NORTHAMPTON SAINTS PLC

# ANNUAL REPORT & ACCOUNTS 2019

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# DIRECTORS

## John White
### Chairman
John was appointed as chairman of Northampton Saints in 2017, having joined the board of directors in November 2012. He has spent all his working life in the house building industry, both locally and nationally. John was group chairman and group chief executive of Persimmon Plc for 18 years, until he retired from the board in April 2011. From 2013-17 he held the position of group chairman of McCarthy and Stone, the UK retirement housing specialist. In December 2017 he was appointed chairman of Miller Homes, the national home-builder. He is a life-long supporter of Saints, and had a brief period as a player at Franklin's Gardens before injury ended his career

## Colin Povey
### Deputy Chairman
Colin joined the board in 2001 and became deputy chairman in 2017. He has extensive business experience having spent time working in the UK and overseas for listed companies. He was chief executive of Carlsberg UK at their national headquarters in Northampton, and as chief executive of Warwickshire County Cricket Club he oversaw the redevelopment of the world-famous Edgbaston stadium. Colin is currently non-executive chairman of England Netball and is also a former international sportsman, having both played and coached water polo for Great Britain

## Keith Barwell OBE
### Non-executive director
Keith has supported Saints since his school-days. He spent most of his working life in the newspaper industry and helped the club when the game turned professional. Keith is also the founder of 78 Derngate Trust, which restored the Charles Rennie Mackintosh building. He was made an Officer of the British Empire in 2009 for his services to Northampton. He is currently the club president

## Nick Beal
### Non-executive director
Nick is a Chartered Financial Planner and managing director of local financial advisers David Williams IFA, which he joined in 2000. His rugby career started with High Wycombe, where he played for three seasons before joining Saints. Nick became a full-time rugby player when the game turned professional in 1995, playing over 280 games across 12 seasons for Saints and earning 15 caps for England. A member of England's World Cup-winning Sevens team in 1993, Nick also toured with the British and Irish Lions and represented the Barbarians

## Mark Darbon
### Chief executive
Mark took up his position as chief executive of Northampton Saints in July 2017. Originally from the East Midlands, Mark has amassed a considerable amount of global experience working for some major companies, including Diageo, Tough Mudder, and – latterly – as chief executive of Madison Sports Group, organisers of the breakthrough Six Day Cycling Events. As head of Olympic Park operations Mark was a key figure in the delivery of the outstanding London Olympics in 2012

## Ella Bevan
### Non-executive director
Ella was appointed to the Northampton Saints board of directors in November 2012. On leaving Loughborough University she worked as a school teacher and was Head of PE at Northampton High School. In 2009 Ella left teaching to take a more active role in the Barwell family businesses, Bradden Estates Management, and the Saints. As well as being a lifelong Saints supporter, Ella is also a keen hockey player

## Julia Chapman
### Finance & operations director
### Company secretary
Julia joined Saints as finance director and company secretary in September 2016 from Travis Perkins Plc. After qualifying as a Chartered Accountant with PriceWaterhouseCoopers she had roles with IBM and Legal and General before working in various finance roles with Home Retail Group Plc

## Jon Drown
### Non-executive director
Jon joined the board in October 2000. Since graduating from university until his retirement at the end of 2017, Jon specialised in corporate finance, treasury, tax and pensions in FTSE 100 quoted companies such as Diageo plc, BPB plc, Rexam Plc and most recently Compass Plc where he was Head of Group Treasury. Since retiring, Jon has focussed on his local interests. Jon chairs the Northampton Saints Foundation trustee board, is a governor of Northampton School for Boys and holds a number of other local non-executive positions



## Tony Hewitt
### Non-executive director
Tony has over 45 years' experience in the commercial property market and holds a number of non-executive appointments. Tony has been involved with the Club since 1988 and joined the board of Northampton Rugby Football Club Ltd when the game turned professional in 1995. He played a leading role in the ground development and the share offer for Northampton Saints Plc. He was chairman of the Club between 2013 and 2017

## Matt Smith
### Non-executive director
Matt is a Chartered Accountant and the Finance Director for Selfridges. He has held a number of senior finance roles within large UK and International companies, including Debenhams Plc, where he was Chief Financial Officer, Home Retail Group Plc, where he was finance director of Argos, and a director at KPMG. He has been a life-long supporter of Saints and a Season Ticket Holder for 20 years

