Gwent – regional rugby	87	91	-	-
	<b>372</b>	367	<b>200</b>	198

The above staff numbers do not include any players representing national teams (including those on National Dual Contracts), stewards engaged for events nor do they include the non-executive Directors of the Company.

Staff costs	2020 Group £'m	2019 Group £'m	2020 Company £'m	2019 Company £'m
The staff costs during the year were as follows:				
Wages and salaries	15.8	15.6	8.5	8.2
Social security costs	1.7	1.7	0.9	0.9
Pension costs – defined contribution schemes	1.1	1.0	0.9	0.8
	<b>18.6</b>	18.3	<b>10.3</b>	9.9

The above numbers do not include costs in respect of National Dual Contracted players. The total costs of these players for the provision of their services (including commercial obligations) amounted to £2.2m (2019: £3.5m), for which a contribution of £2.2m (2019: £3.5m) was received from the Regions. Of the £2.2m contribution, £2.2m (2019: £3.4m) was received from outside the Group.

## 6. STAFF NUMBERS AND COSTS (CONTINUED)

In addition to the above amounts, £4.7m (2019: £5.0m) is paid as remuneration to players whilst representing the senior men's national squad. These costs are included in Direct costs within Operational costs (see Note 2 (c)).

	2020 £'000	2019 £'000
<b>Directors' emoluments</b>		
The directors' emoluments, during the year, were as follows:		
• Aggregate emoluments	381	403
• Benefits	17	3
• Company contributions to defined contribution pension scheme	-	1
	<b>398</b>	<b>407</b>

The emoluments above include fees of £53,000 (2019: £55,000) payable to the Chairman. The Group received £5,000 (2019: £5,000) from third parties in respect of these emoluments. There are no directors accruing benefits under a defined contribution pension scheme (2019: one).

### Emoluments of the highest paid director

The emoluments of the highest paid director, during the year, were as follows:

	2020 £'000	2019 £'000
Aggregate emoluments	328	348
Benefits	17	3
	<b>345</b>	<b>351</b>

### Key management compensation

Key management includes certain directors and the Executive Board. The compensation paid or payable to key management, including the amounts shown as Directors' emoluments above, is shown below:

	2020 £'000	2019 £'000
Salaries and other short-term benefits	1,372	1,440
Company contributions to defined contribution pension scheme	152	159
	<b>1,524</b>	<b>1,599</b>

## 7. TAX ON LOSS ON ORDINARY ACTIVITIES

### (a) Tax credit included in the income statement

	2020 £'m	2019 £'m
<b>Current tax</b>		
UK corporation tax on result for the year	-	-
Adjustment in respect of prior periods	1.0	-
<b>Total current tax credit</b>	<b>1.0</b>	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	2.0	0.3
Changes in tax rates and laws	(0.1)	-
Adjustment in respect of previous periods	(0.3)	-
<b>Total deferred tax credit</b>	<b>1.6</b>	0.3
<b>Total tax credit on loss on ordinary activities (Note 7(b))</b>	<b>2.6</b>	0.3

### (b) Reconciliation of tax (credit)/charge

The current tax assessed for the year is different (2019: different) to the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £'m	2019 £'m
<b>Loss on ordinary activities before tax</b>	<b>7.9</b>	4.2
Loss multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	1.5	0.8
Effects of:		
Expenses not deductible for tax purposes and income not taxable	0.5	(0.5)
Tax rate changes	(0.1)	-
Adjustments to tax charge in respect of previous period - CT	1.0	-
Adjustments to tax charge in respect of previous period - DT	(0.3)	-
<b>Total tax credit for the year (Note 7(a))</b>	<b>2.6</b>	0.3

In the Spring Budget 2020, the Government announced that the previously enacted decrease in the corporate tax rate from 19% to 17% from 1 April 2020 would no longer happen and that rates would remain at 19% for the foreseeable future. This new law was substantively enacted on 17 March 2020 and therefore deferred tax at the balance sheet date has been based on the new substantively enacted rate of 19%.

## 8. INTANGIBLE ASSET

	Hospitality Catering Rights £'m	Group Total £'m
<b>Cost</b>		
<b>At 1 July 2019 and 30 June 2020</b>	<b>3.3</b>	<b>3.3</b>
<b>Accumulated amortisation</b>		
At 1 July 2019	1.6	1.6
Charge for the year	0.3	0.3
<b>At 30 June 2020</b>	<b>1.9</b>	<b>1.9</b>
<b>Net book value</b>		
<b>At 30 June 2020</b>	<b>1.4</b>	<b>1.4</b>
At 30 June 2019	1.7	1.7

## 9. TANGIBLE FIXED ASSETS

	Stadium £'m	Centre of Excellence £'m	Other buildings £'m	Land £'m	Other fixed assets £'m	Group Total £'m	Company Total £'m
<b>Cost</b>							
At 1 July 2019	138.8	4.7	17.6	41.8	12.4	215.3	40.2
Additions	-	-	10.3	-	4.1	14.4	0.3
Disposals	-	-	-	-	(0.3)	(0.3)	-
<b>At 30 June 2020</b>	<b>138.8</b>	<b>4.7</b>	<b>27.9</b>	<b>41.8</b>	<b>16.2</b>	<b>229.4</b>	<b>40.5</b>
<b>Accumulated depreciation</b>							
At 1 July 2019	72.6	2.4	1.4	-	6.9	83.3	2.1
Charge for the year	4.1	0.2	0.1	-	1.2	5.6	0.2
Disposals	-	-	-	-	(0.3)	(0.3)	-
<b>At 30 June 2020</b>	<b>76.7</b>	<b>2.6</b>	<b>1.5</b>	<b>-</b>	<b>7.8</b>	<b>88.6</b>	<b>2.3</b>
<b>Net book value</b>							
<b>At 30 June 2020</b>	<b>62.1</b>	<b>2.1</b>	<b>26.4</b>	<b>41.8</b>	<b>8.4</b>	<b>140.8</b>	<b>38.2</b>
At 30 June 2019	66.2	2.3	16.2	41.8	5.5	132.0	38.1

Included in the cost of the stadium are cumulative capitalised interest costs of £4.6m (2019: £4.6m). The depreciation charge includes an amount of £0.1m (2019: £0.1m) representing the depreciation of interest previously capitalised.



## 9. TANGIBLE FIXED ASSETS (CONTINUED)

Other fixed assets comprise plant and machinery and fixtures and fittings. During the year, £1.7m of assets under construction in the other assets balance at the prior year-end were brought into use.

During the prior year, the Group acquired certain buildings and is currently refurbishing these buildings in order for them to be used as a hotel, and as such are deemed to be assets under construction. The cost of the buildings and all subsequent refurbishment costs are being funded through a finance lease agreement. The additions to Other Buildings in the year of £10.3m relate to refurbishment costs incurred in the year to 30 June 2020, contributing to a total cost of £26.6m for the building and refurbishment. The total includes capitalised interest costs of £0.7m at a rate of 3.4%.

With the exception of the hotel buildings mentioned above, which are on a 999 year lease, all land and buildings held by the Group within tangible fixed assets are freehold assets.

The tangible fixed assets of the Company predominantly relate to land.

## 10. INVESTMENTS

The Group holds no material investments (2019: nil).

The Company held a £50,000 equity investment in Millennium Stadium plc, a £10,000 equity investment in WRU National Centre of Excellence Limited, a £6,400,000 equity investment in WRU Gwent Region Limited and a £16,500,000 equity investment in Millennium Stadium Experience Limited at both 30 June 2020 and 30 June 2019. All investments are held at historical cost.

Subsidiary and other investments held directly and indirectly by the Company and in which the Company has a beneficial interest as at 30 June 2020 were:

Company	Principal activity	Country of incorporation	% holding of ordinary shares
<b>Subsidiaries - Direct</b>			
Millennium Stadium plc	Stadium operation	United Kingdom	100%
Millennium Stadium Experience Limited	Hospitality and catering provision	United Kingdom	83.5%
WRU Supporters Club Limited	Marketing	United Kingdom	100%
WRU National Centre of Excellence Limited	Provision of training facilities	United Kingdom	100%
WRU Gwent Region Limited	Holding company	United Kingdom	80%
WRU Properties Limited	Holding company	United Kingdom	100%
<b>Subsidiaries – Indirect</b>			
WRU Gwent Rugby Limited	Regional Rugby franchise	United Kingdom	80%
WRU Gwent Stadium Limited	Stadium operation	United Kingdom	80%
Westgate Hotel Cardiff Limited	Hotel operator	United Kingdom	75%

The above subsidiaries all have their registered address at: Principality Stadium, Westgate Street, Cardiff, CF10 1NS

## 10. INVESTMENTS (CONTINUED)

Associates and other investments	Principal activity	Country of incorporation	% holding of ordinary shares
<b>Six Nations Rugby Limited:</b> First Floor, Simmonscourt House, Simmonscourt Road, Ballsbridge, Dublin 4, Ireland. (See note below)	Competition management	Republic of Ireland	17%
<b>Celtic Rugby Designated Activity Company:</b> Suite 208 Alexandra House, The Sweepstakes, Ballsbridge, Dublin 4, Ireland	Competition management	Republic of Ireland	25%
<b>British Lions Designated Activity Company:</b> First Floor, Simmonscourt House, Simmonscourt Road, Ballsbridge, Dublin 4, Ireland.	Overseas rugby tours	Republic of Ireland	25%
<b>Great Britain Rugby Sevens Limited:</b> Rugby House, 200 Whitton Road, Twickenham, London, UK. TW2 7BA	Olympic Sevens competition	United Kingdom	33%

Six Nations Rugby Limited's share capital is beneficially owned by Six Nations Council. Six Nations Council is an unincorporated members' association formed by The Rugby Football Union, the Irish Rugby Football Union Limited, The Welsh Rugby Union Limited, the Scottish Rugby Union Limited, La Federation Francaise de Rugby and La Federazione Italiana Rugby (together the "Member Unions"). Six Nations Rugby Limited operates as an agent on behalf of the Six Nations Council and the Member Unions.