# EXECUTIVE TEAM

**In addition to CEO Mark Darbon and Finance Director Julia Chapman, the Executive team is comprised of the following:**

## Chris Boyd
### Director of rugby
Chris Boyd joined Northampton Saints at the start of August 2018 as the Club's new Director of Rugby. Chris arrived from the Wellington-based Hurricanes and is one of the most decorated head coaches in world rugby with over 30 years of coaching experience. Prior to the Hurricanes, Chris has undertaken senior coaching roles at Wellington Lions, South African franchise Sharks, the 'Baby Blacks' (New Zealand's under-20s side) and for Tonga's 2011 Rugby World Cup campaign. As well as being a keen cricket and fishing fan, Chris is also a trained pharmacist

## Nicky Browne
### HR director
Nicky was appointed as HR Director in September 2017. After running her own education and training business for 10 years, Nicky worked as Head of People at Worcester Warriors before joining Saints. As well as HR, Nicky is qualified in Psychology and Teaching. Growing up in South Africa, Nicky has always enjoyed and actively supported rugby

## Tim Percival
### Marketing & communications director
Tim was appointed marketing and communications director in September 2017. Prior to joining Saints, Tim worked for two years as communications manager for the England Rugby Team at the Rugby Football Union. He has held a number of senior communications and marketing roles in professional sport, including Wasps RFC where he was a key figure in the club's relocation to the Ricoh Arena

## Lee Gibbons
### Commercial director
Lee was appointed as Commercial Director in February 2018. Joining Northampton Saints after nine years at adidas, Lee had spent the last five years running their Sports Marketing division in the UK and Ireland, and prior to that the sport brand's sponsorship of London 2012. Prior to adidas, Lee worked at the Global Sports Marketing agency IMG, consulting for numerous brands, leveraging their partnership with some of the biggest properties in sport

# CHAIRMAN'S REPORT

This is my second annual report as Chairman.

I must say that my second year as Chairman of this great rugby club exceeded even my expectations thanks to the huge strides forward we took both on and off the field.

We are only two years into a five-year plan to improve all aspects of our performance. We have made good progress over the last season on all fronts, but we are not complacent about the challenges we still face.

The conclusion of the CVC deal earlier this year was a significant step in ensuring the Club's finances remain strong. We must now use that strength to invest wisely in the Club and players, whilst remaining vigilant about the decisions we make as we strive to maintain and improve our position as one of the top clubs in the Northern Hemisphere.

From a playing performance perspective, our new Director of Rugby, Chris Boyd, made a significant impact on the Club from the moment he arrived last summer. With a triumph over Saracens in the Premiership Rugby Cup final in front of a packed-out Franklin's Gardens, a Challenge Cup quarter-final and a fourth-place finish in the Gallagher Premiership (leading to qualification for next season's Heineken Champions Cup) on his record already, Chris has produced an excellent start to a new era.

Chris and his coaching team have instilled a new attacking game plan within the squad, which has captured the imagination of the Franklin's Gardens faithful and surprised many opponents. With 156 tries scored over the course of the season (at an average of over four a game!), we were treated to some mouth-wateringly good rugby, and long may that continue. Momentum is often an overused word in professional sport, but our rugby felt like it gradually gathered pace (and confidence) as we progressed through the season and Chris' game plan bedded in.

Despite the result, our derby match against Leicester Tigers at Twickenham Stadium was a resounding success. We wanted to provide a fitting tribute for former Saint Rob Horne, who had been so cruelly forced to retire last season through injury. The match raised a significant six-figure sum for Rob's ongoing rehabilitation, and I would like to extend my thanks again to everyone involved in supporting that game.

Other standout moments last year included superb home wins over Wasps and then Exeter at Christmas, before we wrapped up a second-straight win at Welford Road against our East Midlands rivals Leicester in April with a commanding performance. Chris and his extremely talented group of coaches – Alan Dickens, Sam Vesty, Phil Dowson and Matt Ferguson – all deserve huge credit, but they will be the first ones to tell you that improving even further next season is imperative.

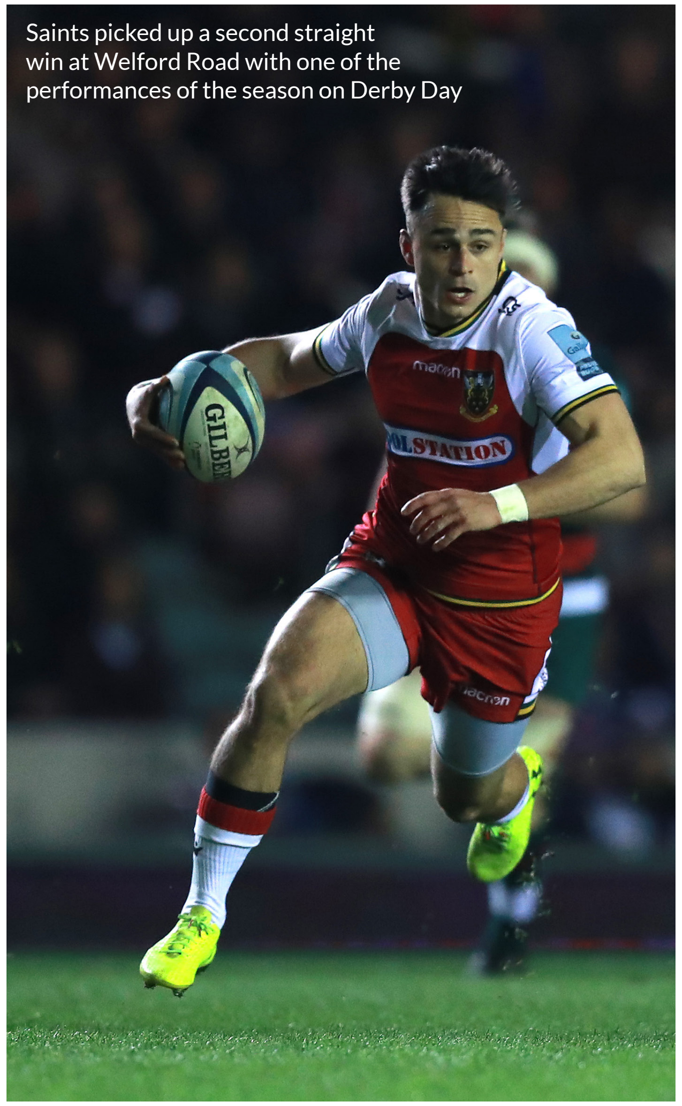
Saints will have some exceptional talent coming into the playing squad in 2019/20 at all levels; we have been selective in the market, picking up several experienced signings including New Zealand internationals Matt Proctor and Owen Franks, and identified plenty of talent within our player pathway to ensure the future remains bright at Franklin's Gardens.

The Saints Academy remains a cornerstone of the Club, and went

from strength to strength last term with 51% of the first-team squad made up of Academy alumni and ten new graduates making their full debuts for Northampton – a remarkable achievement. Moreover, Fraser Dingwall skippered England Under-20s during the Six Nations and at the Junior World Championship, with Alex Coles, Ollie Sleightholme and Samson Ma'asi all also representing the Red Rose with distinction. This summer we appointed Mark Hopley as the new Head of Academy, replacing Simon Sinclair who departed after 18 years at the Club.

The role we play within the local community remains an important pillar of the Club, and we continued to engage more people within Northampton this year. Our community team reached almost 11,000 students across 146 schools, including 1,000 players coming through our gates for our Redrow 7s festivals. Numbers of participants in our rugby camps were also on the rise; with 1,600 in total across the region this year, while 2018/19 also saw our first international rugby camp in Spain, our first girls-only summer rugby camp and three dedicated matchday tournaments to promote women's rugby. Hosting the Tyrells Premier XVs final here at Franklin's Gardens also helped with our long-term aim of developing the women's game in the region, with a 7s event held on our back pitches on the very same day. Saints Wheelchair Rugby continues to move from strength to strength, with more players across the board joining the Club – particularly within the junior ranks – leading to promotion into the WR5s Premiership and a national junior title. Overall, 27,000 people were engaged

Chris Boyd led Saints back into the Premiership play-offs for the first time since 2015



Saints picked up a second straight win at Welford Road with one of the performances of the season on Derby Day

at festivals, schools, clubs, camps during the 2018/19 season, which represents a stunning result for our thriving community department.

Moreover, last year saw the launch of Northampton Saints Foundation – a new charity replacing the Study Centre at Franklin's Gardens. The Foundation focuses on helping the young people at risk of exclusion or struggling to complete their education and find employment. We have recently appointed a new managing director of the Foundation in Catherine Deans, who boasts a wealth of expertise from a senior role at Cancer Research UK, and I am excited to see the Foundation's programmes continue to grow and make a significant impact within our community.

Financially, the Club heralded an exciting new dawn for Premiership Rugby when the 13 stakeholder clubs collectively, after lengthy negotiations, agreed what I believe will be a transformational deal with CVC Capital Partners. This agreement saw the private equity firm buy a minority shareholding in the league, which is a very positive development for the Club as we look towards securing a sustainable financial future. I feel we are well placed to respond to a fast-changing, unpredictable sporting landscape.