The other investments above were the same as at 30 June 2019, save for Celtic Rugby Designated Activity Company, which the Group previously held 33% of.

In addition to the shareholdings above the Company is one of nine members of European Professional Club Rugby, a Swiss association whose principal activity is managing the relevant European club competitions.

Given the disposition of the associates and the immateriality of their net surpluses and net assets after receipt of income by the Group, the Directors assess that the carrying value of the Group's investment in the associates is equal to its original cost.

The Group's previous bankers hold one share in Millennium Stadium plc (2019: one share) and this share has the same rights as the shares held by the Company. In addition, Cardiff Council ("CC") holds one share in Millennium Stadium plc (2019: one share); this share grants only certain rights and does not grant CC any dividends nor any rights to amounts receivable upon winding up.

## 11. STOCK

	Group 2020 £'m	Group 2019 £'m	Company 2020 £'m	Company 2019 £'m
Goods for resale	0.2	0.3	-	-
	<b>0.2</b>	0.3	-	-

## 12. DEBTORS

	Group 2020 £'m	Group 2019 £'m	Company 2020 £'m	Company 2019 £'m
<b>Amounts due within one year:</b>				
Trade debtors	5.5	3.3	3.2	1.7
Loans due from clubs	0.6	0.6	0.6	0.6
Loans due from Regions	0.3	0.3	0.3	0.3
Less: provision for impairment of receivables	(1.3)	(0.9)	(1.2)	(0.8)
	<b>5.1</b>	3.3	<b>2.9</b>	1.8
Prepayments and other debtors	3.2	5.7	2.3	5.1
Corporation tax	0.8	-	0.4	-
	<b>9.1</b>	9.0	<b>5.6</b>	6.9
<b>Amounts due after more than one year:</b>				
Amounts owed by Group undertakings	-	-	58.3	52.2
Loans due from Regions	1.4	1.7	1.4	1.7
<b>Total debtors</b>	<b>10.5</b>	10.7	<b>65.3</b>	60.8

The amounts due from subsidiary undertakings are unsecured and have no fixed dates of repayment. An interest charge at equivalent rates to the bank loan arrangements is levied on outstanding amounts due from subsidiary undertakings.

The carrying amount of debtors is a reasonable approximation of fair value and the carrying amounts of the Group's debtors are all denominated in pounds sterling ("GBP").

## 13. CASH AT BANK AND IN HAND

	Group 2020 £'m	Group 2019 £'m	Company 2020 £'m	Company 2019 £'m
Cash balance at bank	0.8	1.0	-	1.1
Restricted cash	-	1.2	-	1.2
	<b>0.8</b>	2.2	-	2.3

Restricted cash related to amounts held by Barclays Bank plc ("Barclays") and charged as security for loans to Clubs made by Barclays. As at the prior year end, this was a temporary measure whilst alternative security was arranged. The restrictions on this cash were removed during the current year when alternative security was granted by the Group.

## 14. CREDITORS

	Group 2020 £'m	Group 2019 £'m	Company 2020 £'m	Company 2019 £'m
<b>Amounts falling due within one year</b>				
Bank loans	0.3	0.3	0.3	0.3
Finance lease	0.8	-	-	-
Trade creditors	1.2	2.6	0.6	1.2
Capital creditors	-	2.1	-	-
Amounts owed to Group undertakings	-	-	3.8	4.2
Corporation tax	-	-	-	0.4
Other tax and social security	2.2	0.8	1.1	0.5
Other creditors	0.6	0.7	0.2	0.2
Accruals and deferred income	26.3	20.3	17.5	14.1
	<b>31.4</b>	26.8	<b>23.5</b>	20.9

The amounts owed by the Company to group undertakings are unsecured and have no fixed dates of repayment.

### Amounts falling due after more than one year:

Bank loans	6.2	10.9	6.2	10.9
Debentures	46.6	38.0	46.6	38.0
Finance lease	22.5	-	-	-
Other creditor to be ultimately settled by a future finance lease agreement	-	15.0	-	-
Deferred income	0.7	0.8	-	-
	<b>76.0</b>	64.7	<b>52.8</b>	48.9

## 14. CREDITORS (CONTINUED)

The other creditor above related to funding received in respect of the Westgate Hotel development. In the current year, the Group entered into a finance lease arrangement that settled the other creditor. This finance lease will fund the remaining costs associated with the Westgate Hotel development and has a term of 45 years.

The Group refinanced its debt obligations during the prior year. All previous obligations with Barclays were repaid and new facilities with National Westminster Bank plc (“NatWest”) were taken.

### Maturity analysis

	Group 2020 £'m	Group 2019 £'m	Company 2020 £'m	Company 2019 £'m
<b>Bank loans are due</b>				
Within one year	0.3	0.3	0.3	0.3
Between one and two years	0.3	0.3	0.3	0.3
Between two and five years	6.1	10.9	6.1	10.9
	6.7	11.5	6.7	11.5
Unamortised arrangement fees	(0.2)	(0.3)	(0.2)	(0.3)
	6.5	11.2	6.5	11.2

The principal terms of these loans are set out below:

Bank loans	Interest and capital repayment terms	2020 £'m	2019 £'m
<b>New NatWest Facilities</b>			
Revolving credit facility A	LIBOR plus 1.40%, loan repayable on maturity date	5.0	-
Revolving credit facility B	LIBOR plus 1.40%, loan repayable on maturity date	-	9.5
Facility C – Loans to Regions	LIBOR plus 1.40%, loan repayment in instalments by 2024	1.7	2.0
		6.7	11.5

The NatWest Facility C above is in respect of the loans due from Regions referred to in Note 12.

The principal terms of the bank loans shown above relate to the primary instrument and do not take account of derivative instruments.

Interest on amounts drawn on the revolving credit facilities is referenced to the LIBOR rate applicable to the draw period. At 30 June 2020 the revolving credit facility A was drawn for a period of 3 months. Interest on the Facility C loan is re-priced every 3 months and referenced to 3-month LIBOR.

## 14. CREDITORS (CONTINUED)

The future minimum finance lease payments are as follows:

	Group 2020 £'m	Group 2019 £'m	Company 2020 £'m	Company 2019 £'m
Within one year	0.8	-	-	-
Between one and five years	6.3	-	-	-
Later than five years	27.4	-	-	-
Total gross payments	34.5	-	-	-
Less finance charges	(11.2)	-	-	-
Carrying amount of liability	23.3	-	-	-

The carrying amounts of the Group's borrowings, which include bank loans, debenture loans and a finance lease, approximate their fair value. The carrying amounts of the Group's borrowings are all denominated in GBP.

Debentures have been treated as public benefit entity concessionary loans as they were received below the prevailing market rate of interest and for the purpose of furthering the primary objective of the Group.

### Security provided on bank loans

Bank loans totalling £6.7m (2019: £11.2m) are secured by fixed and floating charges over the assets of the Company and certain of its subsidiaries.

### Borrowing facilities

The Group had £30.0m (2019: £25.8m) of undrawn committed borrowing facilities available at 30 June 2020, of which £20.0m (2019: £14.0m) has all conditions precedent met at that date.

Debenture loans are repayable in:	Group 2020 £'m	Group 2019 £'m
2021	0.3	0.4
2024	8.9	9.0
2026	0.3	0.3
2027	1.6	1.6
2028	0.3	0.3
2030	2.7	2.9
2035	6.2	2.0
2050	26.4	21.6
	46.7	38.1
Unamortised issue costs	(0.1)	(0.1)
	46.6	38.0

All debenture loans are unsecured and bear no interest.

## 14. CREDITORS (CONTINUED)

During the current and prior year, the Group invited debenture holders of the 410, 420, 430, 440, 450, 460, 470 and 480 Series to extend the redemption date of their debenture from either 2024, 2026, 2027 or 2030 to 2050. Some 56 seats (2019: 736) were extended, resulting in the redemption of some £0.1m (2019: £0.9m) being extended from 2024 to 2050 and £0.2m (2019: £1.9m) being extended from 2030 to 2050.

During the current and prior year, the Group also invited debenture holders of the 050 and 100 Series to extend the redemption date of their debenture to either 2035 or 2050, in exchange for an additional investment. Some 1,297 seats (2019: 68) were extended, resulting in an additional investment of £6.1m (2019: £0.4m), with £3.4m (2019: £0.2m) repayable in 2035 and £2.7m (2019: £0.2m) repayable in 2050. A number of those who extended took up the offer to spread their investment using an instalment plan. The numbers in the table above equate to the amounts actually received at 30 June 2020. There are further receipts of £0.4m in respect of the 2035 extension and £0.4m in respect of the 2050 extension to be received in the period to 30 June 2021.

During the current year the Group also invited all existing debenture holders the option to subscribe for a new debenture, repayable in either 2035 or 2050, in exchange for an additional investment. Some 757 seats were subscribed for, resulting in an eventual total additional investment of £3.8m, with £1.5m repayable in 2035 and £2.3m repayable in 2050. A number of those who subscribed took up the offer to spread their investment using an instalment plan. The numbers in the table above equate to the amounts actually received at 30 June 2020. There are further receipts of £0.3m in respect of the 2035 expiry and £0.2m in respect of the 2050 expiry to be received in the period to 30 June 2021.

### **Bank loans, finance lease and debenture loans repayable by instalments wholly or partly after 5 years**

Bank loans, with a total value of £6.7m (2019: £11.2m), are repayable wholly or partly from the balance sheet date by instalments. Of these amounts, £nil (2019: £nil) is repayable after five years.

A finance lease, with a total value of £23.3m (2019: £nil), is repayable wholly or partly from the balance sheet date by instalments. Of these amounts, £23.3m (2019: £nil) is repayable after five years.

Concessionary debenture loans, with a total value of £46.6m (2019: £38.1m), are repayable wholly from the balance sheet date. Of this amount, £37.3m (2019: £28.7m) is repayable after five years.