CVC have a proven track record in helping global sports develop. The investment is a huge validation for the league and its clubs, and I am confident this will be a catalyst for the continued growth of Saints. The money will not only support the development of infrastructure across the Club, but also allow us to improve our supporter experience – which remains a key target for us. We made significant progress once again in this area in 2018/19, with both our Season Ticket Holders and match ticket purchasers suggesting their experience greatly improved within our end of year survey, but we accept more can be done and have some exciting plans for the season ahead.

However, it is important to recognise that the Club is still operating in a very difficult financial environment; a challenge that is not unique to Saints but faces all of the Premiership clubs. The investment from CVC of course helps and is very welcome, but the Club cannot rest on its laurels. We must continue to work hard to generate income and build a sustainable model. I am happy to report that the Club continues to show positive financial growth. Revenue and profit are up against last year with most revenue streams growing year-on-year. In particular, our non-rugby events department drove significant growth.

I would like to finish by once again thanking the Board, the Club's hardworking employees, the playing squad, our commercial partners and especially our loyal supporters for their continued support. I look forward with excited anticipation to another successful season ahead.

John White
Chairman

# STRATEGIC REPORT

## PRINCIPAL ACTIVITY

The principal activity of the Group is the playing and development of rugby, along with the operation of the stadium as a conference and events venue.

## BUSINESS REVIEW

At the start of last season, we urged our supporters to look forward to a "New Era" at Northampton Saints. At the end of this first year, we can look back on a year of significant improvement, both on and off the pitch.

The Club made great strides on the pitch, bringing home its first silverware in five years in the form of the Premiership Rugby Cup. Chris Boyd also led the team to a quarter-final in the European Challenge Cup and a fourth-place finish in the Gallagher Premiership, a considerable advance on the previous season's ninth place. We look forward to returning to the top tier of European rugby next season after qualification for the Heineken Champions Cup, while the future of the Club is in great hands with a number of young players breaking into the first team over the last 12 months – in fact, our average squad age is now comfortably below the league's average.

Off the pitch, the benefits of last year's restructuring began to bear fruit, with our commercial operations exuding a new energy and sense of purpose. Turnover increased by £1.3m or 7.8% in the 12 months to 31 May 2019, representing a growth in revenue greater than that of the previous three seasons combined. Although the Club still reported a loss, for the same period this was a £0.1m improvement on the previous year. Most commercial income streams delivered growth, and the match at Twickenham as well as the Premiership Rugby Cup home semi-final and final drove substantial ticketing revenue. Operating costs were up by 5.7% which was in part due to the cost of delivering higher sales, including additional match costs, as well as increased spend on marquee players and other staff costs.

An agreement to sell a significant minority interest in Premiership Rugby Limited (PRL) to certain funds advised or managed by CVC Capital Partners (CVC Funds) was signed on 29 March 2019 and the Club received a cash inflow of £12.8m as a result of this transaction. This income, which is effectively a prepayment against the first four years of the new commercial arrangement with CVC, is being recognised over 48 months, with three months (or £802k) in the period to 30 June 2019.

From a financial reporting perspective, we took the decision to change our accounting year-end from 31 May to 30 June to bring it in line with the rugby season and the rest of the Premiership clubs. As a result, the profit and loss account on page 16 shows a 13-month period to 30 June 2019 compared with a 12-month period to 31 May 2018. In addition, the profit & loss account includes a proportion of the proceeds from the CVC deal, as well as the revaluation of the Club's investment in PRL. The figures below split the underlying financials out separately from the impact of the deal and change of year-end.

| | 12 months to 31 May 2018 | **12 months to 31 May 2019** (Excl deal impact) | Change of year end and deal impact | **13 months to 30 Jun 2019** |
|---|---|---|---|---|
| | £000 | **£000** | £000 | **£000** |
| Turnover | 17,127 | **18,457** | 932 | **19,389** |
| Loss before tax and valuation gain | (2,788) | **(2,663)** | (444) | **(3,107)** |
| Investment valuation gain | - | - | 7,382 | **7,382** |
| Reported loss before tax | (2,788) | **(2,663)** | 6,938 | **4,275** |

We have maintained a strong balance sheet which has been boosted by the increase in value of the Club's investment in PRL and a materially improved cash position. The receipt of funds in relation to the CVC deal enabled the Club to make early repayment of the £1.95m shareholder loan taken out in July 2018, to pay off its bank overdraft and close the year with a positive cash balance of £7.3m.

From a commercial perspective, there have been several highlights this year. We have announced new commercial partnerships with Toolstation, Auto Windscreens, Thomas Cook Sport, Triad, StatSport and Redrow Homes. In terms of ticketing, we were one of only three clubs to grow attendances on a like-for-like basis during 2018/19, and we are well placed to grow season ticket numbers into 2019/20. March saw England head coach Eddie Jones join us for an exclusive dinner to herald the forthcoming World Cup, whilst Franklin's Gardens was a hive of activity throughout the month of June; Tough Mudder staged their first stadium-based obstacle race, shortly followed by two outdoor cinema events and finally two major concerts as Madness and Nile Rodgers performed in front of a packed stadium.

We continued our ceaseless efforts to improve our matchday experience for supporters, sponsors and customers. Many supporters enjoyed the atmosphere of the new Captain's Club, whilst elsewhere we rolled out cashless payments to help improve speed of service across all the bars. Performances from opera singers Laurence Robinson and Emily Haig as well as Saints' own Dance Club went down a storm with supporters at half-time and in the village. We were delighted to receive increased satisfaction scores from our match-goers and season ticket holders in the end of season survey, but we are always seeking to improve further and have several exciting projects under way ahead of the new season.

2019/20 will see the launch of the Tunnel Club, an exciting new premium hospitality experience and a first in rugby, whilst supporters will notice a new layout in our village area along with an improved food and drink offering, more children's activities, and shelter from the elements. Our South Stand boxes are undergoing refurbishment and we have also enhanced our food offering in the Heroes Restaurant.

Our thriving Community department continued to engage more people within Northampton than ever before, with attendees reaching 27,000 across our festivals, schools, clubs, and camps during the 2018/19 season. Moreover, we hosted our first international rugby camp in Spain last season, while our efforts to nurture women's rugby in the region grew again as we hosted the Tyrrells Premier XVs final, three dedicated matchday tournaments to promote women's rugby and a girls-only summer camp.

We also oversaw the launch of Northampton Saints Foundation, a new charity replacing the Study Centre at Franklin's Gardens, and appointed a new managing director, Catherine Deans, from Cancer Research UK. With a mandate to support young people who are struggling to complete their education and encourage them into full-time employment, the Foundation's programmes also continue to grow and complement our Community department's efforts to make a very meaningful impact in Northampton.

## GOVERNANCE

The Club continues to be run on a day-to-day basis by the Executive team in accordance with delegated authority limits defined by the board of directors. The board of directors meets formally at least 10 times a year.

The Remuneration Committee, chaired by C Povey, oversees matters relating to staff remuneration and meets at least twice per year. The Audit Committee, chaired by M Smith, oversees matters relating to financial reporting, accounting and internal controls and meets at least twice per year.

A Nomination Committee meets as required to oversee the appointment of senior executives. The composition of the committee may vary depending on the role.

## KEY PERFORMANCE INDICATORS

The Group measures its financial performance using the following measures:

- Growth in turnover. At £18.5m (on a like-for-like basis) turnover for 2019 was up 7.8% on last year
- Maintaining a profitable business. The Group reported a profit before tax of £4.3m. Before the change of year end and deal impacts, the underling loss before tax was £2.7m, a £0.1m improvement on last year
- Maintaining a strong balance sheet. The Group had net assets of £20.0m at 30 June 2019 (2018: £17.0m)
- Number of season ticket holders and gate receipts. Total ticketing income was down 4% (standard season fixtures only) but up 15% in total, driven by the PRC home semi-final and final, and the match at Twickenham
- The ability to spend up to the amount allowed within the Premiership Rugby salary framework. Total expenditure on players has increased year-on-year, despite the freeze on the salary cap, through expenditure on marquee players along with other credits and exemptions

## PRINCIPAL RISKS AND UNCERTAINTIES

- The health and wellbeing of the players. This is managed by the Club employing the best coaches, medical and conditioning staff to maintain players in peak physical condition, and adhering strictly to injury protocols
- The need to attract and retain key coaching and playing staff
- The requirement for Premiership Rugby, the RFU and other clubs to play their part in maintaining compelling rugby competitions to ensure rugby is a successful and flourishing sport
- Ensuring Franklin's Gardens remains a safe matchday environment
- The maintenance of the salary framework at a level which enables a well-run rugby club business to spend the amount required to stay competitive without undermining its financial viability
- The ability for Premiership Rugby and the RFU to maintain and grow revenue distributions to the Premiership clubs at a rate that at least keeps pace with the level of player expenditure necessary to remain competitive on the pitch
- Ensuring the Group can secure adequate resources to underpin its long-term financial viability

This report was approved by the board on 23 September 2019 and signed on its behalf.