## 15. FINANCIAL INSTRUMENTS

### **Treasury policy**

Treasury activity is focused on monitoring working capital, managing external funding and managing interest rate risk. Treasury activity is not a profit centre and the Group neither enters into transactions of a speculative nature nor trades in financial instruments. Treasury risk management policies are summarised below:

- **Foreign exchange risk** - where applicable, the Group mitigates foreign exchange risk with the use of forward contracts. As at 30 June 2020 and 30 June 2019 the Group had no material foreign exchange risk.
- **Interest rate risk** – operations are financed through a mixture of bank borrowings and concessionary loans. The Group currently borrows in floating rates of interest. Previously, the Group used derivative financial instruments to generate the desired interest profile and to manage exposure to interest rate fluctuations. The Group is currently exploring replacement derivative instruments to hedge against future interest rate risk.
- **Liquidity risk** – the Group's policy is to maintain a balance between continuity of funding and flexibility. As at 30 June 2020, 30% (2019: 39%) of borrowings were due to mature within five years, some 35% (2019: 27%) were due to mature between five years and fifteen years and some 35% (2019: 34%) were due to mature after fifteen years.

## 15. FINANCIAL INSTRUMENTS (CONTINUED)

The Group has the following financial instruments:

	Note	Group 2020 £'m	Group 2019 £'m	Company 2020 £'m	Company 2019 £'m
Financial assets that are debt instruments measured at amortised cost:					
• Trade debtors	12	4.2	2.4	2.0	0.9
• Loans due from Regions	12	1.7	2.0	1.7	2.0
• Loans due from clubs	12	0.6	0.6	0.6	0.6
• Other debtors	12	1.0	1.2	1.0	1.1
		<b>7.5</b>	6.2	<b>5.3</b>	4.6
Financial liabilities measured at amortised cost:					
Bank loans	14	6.5	11.2	6.5	11.2
Finance lease	14	23.3	-	-	-
Trade creditors	14	1.2	2.6	0.6	1.2
Capital creditors	14	-	2.1	-	-
Other creditors and accruals	14	29.8	22.6	15.2	15.2
Other creditor to be ultimately settled by a future finance lease agreement	14	-	15.0	-	-
		<b>60.8</b>	53.5	<b>22.3</b>	27.6

### Derivative financial instruments – forward contracts

The Group enters into forward foreign currency contracts to mitigate the exchange rate risk for certain future foreign currency receivables. The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the forward exchange rates. The fair value of the forward-foreign currency contract asset is £nil (2019: £nil).

Cash flows on foreign exchange contracts are received annually. During YE20 and YE19, no hedging gain was recognised in other comprehensive income for changes in the fair value of the foreign exchange forward contracts and nothing was reclassified from the hedge reserve to profit and loss through the Consolidated Income Statement.

At 30 June 2020, the notional principal amounts of derivatives were £0.6m and are analysed as follows:

	Notional amount £'m	Fair market value £'m	Maturity date
EUR - forward exchange contracts	0.6	–	23 December 2020



## 15. FINANCIAL INSTRUMENTS (CONTINUED)

At 30 June 2019, the notional principal amounts of derivatives were £5.6m and are analysed as follows:

	Notional amount £'m	Fair market value £'m	Maturity date
EUR - forward exchange contracts	4.7	-	30 June 2020
EUR - forward exchange option	0.9	-	30 April 2020

### Derivative financial instruments – interest rate

The Group previously held interest rate derivatives, which capped the interest rate liability on its debt to 1.25%. The cap matured in July 2019. The Group is currently exploring new interest rate derivatives.

The derivative was used to hedge the Group's exposure to interest rate movements on the bank debt. The derivative fixed the total interest payable on a proportion of the bank debt at a maximum of 1.25%. The fair value of the interest rate derivative at June 2019 was £nil.

Cash flows on interest rate derivatives were paid quarterly until July 2019. Cash flows on Facility C are paid three times per annum. Cash flows on the revolving credit facilities are paid in line with the draw period. During 2020, a hedging loss of £nil (2019: £0.1m) was recognised in other comprehensive income for changes in the fair value of the interest rate derivative and £nil (2019: £nil) was reclassified from the hedge reserve to profit and loss reserve.

At 30 June 2020 the notional principal amount of the derivatives was £nil.

At 30 June 2019 the notional principal amount of the derivatives was £4.7m and are analysed as follows:

	Notional amount £'m	Fair market value £'m	Maturity date
Interest rate cap 1.25%	4.7	-	31 July 2019

During the years to 30 June 2020 and 30 June 2019, the Group's derivatives qualified for hedge accounting under FRS102. These derivatives are carried at fair value which, as at 30 June 2020 and 30 June 2019, was £nil.

## 16. ACCRUALS AND DEFERRED INCOME

	Group 2020 £'m	Group 2019 £'m	Company 2020 £'m	Company 2019 £'m
At start of year	29.6	31.6	-	-
Amounts repaid	(0.1)	(0.1)	-	-
Released to the income statement	(1.8)	(1.9)	-	-
At end of year	27.7	29.6	-	-

During the year, some £1.8m (2019: £1.9m) was released to the income statement from the grants amount shown above.

## 16. ACCRUALS AND DEFERRED INCOME (CONTINUED)

Included within the grants amount above is an amount received from the Big Lottery Fund (formerly the Millennium Commission) amounting to £21.2m (2019: £22.4m). This grant will be released to the income statement as follows:

	Group 2020 £'m	Group 2019 £'m	Company 2020 £'m	Company 2019 £'m
Within one year	1.2	1.2	-	-
Between one and two years	1.2	1.2	-	-
Between two and five years	3.6	3.6	-	-
In more than five years	15.2	16.4	-	-
	<b>21.2</b>	22.4	-	-

In certain circumstances, the above grant can become repayable if the Group fails to meet the monitoring requirements of the grant. The Group is currently in full compliance with the monitoring requirements such that no monies are repayable under the terms of the grant.

## 17. DEFERRED TAX ASSET/(LIABILITY)

### Deferred tax

The movement on deferred tax is as follows:

	Group 2020 £'m	Group 2019 £'m	Company 2020 £'m	Company 2019 £'m
(Liability)/asset at start of the year	(0.5)	(0.8)	0.3	-
Credited to the profit and loss account	1.6	0.3	1.4	0.3
At end of the year	<b>1.1</b>	(0.5)	<b>1.7</b>	0.3

Deferred tax provided is made up as follows:

Accelerated capital allowances	(0.9)	(0.8)	-	-
Tax losses carried forward	2.0	0.3	1.7	0.3
	<b>1.1</b>	(0.5)	<b>1.7</b>	0.3

The Group's deferred tax liability expected to reverse in the next 12 months is £0.5m. This primarily relates to the expected utilisation of tax losses carried forward in the next 12 months. The Company's deferred tax asset expected to reverse in the next 12 months is £0.5m and this primarily relates to the expected utilisation of tax losses carried forward in the next 12 months.

## 18. COMPANY LIMITED BY GUARANTEE

The liability of the members is limited. Every member of the Company undertakes to contribute such amounts as may be required (not exceeding £1) to the Company's assets if it should be wound up while the member is a member, or within one year after a member ceases to be a member, for payment of the Company's liabilities contracted before a member ceased to be a member. At the balance sheet date, the number of members was 329 (2019: 329).

## 19. CONTINGENT LIABILITIES

### Group

The Group had the following contingent liabilities as at 30 June 2020:

- The Group has guaranteed the performance of some member clubs in respect of loans that the member clubs have received from Barclays and from NatWest. The amounts due are £0.7m (2019: £1.1m) and £0.3m (2019: £0.1m), respectively.
- The Group has guaranteed the performance of Celtic Rugby Designated Activity Company in respect of certain financing received. The amounts guaranteed are €0.1m (2019: €0.1m).

### Company

The Company had the following contingent liabilities as at 30 June 2020:

- The Company has guaranteed the performance of one of its subsidiaries under the terms of grant arrangements amounting to £27.6m (2019: £29.6m).
- The Company has guaranteed the performance of some member clubs in respect of loans that the member clubs have received from Barclays and from NatWest. The amounts due are £0.7m (2019: £1.1m) and £0.3m (2019: £0.1m), respectively.
- The Company has guaranteed the performance of Celtic Rugby Designated Activity Company in respect of certain financing received. The amounts guaranteed are €0.1m (2019: €0.1m).
- The Company has guaranteed lease payments due by one of its subsidiaries. At 30 June 2020, the minimum lease payments due amount to £23.3m (2019: £nil)

The Group and Company are dealing with a small number of legal claims. The Directors have reviewed all of these claims and, on the basis of legal advice received, believe that no provision is necessary. Consequently, no provision for these claims has been included in these financial statements.

It is currently impracticable to make any additional disclosures in relation to the estimated financial effects, their timing and the possibility of any reimbursement.

## 20. COMMITMENTS

Capital commitments of the Group:

	2020 £'m	2019 £'m
Authorised and contracted:	19.5	2.0

The capital commitment in 2020 relates to the expected remaining expenditure on the Westgate Hotel development. This will be funded by further advances from the finance lease referred to earlier.

The Company had no capital commitments at 30 June 2020 or 30 June 2019.

## 20. COMMITMENTS (CONTINUED)

### Operating lease commitments:

At the balance sheet date, the Group had the following future minimum lease payments, under non-cancellable operating leases for each of the following periods:

	2020 £'m	2019 £'m
• One year	0.4	0.4
• One to two years	0.4	0.4
• Two to five years	1.3	1.2
• More than five years	3.7	3.9

## 21. PENSION COSTS

The Group operates defined contribution schemes. The assets of the defined contribution pension schemes are held separately from those of the Group, under independent administration. The pension cost charge for these schemes represents contributions payable by the Group to the schemes in the year amounting to some £1.1m (2019: £1.0m). There are no material amounts included in creditors in respect of these pension costs in 2020 or 2019.