Mark Darbon
Chief Executive Officer

# PLAYING REPORT

The electric Cobus Reinach was named the Supporters' and Players' Player of the Season, also finishing as the Premiership's top try scorer

Having made the decision to come north, especially after consultation with Wayne Smith, I knew the opportunity to come to Franklin's Gardens that was presented by Chairman John White and CEO Mark Darbon was a really good fit for me – a great community club with solid foundations, and high ambition. During my first visit to the club in March it became apparent to me that we had a very talented group of both young and experienced players, we just needed to figure out how to unlock their potential. As the season wore on, we made slow but ultimately significant strides in many key areas, and our results told the same story with some excellent performances and far more consistency in results during the second half of the campaign.

We also already had a couple of excellent coaches in place in Alan Dickens and Phil Dowson, and adding Sam Vesty and Matt Ferguson to that pot has put the Club in a good place to kick on in the coming seasons. I'm thrilled with how this coaching group has come together so far and I'd love it if in ten years' time all four of them were still here coaching a very successful Northampton Saints team. The coaching team is fantastically supported by a well-connected and aligned strength & conditioning, medical, analysis and logistical team. These teams play a critical role in our success.

A fourth-place finish in the Gallagher Premiership saw us both play knock-out rugby at the end of the season and earn a place in the hat for the Heineken Champions Cup next season. Of course, we're thrilled to have progressed but we're under no illusions whatsoever that there's still a big gap to close between us and the top sides; Saracens and Exeter Chiefs. Both of those sides play very physical, ball-dominating, smothering rugby – and do it very well – but it's really important for the league that there's not only one way to skin a cat. I don't believe the strength of this group of players would be to get big enough to compete physically with them; instead, our guys thrive when given the freedom to play their way out of pressure situations and I am more than satisfied that we are trending in the right direction with the ball in hand. Clearly, we have to get better at holding onto the ball and winning it back, but we also have to be brave and courageous with our decisions and our skills under pressure to negate the physicality of those two teams. We want to bring something that challenges them.

We enjoyed a good run in Europe too, making it through to the Challenge Cup quarter-finals where we more than held our own against ASM Clermont Auvergne – a side that went on to win the competition and could safely be described as one of the top three or four sides in Europe. We look forward to a different challenge next year in the Champions Cup; it's important for this Club to be competing at the very top level of European rugby so we were thrilled to secure our qualification in a tight Premiership top-six race.

But for many people, the highlight of the season will have

Saints lifted the Premiership Rugby Cup for the second time, beating Saracens on home soil in a sell-out final

been that spring afternoon back in March here at Franklin's Gardens, after we had earned the right to host the Premiership Rugby Cup final on our own patch. We faced Saracens – who won just about everything else on offer last season – with silverware on the line, but executed an excellent performance all over the park to come out on top. Almost every player in the squad contributed to that Premiership Rugby Cup win over the course of the season, and seeing that mix of experience and youth on the field playing a good brand of rugby epitomised the best parts of our 2018/19 campaign.

The passion of the supporters here in Northampton has been something that struck me right from the moment I arrived here, and for me it was a huge victory to see the stadium packed to the rafters and to reward their loyalty with a trophy. To hear the visiting supporters chanting after our victory at Welford Road the following week was really special as well – that was a watershed moment for me.

Away from Franklin's Gardens, there were several Saints players who impressed while representing the Club on the international stage. Dan Biggar guided Wales to their first Grand Slam triumph since 2012, while Courtney Lawes continued to shine for England throughout the autumn international campaign and Six Nations. Ahsee Tuala (Samoa) and Api Ratuniyarawa (Fiji) were also involved for their countries over the course of the season, while the selections of Piers Francis and Lewis Ludlam (both England), Rory Hutchinson (Scotland), and Cobus Reinach (South Africa) for World Cup training squads shows just how well they performed during the second half of last term. Cobus in particular was nominated for the Gallagher Premiership's Player of the Season, was named in the team of the year and scooped almost everything going at Saints' own end of season dinner – a remarkable season for him. We wish all eight players the very best of luck for the World Cup this autumn.

We shouldn't forget the likes of Fraser Dingwall, Alex Coles, Ollie Sleightholme and Samson Ma'asi either, who were a huge part of England's Under-20s side for the Six Nations and World Championship campaigns. Fraser captained the team throughout the year and was a superb ambassador for the Club.

A big positive of the past season was the number of Academy players who played well enough when given their opportunity to get upgraded to full contracts. No fewer than eight academy players have been contracted fully going forward; this trend is critical to the sustainability of our contracting model.

Moving forward, we are in a strong position to kick on again and progress next season; while this will be a big ask we are all really looking forward to the challenge of bringing both a higher standard and greater consistency to our game. Last year a raft of new players, coaches and staff needed time to settle, heading into preseason this term everyone was in place and eager to rip in. We have been active in the international market, signing proven world-class players in Matt Proctor and Owen Franks. Our recruitment philosophy is still underpinned with development of local players and EQP recruitment if possible. We made sure to secure several of our key players on long-term contracts in 2018/19, and identified ample talent within our player pathway to build towards a bright future at Franklin's Gardens. Moreover, getting the likes of Harry Mallinder, Mikey Haywood, Dylan Hartley and Andy Symons back from long-term injuries will be like signing new players – they are all hungry to pull on the jersey again.

I want to thank the Club's owners, in particular the Barwell family, the board and staff for their efforts during my first 12 months here, and of course the Saints supporters for their unwavering support – I am sure we can give them plenty more to cheer about in 2019/20. I have always been of the view that if our supporters - especially when they come to the Gardens on matchday - go home happy with a smile on their faces, this is the true barometer of our success.

**Chris Boyd**
Director of Rugby

# DIRECTORS' REPORT

The directors present their report together with audited financial statements for the year ended 31 May 2019.

## DIRECTORS

The directors who served during the year were:

J White
(Chairman) (R)

C Povey
(Deputy Chairman) (R – chair, A)

M Darbon
(Chief Executive Officer)

K Barwell OBE
(Non-Executive)

N Beal
(Non-Executive)

E Bevan
(Non-Executive) (R, A)

J Chapman
(Finance & Operations Director)

S Cunningham
(Non-Executive) (resigned 18 June 2018)

J Drown
(Non-Executive) (R, A)

A Hewitt
(Non-Executive)

M Smith
(Non-Executive) (A – chair)

## EXECUTIVE TEAM

M Darbon
(Chief Executive Officer)

C Boyd
(Director of Rugby)

N Browne
(HR Director)

J Chapman
(Finance & Operations Director)

L Gibbons
(Commercial Director)

T Percival
(Marketing & Communications Director)

A – Audit Committee; R – Remuneration Committee

## RESULTS AND DIVIDENDS

The profit for the period, after taxation, amounted to £3,921,711 (2018 – loss £2,813,992). The directors do not recommend the payment of a dividend.

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## FINANCIAL RISK MANAGEMENT

The group has exposures to two main areas of risk - liquidity risk and customer credit exposure. To a lesser extent the group is exposed to interest rate risk.



A sell-out crowd enjoyed December's thrilling win over defending Premiership champions Exeter Chiefs

### LIQUIDITY RISK

The objective of the group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The group expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the group has credit facilities available. The group is in position to meet its commitments and obligations as they come due.

### CUSTOMER CREDIT EXPOSURE

The group may offer credit terms to its customers which allow payment of the debt after delivery of the goods or services. The group is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by the strong on-going customer relationships and by credit insurance.

### INTEREST RATE RISK

The Group borrows from its lenders using either overdrafts or term loans whose tenure depends on the nature of the asset and management's view of the future direction of interest rates.

## EMPLOYEE INVOLVEMENT

The Directors recognise the benefits which arise from keeping employees informed of the company's progress and plans and through their participation in the company's performance. The company is therefore committed to providing its employees with information on a regular basis, to consulting with them on a regular basis so that their views and/or concerns may be taken into account in taking decisions which may affect their interests, and to encouraging their participation in schemes through which they will benefit from the company's progress and profitability. The company aims to foster a working environment in which all employees are treated with courtesy and respect and seeks at all times to provide opportunities to develop and reach their full potential.

## DISABLED EMPLOYEES

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

## QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

During the period and up to the date of this report, the company maintained liability insurance and third-party indemnification provisions for its directors, under which the company has agreed to indemnify the directors to the extent permitted by law in respect of all liabilities to third parties arising out of, or in connection with the execution of their powers, duties and responsibilities as directors of the company.