## 22. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2020 £'m	2019 £'m
EBITDA	22.8	31.9
Allocations to affiliated organisations	(30.7)	(31.6)
Exceptional items	-	(0.2)
Depreciation and amortisation	(5.9)	(5.6)
Release of deferred grant income	1.8	1.9
<b>Operating loss</b>	<b>(12.0)</b>	<b>(3.6)</b>
<b>Non-cash items:</b>		
Depreciation and amortisation	5.9	5.6
Release of deferred grant income	(1.8)	(1.9)
	4.1	3.7
<b>Working capital adjustments:</b>		
Decrease in stock	0.1	-
Decrease in debtors	1.0	2.5
Increase in creditors	3.7	0.3
	4.8	2.8
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(3.1)</b>	<b>2.9</b>

## 23. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2020 £'m	2019 £'m
<b>(Decrease)/increase in cash in the year</b>	<b>(1.4)</b>	<b>2.1</b>
Cash inflow from movement in debt	(12.2)	(20.4)
<b>Increase in net debt during the year</b>	<b>(13.6)</b>	<b>(18.3)</b>
Net debt at the beginning of the year	(62.0)	(43.7)
<b>Net debt at the end of the year</b>	<b>(75.6)</b>	<b>(62.0)</b>

## 24. ANALYSIS OF NET DEBT

	Cash £'m	Bank debt due within one year £'m	Bank debt due after one year £'m	Other creditor converted into finance lease agreement £'m	Debentures £'m	Total £'m
At 1 July 2019	2.2	(0.3)	(10.9)	(15.0)	(38.0)	(62.0)
Cash flow	(1.4)	0.3	4.4	(8.3)	(8.6)	(13.6)
Non-cash changes	-	(0.3)	0.3	-	-	-
<b>At 30 June 2020</b>	<b>0.8</b>	<b>(0.3)</b>	<b>(6.2)</b>	<b>(23.3)</b>	<b>(46.6)</b>	<b>(75.6)</b>
At 1 July 2018	0.1	(4.1)	(2.1)	-	(37.6)	(43.7)
Cash flow	2.1	4.1	(9.1)	(15.0)	(0.4)	(18.3)
Non-cash changes	-	(0.3)	0.3	-	-	-
<b>At 30 June 2019</b>	<b>2.2</b>	<b>(0.3)</b>	<b>(10.9)</b>	<b>(15.0)</b>	<b>(38.0)</b>	<b>(62.0)</b>

## 25. RELATED PARTY TRANSACTIONS

See note 6 for disclosure of the Directors' remuneration and key management compensation.

The tables below show the transactions and balances between Group companies where one or more party is not 100% owned (directly or indirectly) by the Company.

The following abbreviations are used in the tables:

"MS" – Millennium Stadium plc "MSEL" – Millennium Stadium Experience Limited

"WRUGRE" – WRU Gwent Region Limited "WRUGR" – WRU Gwent Rugby Limited

"WHCL" – Westgate Hotel Cardiff limited "RAP" – Rightacres Property Company Limited

"Compass" – Compass Contract Services (UK) Limited

## 2020 COMPANY

Group company	Services acquired from £'m	Services provided to £'m	Trade Debtor at year-end £'m	Trade Creditor at year-end £'m	Interest payment £'m	Interest receipt £'m	Financing creditor £'m	Financing debtor £'m
MS	3.8	-	-	-	-	1.1	-	56.5
MSEL	1.0	1.2	-	-	0.1	-	2.6	-
WRUGRE	-	-	-	-	-	0.2	-	-
WRUGR	6.8	0.7	-	-	-	-	-	-
WHCL	-	-	-	-	-	-	-	1.2

## 25. RELATED PARTY TRANSACTIONS (CONTINUED)

### MS

Group company	Services acquired from £'m	Services provided to £'m	Trade Debtor at year-end £'m	Trade Creditor at year-end £'m	Interest payment £'m	Interest receipt £'m	Financing creditor £'m	Financing debtor £'m
Company	-	3.8	-	-	1.1	-	56.5	-
MSEL	0.5	0.8	-	-	-	-	0.8	-

### MSEL

Group company	Services acquired from £'m	Services provided to £'m	Trade Debtor at year-end £'m	Trade Creditor at year-end £'m	Interest payment £'m	Interest receipt £'m	Financing creditor £'m	Financing debtor £'m
Company	1.2	1.0	-	-	-	0.1	-	2.6
MS	0.8	0.5	-	-	-	-	-	0.8
Compass	3.4	0.1	-	-	-	-	-	-

### WRUGR

Group company	Services acquired from £'m	Services provided to £'m	Trade Debtor at year-end £'m	Trade Creditor at year-end £'m	Interest payment £'m	Interest receipt £'m	Financing creditor £'m	Financing debtor £'m
Company	0.7	6.8	-	-	-	-	-	-

### WRUGRE

Group company	Services acquired from £'m	Services provided to £'m	Trade Debtor at year-end £'m	Trade Creditor at year-end £'m	Interest payment £'m	Interest receipt £'m	Financing creditor £'m	Financing debtor £'m
Company	-	-	-	-	0.2	-	-	-

### WHCL

Group company	Services acquired from £'m	Services provided to £'m	Trade Debtor at year-end £'m	Trade Creditor at year-end £'m	Interest payment £'m	Interest receipt £'m	Financing creditor £'m	Financing debtor £'m
Company	-	-	-	-	-	-	1.2	-
RAP	8.5	-	-	-	-	-	2.0	-

## 25. RELATED PARTY TRANSACTIONS (CONTINUED)

### 2019 COMPANY

Group company	Services acquired from £'m	Services provided to £'m	Trade Debtor at year-end £'m	Trade Creditor at year-end £'m	Interest payment £'m	Interest receipt £'m	Financing creditor £'m	Financing debtor £'m
MS	3.4	-	-	-	-	1.4	-	50.1
MSEL	0.6	1.5	-	-	0.1	-	2.9	-
WRUGRE	-	-	-	-	-	0.2	-	-
WRUGR	6.3	0.6	-	0.2	-	-	-	-
WHCL	-	1.1	-	-	-	-	-	1.2

### MS

Group company	Services acquired from £'m	Services provided to £'m	Trade Debtor at year-end £'m	Trade Creditor at year-end £'m	Interest payment £'m	Interest receipt £'m	Financing creditor £'m	Financing debtor £'m
Company	-	3.4	-	-	1.4	-	50.1	-
MSEL	0.7	1.2	-	-	-	-	-	0.5

### MSEL

Group company	Services acquired from £'m	Services provided to £'m	Trade Debtor at year-end £'m	Trade Creditor at year-end £'m	Interest payment £'m	Interest receipt £'m	Financing creditor £'m	Financing debtor £'m
Company	1.5	0.6	-	-	-	0.1	-	2.9
MS	1.2	0.7	-	-	-	-	0.5	-
Compass	4.2	-	-	-	-	-	-	-

### WRUGR

Group company	Services acquired from £'m	Services provided to £'m	Trade Debtor at year-end £'m	Trade Creditor at year-end £'m	Interest payment £'m	Interest receipt £'m	Financing creditor £'m	Financing debtor £'m
Company	0.6	6.3	0.2	-	-	-	-	-



## WRUGRE

Group company	Services acquired from £'m	Services provided to £'m	Trade Debtor at year-end £'m	Trade Creditor at year-end £'m	Interest payment £'m	Interest receipt £'m	Financing creditor £'m	Financing debtor £'m
Company	-	-	-	-	0.2	-	-	-

## WHCL

Group company	Services acquired from £'m	Services provided to £'m	Trade Debtor at year-end £'m	Trade Creditor at year-end £'m	Interest payment £'m	Interest receipt £'m	Financing creditor £'m	Financing debtor £'m
Company	1.1	-	-	-	-	-	1.2	-
RAP	14.2	-	-	-	-	-	0.1	-





# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE WELSH RUGBY UNION LIMITED

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

In our opinion, The Welsh Rugby Union Limited's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 30 June 2020 and of the Group's loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated and Company Balance Sheets as at 30 June 2020; the Consolidated Income Statement and Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows, and the Consolidated and Company Statements of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

## Conclusions relating to going concern

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

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's and 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's and Company's ability to continue as a going concern.

## Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

## Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 June 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

## Responsibilities for the financial statements and the audit

### Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements set out on page 59, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also 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.

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



## Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

## Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## OTHER REQUIRED REPORTING

### Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

**Jason Clarke**

(Senior Statutory Auditor)

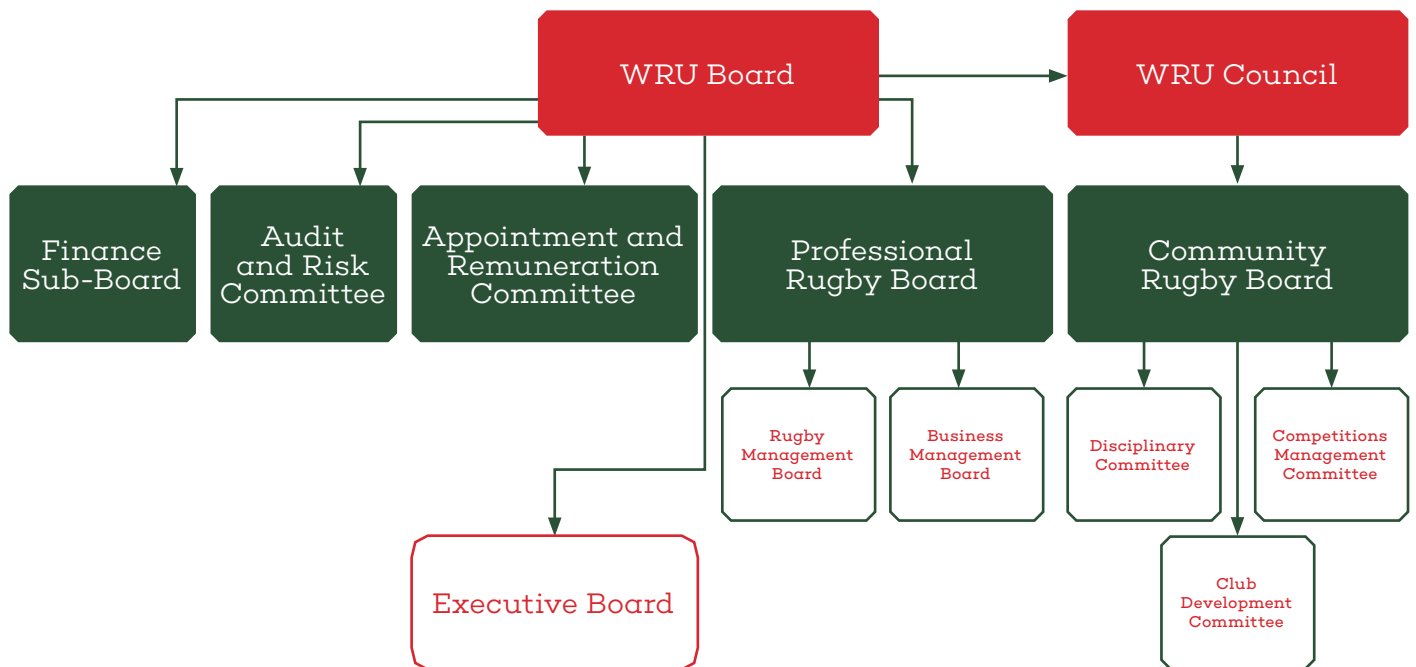
for and on behalf of PricewaterhouseCoopers LLP,  
Chartered Accountants and Statutory Auditors

Cardiff, 5 October 2020

# Governance



# WELSH RUGBY UNION GOVERNANCE STRUCTURE



## WELSH RUGBY UNION GOVERNANCE

Year ended 30 June 2020

### Patron

His Royal Highness The Duke of Cambridge

### President

Gerald Davies CBE DL MA LLD was appointed on 17 November 2019, with Dennis Gethin OBE having stepped down from his position at the end of the Annual General Meeting held on that date.

### Governance of Welsh Rugby

The principal activity of the Company is to promote rugby union in Wales, to encourage more people to engage with the game more often, with more enjoyment and more success. The Board of Directors of The Welsh Rugby Union Limited (the "Board") is responsible for ensuring that the principal activity is managed, which it does through the Executive Board.

The Board is responsible for the stewardship of the Company, overseeing its strategy, conduct and affairs. It is responsible for the long-term success of the Company.

The Board comprises eleven non-executive Directors and one executive Director (being the Group Chief Executive). Of the eleven non-executive Directors, eight are Council Members who are elected to the Board by the Welsh Rugby Union Council; two are appointed by the Board; and one is appointed to the Board following appointment as the Chair of the Professional Rugby Board.

The non-executive Chair of the Board is elected from one of the eight Council Members who are also non-executive Directors.

## THE BOARD OF DIRECTORS OF THE WELSH RUGBY UNION LIMITED

**Non-executive Chair:** Gareth Davies

**Executive:** Martyn Phillips  
(Group Chief Executive)

**Non-executive:**

**Amanda Blanc** (appointed on 1 Jan 2020)

**Anthony Buchanan** (resigned on 17 Nov 2019)

**Liza Burgess** (appointed on 17 Nov 2019)

**Robert Butcher**

**Gordon Eynon**

**Tim Griffin**

**David Lovett** (resigned on 31 Dec 2019)

**Chris Morgan**

**Aileen Richards**

**Hywel Roberts**

**Phil Thomas**

**David Young**

**Company Secretary:** Rhodri Lewis

The terms of office of each of Gareth Davies, David Young, Chris Morgan and Phil Thomas end at the conclusion of this year's Annual General Meeting, given that their respective terms as National Council Member (in the case of Gareth Davies) and District Council Members (in the case of each of David Young, Chris Morgan and Phil Thomas) end at that time. As of the date of this Annual Report, each of David Young, Chris Morgan and Phil Thomas had been re-elected as District Council Members, whilst Gareth Davies was not re-elected as a National Council Member and will be replaced by Ieuan Evans as a National Council Member as at the end of this year's Annual General Meeting.

Each of those District Council Members will be eligible for re-election to the Board and one other National Council Member will be elected to the Board to replace the position that will be vacated by Gareth Davies, with the Welsh Rugby Union Council election to determine which Council Members will be appointed to the Board due to take place shortly following this year's Annual General Meeting.

## WELSH RUGBY UNION COUNCIL

The Council is responsible for setting the strategy for Community Rugby in Wales, which is presented for consideration and approval by the Board. The Council is comprised of five National Council Members and fourteen District Council Members, all of whom are elected by member clubs.

The Council elects, from within its membership:

- (a) two National Council Members for appointment to the Board;
- (b) five District Council Members for appointment to the Board; and
- (c) the Chair of the Community Rugby Board, who is also appointed to the Board.

As referred to above, one of the Council Members who is appointed to the Board is elected by the Board as the non-executive Chair of the Board.

### Members of the Welsh Rugby Union Council

#### National Council Members:

Gareth Davies; Liza Burgess; Mark Taylor (who resigned during the year), John Manders (who replaced Mark Taylor on 10 July 2020), Colin Charvis; and Jon Morgan OBE.

#### District Council Members:

**District A** Colin Wilks and Bryn Parker

**District B** Gwyn Bowden and David Young

**District C** Robert Butcher and Ray Wilton

**District D** Alan Jones and Chris Morgan

**District E** Phil Thomas and Jeff Davies

**District F** Brian Fowler

**District G** Chris Jones

**District H** Gordon Eynon

**District J** Hywel Roberts





## WELSH RUGBY UNION GROUP – EXECUTIVE BOARD

<b>Chairman:</b>	<b>Martyn Phillips</b> (Group Chief Executive)
<b>Executive:</b>	
<b>Geraint John</b>	Community Director
<b>Ryan Jones</b>	Performance Director
<b>Mark Killingley</b>	Head of Digital and Communications
<b>Rhodri Lewis</b>	Group General Counsel and Company Secretary
<b>Craig Maxwell</b>	Commercial Director
<b>Julie Paterson</b>	Operations Director
<b>Steve Phillips</b>	Group Finance Director
<b>Mark Williams</b>	Stadium Manager

## DEVELOPMENT OF CORPORATE GOVERNANCE

The Group is committed to adopting the principles of best practice in corporate governance.

Both the Board and the Executive Board remain committed to the continuing development of governance structures, in order to meet the evolving needs of the game of rugby union and acknowledge the value of the principles of good governance in discharging their respective obligations.

In March 2016, the Board committed to support the Sport Wales Governance and Leadership Framework for Wales (the “Framework”). The Board continues to consider how best to implement the Principles and Behaviours set out in the Framework in a way that best fits the Group and how it can maintain and improve good governance and leadership within the Group.

The Group will ensure that each member of the Board undergoes training in the role of non-executive Director to be delivered by an appropriate organisation (such as the Institute of Directors). The Group is committed to further training and development of the Board and of Council Members.

## SUB-BOARDS & SUB-COMMITTEES

The Board has established the sub-boards and sub-committees listed below to manage the business in a more effective manner with more emphasis on agile decision-making in areas that were considered by the Board as being strategically important, as identified in the Group’s Strategic Plan. These sub-boards and sub-committees have delegated authority to carry out certain tasks.

The roles and membership of these sub-boards were as follows:

### Community Rugby Board (“CRB”)

Chaired by Robert Butcher, membership of the CRB is open to all National Council Members and all District Council Members. Julie Paterson and Geraint John are also members given their respective Executive responsibilities. The CRB is responsible for managing and delivering the execution of the strategy for Community Rugby as set by the WRU Council and approved by the Board from time to time.

### Professional Rugby Board (“PRB”)

Chaired by Amanda Blanc since 1 January 2020 (chaired by David Lovett before then), comprised Martyn Phillips, Steve Phillips, David Buttress, Robert Davies, Alun Jones and Nigel Short. On 1 June 2020, Marianne Okland was appointed as a second independent member, as permitted pursuant to the PRB’s Terms of Reference. Ryan Jones and Julie Paterson also attend meetings, given their respective Executive responsibilities. The PRB is responsible for overseeing, managing and delivering the execution of the Board’s agreed strategy for professional rugby.

## **Finance Sub-Board**

Chaired by Aileen Richards (previously chaired by Ian Jeffery until 17 November 2019), comprised Gareth Davies, Martyn Phillips, Aileen Richards (prior to being appointed as Chair), Craig Maxwell, Steve Phillips, Hywel Roberts (appointed on 26 November 2019) and Rob Davies (appointed on 26 November 2019). The Finance Sub-Board is responsible for all financial matters of the Group, other than dealing with the Group's auditors.

In addition to the sub-boards, during the year, the Board continued to operate two sub-committees to assist in its business. The role and membership of these sub-committees were as follows:

### **Appointments and Remuneration Committee**

Chaired by Aileen Richards, comprised Gareth Davies, Robert Butcher, Phil Thomas (appointed on 26 November 2019), Alan Jones and Ian Jeffery (until 17 November 2019). Whilst not a member, Martyn Phillips is invited to attend the Committee. The Appointments and Remuneration Committee determines, on behalf of the Board, the remuneration and terms and conditions of the Group Chief Executive and the Executive Board. The Committee also reviews performance and succession planning for the Executive Board and it participates in, reviews and recommends Executive appointments to the Board. The Committee relies on appropriate independent professional advice when deemed necessary.

### **Audit and Risk Committee**

Chaired by Tim Griffin, comprised David Young and Alan Jones and included Dyfrig John and Geraint Davies as independent members. The Audit and Risk Committee is responsible for assisting the Board to discharge its responsibilities for accounting policies, financial reporting, internal control and risk management and liaising with the Group's auditors.

## **BOARD AND EXECUTIVE BOARD**

There is a clear division of responsibility between the role of non-executive Chair and Group Chief Executive. The Chair is responsible for the leadership and management of the Board and for promoting high ethical standards. The Group Chief Executive is responsible for the executive leadership and day-to-day management of the Group.

There is a detailed written limit of authority protocol in place for both the Board and the Executive Board and, in addition, all Executive Board members have detailed job descriptions.

The Board meets at least on a quarterly basis and considers all matters which fall under its remit which include the development and monitoring of the Group's strategic plan, allocation of financial resources, reviewing the performance of the Group Chief Executive and Executive Board and approval of annual budgets. In addition, the Board considers the recommendations of the various sub-boards and sub-committees, whose respective responsibilities are as explained above.

## **REMUNERATION OF THE BOARD**

Under the Group's remuneration policy, no fees are payable to non-executive Directors, other than the non-executive Chair who receives an annual fee of £53,000.

In addition, the Board is represented on other rugby bodies including World Rugby, Six Nations Rugby Limited, Rugby Europe, European Pro Club Rugby, British Lions Designated Activity Company, Pro Rugby Championship Designated Activity Company and Celtic Rugby Designated Activity Company, some of whom have a policy of financially compensating the representatives serving on these bodies. No member of the Executive Board retains any such compensation from these bodies.

## **REGISTERED OFFICE**

**Principality Stadium  
Westgate Street  
Cardiff  
CF10 1NS**



# Board of Directors



**Non-executive Chair**  
**GARETH DAVIES**

Joined the Board in 2014 and was elected as Chair in the same year. He was re-elected to the Board in March 2019 and continued as Chair, following the transition period for the governance changes that were approved at the 2018 AGM. He is also a National Council Member.

He is a member of the World Rugby Council, its Executive Committee, as well as being a director of Rugby World Cup Limited, Six Nations Rugby Limited and the British Lions Designated Activity Company.

A former international fly-half and British & Irish Lions tourist in 1980, he earned 21 caps for his country and captained Wales on five occasions.

He has held senior executive positions with the Newport Gwent Dragons, CBI Wales, BBC Wales, Cardiff RFC, S4C, the Sports Council for Wales, the Royal Mail and for International Business Wales (the successor Government agency to the Welsh Development Agency) – where he headed the Sydney, Australia office. He is a former Dean of the Carnegie Faculty at Leeds Metropolitan University.



**Executive**  
**MARTYN PHILLIPS**  
**Group Chief Executive**

He is a member of the Six Nations Council and a director of the British Lions Designated Activity Company. During the year, he was a director of Celtic Rugby Designated Activity Company and also represented the Company on European Professional Club Rugby and sits on the Professional Rugby Board.

He was formerly CEO of B&Q and is Chairman of Private Equity backed KB Associates based in Dublin.

In 2013 he was awarded an Honorary Doctorate from Southampton Solent University for services to business. He was educated at Fishguard Grammar School and UWIC in Cardiff, before studying at both Oxford Brookes College and then Templeton College, Oxford.

Whilst at school he won international caps at U15 level and was a member of the Welsh Schools U18 squad.

In January 2020, he announced he would be stepping down as Group CEO in the Summer, but agreed in March to continue in his role due to the Covid-19 pandemic. He will be leaving his role in Autumn 2020.



**LIZA BURGESS**

Joined the Board in 2019, becoming the first woman to be elected to the Board in 138 years.

She captained Wales Women in their first international in 1980 and went on to win a then record 87 caps over a 20-year period in which she also played for Great Britain.

A trailblazer as both a player and a coach she has also coached Wales Women, Wales U20's and Barbarians, Liza helped to set-up the women's club at Saracens before going on to lead them to the treble.

In 2018 she became the first Welsh woman to be inducted into the World Rugby Hall of Fame and, as inductee No 142, she is only the 20th Welsh rugby player to enter the pantheon.



## **GORDON EYNON**

Joined the Board in 2011 and was re-elected to the Board in March 2019, following the transition period for the governance changes that were approved at the 2018 AGM. He is also a District Council Member for District H. He represented Whitland, Gwernyfed, Breconshire, Carmarthen Quins and Crymych at senior level.

He was head coach at Crymych for three years before becoming Club Secretary in 1989, a position he still holds today, and is now a life member of the club. He has been a District H committee member since 1995 and chaired the district from 2009 to 2011.

He is a former schoolmaster and currently runs a farm in Pembrokeshire.



## **ROBERT BUTCHER**

Joined the Board in 2015 and was re-elected to the Board in November 2019 having been re-elected as the Chair of the Community Rugby Board. He is also a District Council Member for District C, having been re-elected in 2019.

He is a one club man having been associated with Bargoed RFC since leaving school in the late 1960's and recently accepted life membership of the club. He was the captain for five successive years in the mid to late 1970's.

Once his playing career ended, he joined the club's committee. With an unbroken service with his beloved Bargoed, in 2015 he completed a 20th year as club honorary secretary.

On leaving college he took up a teaching post within Merthyr Tydfil County Borough Council and enjoyed a career in education until his recent retirement.



## **TIM GRIFFIN**

### **Appointed independent non-executive director**

Joined the Board in 2015 and was re-appointed in 2018.

Tim is now MD of DCC Technology, a division of DCC a FTSE 100 Company. He is a former CEO of Dell UK and previously worked in Singapore and Australia in a variety of senior positions with the company.

His career has spanned senior management roles in a number of major companies including PwC, NCR and the BBC.

He studied at UCC and Templeton College Oxford. He has roots in Wales and played for Newbridge as well as captaining Cross Keys and Monmouthshire U23s. He also represented Cardiff University, Welsh Universities and British Universities and won the Dubai 7s with Crawshays.



## **CHRIS MORGAN**

Joined the Board in 2014 and was re-elected to the Board in March 2019, following the transition period for the governance changes that were approved at the 2018 AGM. He is also a District Council Member for District D.

He played rugby for Glyncorrwg, Tonmawr and the Royal Marines, before moving into the coaching environment where his main background is in strength and conditioning. He has worked in this field at Premiership level with Swansea and Aberavon, spent three years in the Regional set up with the Ospreys senior squad and played a significant part in the management and coaching set up of the Wales Deaf Rugby team which won the World Cup in New Zealand in 2002.

He is a former senior non-commissioned officer in the Royal Marines with 18 years' experience, holding high profile appointments during a distinguished career.



## **AILEEN RICHARDS**

### **Appointed independent non-executive director**

Joined the Board in 2015 and was re-appointed in 2018.

Prior to that she was based in the USA for seven years as the Executive Vice President and Vice President of People and Organisation for Mars Incorporated.

She grew up outside Cardiff where she gained her passion for Welsh Rugby. She spent her 30-year career at Mars working across the management structure in a number of high-profile roles in the UK, Belgium and the USA.

Now retired from her Executive role, she has several non-executive directorships including Pret A Manger, JDE Peet's, Mars Netherlands and Welsh National Opera.



## **PHIL THOMAS**

Joined the Board in 2015 and was re-elected to the Board in March 2019, following the transition period for the governance changes that were approved at the 2018 AGM. He is also a District Council Member for District E.

From Clydach, he is a former Wales Schools U16 international and played youth rugby for Morriston before joining Vardre where he became club secretary, vice chairman and then chairman in 2012.

He retired in 2018 after 40 years' service in the Finance Department of the City and County of Swansea.



**DAVID YOUNG**

Joined the Board in 2014 and was re-elected to the Board in March 2019 following the transition period for the governance changes that were approved at the 2018 AGM. He is also a District Council Member for District B.

He played for the youth and senior teams of Llandaff North and following injury was instrumental in forming the mini and junior section of the club. He then joined the committee latterly as rugby secretary and was awarded life membership.

He is a former Vice Chair and Competition Secretary of East District and continues to serve on the management committee.

He is a retired Chartered Electrical Engineer and former Design and Construction Manager for Cardiff County Council responsible for the delivery of the Capital Build programme.



**HYWEL ROBERTS**

Joined the Board in 2018 and was re-elected to the Board in March 2019, following the transition period for the governance changes that were approved at the 2018 AGM. He is also a District Council Member for District J.

A former Local Director of NatWest Bank, he grew up in Gwynedd – now retired but keeps an active interest in business and in all sports and lives in Llandudno.

Career experience includes Board appointments on various business and educational bodies.

He served as Chair and Vice Chair District J and Welshpool RFC and is a founder member of NWRUC/RGC and played rugby in the Midlands and London.



**AMANDA BLANC**

Joined the Board in January 2020, having been appointed as Chair of the Professional Rugby Board.

The recently appointed chief executive of FTSE 100 company Aviva plc is also a former chief executive of Zurich Insurance Group for Europe, Middle East and Africa.

She is a senior businesswoman and also been group chief executive of AXA UK, PPP & Ireland during a distinguished 30-year career.

She was named Woman of Achievement by Women in the City and twice been voted the UK Insurer CEO's CEO of the Year (2013 and 2015), as well as featuring on the 2019 list of Yahoo Finance's 100 Women Executives.

Originally from Treherbert in the Rhondda Fawr valley she is a former chair of the Association of British Insurers, a past president of the Chartered Insurance Institute, a former chair of the Insurance Fraud Bureau, a previous chair of the ABI's General Insurance Committee and a past member of the UK Takeover Panel.





**Company Secretary**  
**RHODRI LEWIS**

Joined the Group in 2010 as Head of Legal Affairs and was appointed as Company Secretary on 1 August 2018. He also has Executive responsibility for the Group's HR and Payroll functions and is Company Secretary for several Group companies.

He started his legal career at the international law firm Freshfields Bruckhaus Deringer in London, before joining the commercial legal department at UEFA (the European football governing body, based in Switzerland) working predominantly on Champions League, Europa League and UEFA European Football Championships matters.

He left UEFA to become the Senior Solicitor at The FA Group and was responsible for a broad range of legal matters in relation to both The Football Association (including in relation to the 2010 FIFA World Cup) and Wembley Stadium.

In 2015, he was named as The Lawyer magazine's 'In-House' Lawyer of the Year'.

He played rugby throughout his time at Ysgol Gyfun Gymraeg Glantaf and has played for Dinas Powys, for teams in London, Thailand, Hong Kong, Australia and Switzerland and for the University of London.



# Welsh Rugby Union Council

The WRU Council was established in March 2019, following the transition period for the governance changes that were approved at the 2018 AGM. In accordance with the Articles of Association, the Council comprises 14 District Council Members and five National Council Members.

The Council is responsible for:

- (a) setting the strategy for Community Rugby in Wales, for approval by the WRU Board of Directors; and
- (b) electing, from within the Council's membership, the following:
  - (i) two National Council Members, for appointment to the WRU Board of Directors;
  - (ii) five District Council members, for appointment to the WRU Board of Directors; and
  - (iii) the Chair of the Community Game sub-Board, who will also be appointed to the WRU Board of Directors.



## **ALAN JONES**

Joined the Board in 2003 and is now a District Council Member for District D.

He served as WRU vice-Chairman for 4 years prior to which he was Chairman of the Rugby Committee. He decided not to stand for election to the Board in 2019.

At Bryncoch RFC he was club captain, Chairman for 10 years and has been club Secretary for the past 28 years. He was awarded Life-Membership of the club in 2009.

He has an Honours Degree in Mathematical Sciences from Birmingham University and held various Technical and Managerial positions in IT for Wales Gas, BP and BT.

After retiring he carried out volunteer work for the Age Concern charity, helping elderly people learn IT skills.



## **GWYN BOWDEN**

Joined the Board in 2015 and is now a District Council Member for District B, having been re-elected to the position in 2019.

He played School and Youth rugby for Whitchurch, before joining Taff's Well Youth, where he went on to play for the District Youth & Taff's Well first XV. In later years, he was elected fixture Secretary and then Chairman and is a life member. He also played for Beddau and Rhiwbina RFC.

He became a WRU Referee in 1980 and progressed to premier grade before retiring in 1999, later becoming a referee's adviser/coach. During this period, he was also the referee's appointments officer for Cardiff & District RU and the District Blues Region.

More recently, he has been a Citing Commissioner at PRO14, European Cup and International matches. He has continued his strong links with the Referees' Society.

Now retired, he was self-employed in the manufacture of purpose made furniture/joinery and was a senior design consultant for a national company.



## **JEFF DAVIES**

Joined in 2019 as a District Council Member for District E.

He is a director and chairman of Seven Sisters Rugby Club and has been a Community Councillor of Seven Sisters for over 11 years.

A qualified level 3 coach, he is a former player and was integral in setting up Women's youth and U15's sides at his club, which also runs the Valley Hawkes.

He has helped Seven Sisters to become a limited company and also worked alongside the chairmen of Banwen RFC & Crynant RFC to merge all rugby from Youth to Mini's to ensure there is rugby for players in the Dulais Valley.

He is also chairman of the Dulais Valley Food Bank and works as a Business Development manager for DANSA LTD, which provides a community transport service that is wheelchair accessible to areas in Dulais, Afan, Neath, Swansea & Amman Valleys.



## **BRIAN FOWLER**

Joined the Board in 2002 and is now a District Council Member for District F.

He played rugby for St Luke's College Exeter, Llanelli, Ammanford, Brynamman and Tycroes. He was later secretary of Ammanford for 23 years.

Now retired, he was a local government officer for Carmarthenshire County Council, having previously worked for the National Coal Board.

He is a Life Member of Ammanford RFC and was elected to the Management Committee of the West Wales Rugby Union in 1995, becoming Vice Chairman in 2000. He was made a Life Member of the West Wales Rugby Union in 2016.



## **BRYN PARKER**

Joined the Board in 2016 and is now a District Council Member for District A.

During a productive playing career, he played for Blaenavon, Pontypool, Talywain, Garndiffaith and Croesyceiliog. He has also managed and coached Blaenavon, Talywain, Garndiffaith and Croesyceiliog.

He was honorary secretary of Cwmbran from 2006 – 2018, is now a Life member and a member of the Committee. He has been team manager of Monmouthshire County since 2004.

He works in various schools, supporting children of all ages, abilities and behaviours. He was formerly a senior technical process operator and training officer. He has also been a children's mentor/co-ordinator for Children in Need.

He is a former community councillor and was appointed chair of the Pontypool Community Council in 2016.



## **COLIN WILKS**

Joined the Board in 2019 as District Council Member for District A

He is secretary, a director and a former chairman of Risca rugby club who led the club through its incorporation process and is a level 3 coach who also works as a coach educator in the Dragons region.

He has spent 45 years in rugby, firstly as a player, then referee, coach and now an administrator and his business background is as an experienced production manager, working in the mining & metals industry.

A former school governor he is a University of Glamorgan engineering graduate he also has a postgraduate degree in business administration from the University of Wales.

He currently works as a Customer Service Analyst.



## **RAY WILTON**

Joined the Board in 1998 and is now a District Council Member for District C.

He is a citing commissioner to Test match level.

He has been a member of the Tylorstown committee for over 30 years and represented the club on the Mid District Committee from 1971. He became chairman of the Mid District selectors.

He worked as a development engineer in the power industry and was also employed by Hoover for over 30 years.



## **CHRIS JONES**

Joined the Board in 2018 and is now a District Council Member for District G.

A one club man, he was a founding member of Newcastle Emlyn and has been its Secretary since its formation in 1977. He is a life member of the Club as well as a past player, captain and coach.

He is a former coach to the Welsh Schools Intermediate (Under 16) International side. He also chaired the Intermediate Group and the Schools Council. He represented the Schools on the old WRU Committee.

Educated at Llandysul Grammar School and Loughborough Colleges, he taught PE for 35 years until his retirement in 2010.



## **JOHN MANDERS**

Was elected as a National Council Member in July 2020.

A former sergeant with South Wales Police, he was capped by Wales at youth level and toured South Africa in 1980.

He played for Cardiff, Newport and Pontypridd but is a stalwart of Old Illtydians rugby club. For the last 30 years he has gone from playing for Welsh capital club Old Illtydians to being their current chairman.

After retiring from the Police Service, he has continued to work as an assessor, lectures in law at the University of South Wales, is also artistic director at Tickledom Theatrical Productions and a director of learning at Credwch Ltd.



## **COLIN CHARVIS**

Was elected as a National Council Member in May 2019.

Now runs his own business, as well as being vice-chair and a Board member of Swansea Rugby Club. He is an Ambassador for the Sparks Children's charity; for Show Racism the Red Card; for the Multiple Sclerosis Society; and the JAG Foundation. He was previously an Ambassador for Shelter Cymru.

He is a former Captain of Wales, winning his first cap in 1996. He also represented the British & Irish Lions in 2001.



## **JON MORGAN OBE**

Was elected as a National Council Member in May 2019.

He is a sports and leisure professional with nearly 35 years' experience. During his career he held several senior leadership roles within local authorities, national sport agencies, national and international governing bodies of sport.

In 2017, he stood down from the role of Chief Executive Officer, Disability Sport Wales, a position he had held since 2002. During that period, he was responsible for leading the strategic development of disability and inclusive sport, advising Welsh Government, Sport Wales and various stakeholder partners on policy direction and programme implementation. Disability Sport Wales is recognised as a world leading organisation within disability sports development.

He was made an OBE in the 2017 New Years' Honours List for Services to Disability Sport in Wales.

**As referenced in the Board of Directors' section of this Annual Report, Gareth Davies and Liza Burgess are National Council Members and Rob Butcher, Dave Young, Chris Morgan, Phil Thomas, Gordon Eynon and Hywel Roberts are District Council Members.**





# Executive Board







**MARTYN PHILLIPS**  
**Group Chief Executive**

Please refer to the biography provided in the 'Board of Directors' section on page 109 of this Annual Report.



**GERAINT JOHN**  
**Community Director**

Joined the Group in 2015 and was appointed Head of Rugby Performance in 2016. In January 2019, he was appointed to the role of Community Director.

He returned to Wales in September 2015 as the Group's Elite Coach Development Manager. Previously he had spent 10 years working abroad, with Rugby Canada as High Performance Manager and then Sevens Head Coach, before joining the Australian Rugby Union as Program Director of Sevens and Men's Sevens Head Coach in June 2014.

He is a former Wales assistant coach, who has also coached at Llanelli, Cardiff Metropolitan University and Cardiff Blues.

He played for Cardiff and Llanelli, featured at every representative schoolboy level and was capped by Wales A.



**RYAN JONES**  
**Performance Director**

Joined the Group in 2016 as Head of Rugby Participation and was appointed Performance Director in January 2019.

He won 75 caps and is a former Wales captain and a British & Irish Lion. He is one of an elite band of players to have won three Grand Slams with Wales (2005, 2008 and 2012) and he also played an integral role in his country's retention of the Six Nations title in 2013.

He captained the Ospreys from 2007 to 2010 and counts four PRO12 titles amongst his achievements.



**MARK KILLINGLEY**  
**Head of Digital and Communications**

Joined the Group in 2016.

He joined from the RFU where he was Head of Digital and Customer Relationship Management. In that role, he oversaw the launch of the revamped, re-branded England Rugby website, plus a new digital platform aimed at growing participation in the sport across England ahead of, during and after the 2015 World Cup.

Prior to joining the RFU, he was Marketing Director of the National Football League (“NFL”) where he was responsible for all digital and marketing activity and award-winning events that helped establish the NFL in the UK to the point where they played multiple games and enjoyed record TV audiences.

He played rugby for Amersham & Chiltern, Leeds University and Buckinghamshire County.



**RHODRI LEWIS**  
**Group General Counsel and Company Secretary**

Please refer to the biography provided in the ‘Board of Directors’ section on page 113 of this Annual Report.



**CRAIG MAXWELL**  
**Commercial Director**

Joined the Group in 2010.

He joined from Under Armour where he had been the USA based sportswear company’s Head of Sports Marketing in the UK and Ireland since 2008. Whilst at Under Armour, he worked on the launch of the brand’s footwear and was integral in building the Under Armour brand across all sports in the UK and Ireland.

He had previously worked for the Group between 2004 and 2008 in various roles within the hospitality team before becoming Group Sponsorship Manager.

Craig is also a director of the WRU Supporters Club Limited and sits on the commercial committees of PRO14 and Six Nations Limited.

From Pembrokeshire, Craig grew up in Cosheston and attended Greenhill School in Tenby. He played rugby, cricket and football locally, representing the county and Dyfed across all three sports and has also represented Wales in Basketball at U18 level.



**JULIE PATERSON**  
**Operations Director**

Joined the Group in 1989 and was appointed to the Executive Board in 2006.

Julie had previously served in a number of areas across the business dealing directly with strategic and operational issues related to the management of international, regional and club rugby. She had held the position of Head of Group Compliance since 2005, moving to Head of Rugby Operations and more recently appointed as Operations Director.

Responsible for the management and administration of the Professional Rugby Agreement, Julie Chairs the Rugby Management Board in Wales. Her remit also covers all regulatory, medical, insurance and integrity related matters across the game in Wales. Julie is also responsible for liaison with other rugby governing bodies, stakeholders, partners or associates such as the Welsh Government, Sport Wales and local authorities and also represents Welsh Rugby on World Rugby Council, European Professional Club Rugby Board, PRO14 Board and the Board of Great Britain Olympic 7s.



**STEVE PHILLIPS**  
**Group Finance Director**

Joined the Group in 2007.

He joined from TBI which was one of the largest regional airport owners in the world and in his ten years at the company he played active roles in the acquisition of airports in Belfast, Sweden, London Luton, Bolivia, Costa Rica, Australia and North America.

He trained with KPMG and qualified as a chartered accountant in 1989. He was previously Finance Director at the Tedcastle UK Group before joining TBI as Group Financial Controller and then Group Finance Director.

He is a non-executive director of Milford Haven Port Authority.

He played rugby for Amman Valley Comprehensive School, Imperial College London, University of London and Amman United, where he captained the first XV.



**MARK WILLIAMS**  
**Stadium Manager**

Joined the Group in 2013.

He joined after a military career spanning 20 years during which he rose to the rank of Lieutenant Colonel in The Royal Welsh. He served on multiple tours of duty in Northern Ireland, Bosnia, Kosovo and Iraq and he was decorated for his actions in combat in Iraq in 2007.

During his military career, he held high-profile military appointments in both training and operational environments including time as a Battalion Adjutant, Company Commander and Battle Group Chief of Staff with the 2nd Battalion, The Royal Welsh.

He played rugby for Neath College, Glynneath and his Regiment.

# Obituaries

## **MATTHEW J WATKINS** **(1978 to 2020)**

Former Wales international Matthew J Watkins passed away in March 2020 at the age of 41 after battling a rare form of pelvic cancer which was first diagnosed in 2013.

Just two months before his death, Watkins had revealed it had spread to his head. Prior to his passing, he had helped raise thousands of pounds for Welsh Cancer Centre Velindre. He left behind his wife Stacey and sons Siôr and Tal.

The talented centre made his Wales debut against Italy in Rome back in 2003 and would go on to win 18 caps playing a prominent role in a famous win over Australia in 2006.

Watkins began his career with Newport before joining the Scarlets. He played 150 times for the Scarlets between 2002 and 2008, scoring 42 tries, and was a key member of the side which won the Celtic League in 2003-04.

After leaving Llanelli he represented Gloucester in the English Premiership before ending his professional career back home with the Dragons.

Tributes poured in from across the rugby world for the much-loved Watkins.

Wales rugby legend Jonathan Davies wrote: "RIP Matthew. What a lovely guy who took on cancer with courage and always had a smile on his face. Lived life to the full and was always smiling."

## **RUSSELL ROBINS** **(1932 to 2019)**

Russell Robins, one of the greatest players to play for the Pontypridd club, passed away in September 2019 at the age of 87.

After captaining the Welsh Secondary Schools from Pontypridd Grammar School in 1949, he went to Cardiff University. While a student he linked up with his hometown club and played 184 times over a decade of service, captaining them between 1953-56.

He won 13 caps for Wales in the second and back rows and appeared in all four Tests for the 1955 British & Irish Lions in South Africa. The Lions drew that series and Robins made more appearances than any other player, 17 out of 24.

While doing his National Service in the Royal Corps of Signals, he played for the Army and for Yorkshire. He played at No 8 on his debut in a game that Wales won 12-3 but waited another six matches before picking up his second cap, against France in Cardiff in 1954.

He played in seven consecutive matches, helping Wales as an ever-present pack member to share with France the 1955 Five Nations title before then featured in two of the four games in 1956 as Wales won their 13th title outright.

His final appearance for Wales came in the Welsh win in Paris in 1957. In February 1959, he switched codes and joined Leeds RLFC.

## **LEIGHTON JENKINS** **(1931 to 2020)**

Leighton Jenkins, who led Newport to victory over the 1957 Wallabies and won five Welsh caps, died in May 2020 at the age of 88.

Born in New Tredegar in 1931, he started his rugby career at Tredegar Grammar School as a full back before converting to No 8. He went on to make 114 appearances for the Black & Ambers between 1953-61 and captained the club in the 1957-58 season.

Having initially trained as a teacher at the Caerleon Training College – he was the first player to be capped while at Caerleon and was captain of the College 1st XV when he played against the All Blacks with Newport and when he won the first of his Welsh caps – he went into the profession before pursuing a career in the RAF, the service in which he had done his National Service. He rose to the rank of Squadron Leader and finally became a Wing Commander in 1979.

He won his first Welsh cap at the age of 22 at Lansdowne Road when he was one of six new caps, and seven changes in all, drafted in for the trip to Ireland in round two of the 1954 Five Nations campaign in the wake of a 9-6 defeat at Twickenham.

Wales ran out winners by 12-9, but Jenkins was left out for the next two Championship matches, which saw Wales beat both France and Scotland at home. He had to wait two years before returning to the Welsh pack.

He was selected throughout the 1956 Five Nations campaign and helped Wales win three of their four matches under skipper Cliff Morgan to take the title.

## **STEVE BLACKMORE** **(1962 to 2020)**

Steve 'Wally' Blackmore was the Cardiff prop who helped Wales beat Australia to clinch their best finish at a World Cup in 1987. He died in May 2020 after a long battle against a brain tumour cancer. He was 58.

Having made his Wales debut in the final Five Nations game against Ireland at Cardiff Arms Park in 1987, he was taken to the inaugural World Cup later that year.

He added three more caps to his collection in Australia and New Zealand at the global tournament, in the wins over Tonga, Canada and then the third-place play-off triumph over the Wallabies.

His 169-match Cardiff career began with a win over Penarth on 15 September 1982, and finally came to a close after he came on as a replacement against London Welsh on 3 February 1996. He was a replacement for Cardiff's 1987 Cup Final win over Swansea and the 1989 clash with the All Blacks.

Born in Cardiff in 1962, he learned his rugby at Fitzalan School and played for Cardiff Schools and Cardiff Youth before graduating into the senior ranks at the Arms Park. As well as his 169 appearances for the 1st XV, he also played more than 100 for the 'Rags'.

After hanging up his boots he often returned to watch the Blue & Blacks and was first diagnosed with a grade four brain tumour just before Christmas, 2018.

He had an operation and, at the time, was originally given only six-12 months to live, but, in typical gritty fashion he pledged to fight to stick around as long as he could to see his three children, Kendall, Kerys and Sydney, a Wales U20 international forward, and grandchildren grow older.

## **PETER REES** **(1925-2020)**

Former Llanelli and Wales wing Peer Rees became the oldest living Welsh international player in 2013 and was 95 years-old when he died this summer.

He won two caps in the 1947 Five Nations Championship, in wins over France in Paris (3-0) and Ireland, but wasn't considered after that, despite playing in all three trials in 1946-47 and scored two tries in the final trial for 'The Rest' in a 6-6 draw with 'Wales'.

He played for both Penygroes and Tumble before moving on to the Scarlets. His Llanelli debut came on 1 September, 1945, at Felinfoel and the then 20-year-old wing marked the occasion with a hat-trick of tries in a 25-0 win. He made it five tries in his first two outings for his new club with two more touchdowns at Bath in an even more impressive 16-0 win a week later.

He ended his first season as the club's leading try scorer with 15 and led the charts again at the end of the 1947-48 season with 13. He played in the 16-8 defeat against the New Zealand Army 'Kiwis' on 30 October, 1945 and also lined-up against the touring Australians at Stradey Park in a 6-4 defeat on 28 October, 1947.

He rose from being a player at Stradey Park to become chairman (1967-71) and then President (1983-86). During his time as chairman he oversaw the appointment of Tom Hudson as fitness guru and helped steer the club back to the top tier of Welsh rugby.

At the age of 25 he retired from the first-class game to concentrate on his studies, but went on to captain Tumble in 1952-53 before playing again for Penygroes.

## **BRIAN DAVIES** **(1941 – 2020)**

The former Llanelli and Cardiff centre Brian Davies, who was a revered figure at Pentyrch RFC followed his father, Idwal, into both the Llanelli and Wales teams.

His rugby education began at Llanelli Grammar School and won six caps for the Wales Secondary Schools against Yorkshire, England and France in both 1959 and 1960. He moved on to Swansea University having made his debut for Llanelli on Christmas Day, 1959 in a 9-8 win over the UAU.

In tandem with fellow schoolboy international Ken Jones he helped the Scarlets win the Welsh Sevens title of the first time at the end of the season. He then moved to Cardiff for the 1960-61 season after rejecting the Llanelli committee offer to play at centre.

He featured in 26 games at outside half and centre for the Arms Park club before returning to Stradey Park three games into the 1961-62 campaign, where he partnered Dennis Thomas at half-back, following Ken Jones' switch to the centre.

The first of his three caps came in the 'smallpox' match against Ireland that had been held over from March to November. The game ended in a 3-3 draw in Dublin and the next month he featured in the Wales U23 team that took on the touring Canadians at the Arms Park.

He held onto his place in the Wales midfield for the opening two games in the 1963 Five Nations Championship. His home debut didn't go well, as England won 13-6 on a frozen Arms Park pitch, but he tasted victory at Murrayfield in the infamous game of 111 line-outs against the Scots.

Brian's career also saw him play for Newbridge, Newport and Neath on the first-class circuit. He also featured for Pontyclun and Pentyrch after stepping down to community level following knee problems.

He became captain and coach at Pentyrch and played for them in WRU Challenge Cup games against two of his former clubs, Llanelli and Cardiff.



# COMMERCIAL PARTNERS

## Principle Partners



## Official Broadcast Partners



## Official Suppliers









The Welsh Rugby Union Limited

Principality Stadium, Westgate Street, Cardiff CF10 1NS  
Tel: 08442 491 999 Fax: 029 2082 2474  
E-Mail: [info@wru.wales](mailto:info@wru.wales) Web: [wru.wales](http://wru.wales)