## POST BALANCE SHEET EVENTS

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

## DISCLOSURE OF INFORMATION TO AUDITOR

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

## AUDITOR

The auditor will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 23 September 2019 and signed on its behalf.

Julia Chapman
Director

# INDEPENDENT AUDITOR'S REPORT

## Independent Auditor's report to the members of Northampton Saints PLC

We have audited the financial statements of Northampton Saints PLC (the 'parent Company') and its subsidiary (the 'Group') for the Period ended 30 June 2019, which comprise the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows, the Consolidated and Company Statements of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 June 2019 and of the Group's profit for the Period then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- have been prepared in accordance with the requirements of the Companies Act 2006

## BASIS FOR OPINION

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

## CONCLUSIONS RELATING TO GOING CONCERN

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

- the 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 or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue

## OTHER INFORMATION

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

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

We have nothing to report in this regard.

## OPINIONS ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Group strategic report and the Directors' report for the financial Period for which the financial statements are prepared is consistent with the financial statements; and

- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT UNDER THE COMPANIES ACT 2006

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or

- the parent Company financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit

## RESPONSIBILITIES OF DIRECTORS FOR THE FINANCIAL STATEMENTS

As explained more fully in the Directors' responsibilities statement on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

## USE OF OUR REPORT

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

Philip Sayers BSc FCA
Senior Statutory Auditor

For and on behalf of Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Milton Keynes

23 September 2019

# CONSOLIDATED PROFIT & LOSS ACCOUNT

| | Note | 13 months ended 30 June 2019 £ | 12 months ended 31 May 2018 £ |
|---|---|---|---|
| Turnover | 4 | 19,389,146 | 17,126,878 |
| Cost of sales | | (13,571,915) | (11,206,722) |
| **Gross profit** | | 5,817,231 | 5,920,156 |
| Administrative expenses | | (8,690,660) | (7,978,318) |
| Exceptional administrative expenses | 11 | - | (530,859) |
| Fair value movements | 16 | 7,382,065 | - |
| Operating profit/(loss) | 5 | 4,508,636 | (2,589,021) |
| Interest receivable and similar income | 9 | 7,541 | - |
| Interest payable and similar expenses | 10 | (240,991) | (198,687) |
| **Profit/(loss) before tax** | | 4,275,186 | (2,787,708) |
| Tax on profit/(loss) | 12 | (1,284,377) | (26,284) |
| **Profit/(loss) for the financial Period** | | 2,990,809 | (2,813,992) |
| **Profit/(loss) for the Period attributable to:** | | | |
| Owners of the parent | | 2,990,809 | (2,813,992) |

There were no recognised gains and losses for 2019 or 2018 other than those included in the consolidated profit and loss account.

The notes on pages 23 to 43 form part of these financial statements.



# CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2019

| | Note | 30 Jun 2019 £ | 30 Jun 2019 £ | 31 May 2018 £ | 31 May 2018 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Intangible assets | 14 | | 91,009 | | 152,706 |
| Tangible assets | 15 | | 20,152,821 | | 20,598,591 |
| Investments | 16 | | 15,998,233 | | 6,483,161 |
| | | | 36,242,063 | | 27,234,458 |
| **Current assets** | | | | | |
| Stocks | 17 | 58,493 | | 187,038 | |
| Debtors: amounts falling due within one year | 18 | 2,404,194 | | 2,470,316 | |
| Current asset investments | 19 | 5,000,000 | | - | |
| Cash at bank and in hand | 20 | 2,287,041 | | 4,520 | |
| | | 9,749,728 | | 2,661,874 | |
| Creditors: amounts falling due within one year | 21 | (9,563,106) | | (6,270,875) | |
| **Net current assets/(liabilities)** | | | 186,622 | | (3,609,001) |
| **Total assets less current liabilities** | | | 36,428,685 | | 23,625,457 |
| Creditors: amounts falling due after more than one year | 22 | | (13,495,241) | | (4,967,199) |
| **Provisions for liabilities** | | | | | |
| Deferred taxation | 25 | (2,959,190) | | (1,674,813) | |
| | | | (2,959,190) | | (1,647,058) |
| **Net assets** | | | 19,974,254 | | 16,983,445 |
| **Capital and reserves** | | | | | |
| Called up share capital | 26 | | 5,195,750 | | 5,195,750 |
| Share premium account | 27 | | 4,841,600 | | 4,841,600 |
| Profit and loss account | 27 | | 9,936,904 | | 6,946,095 |
| | | | 19,974,254 | | 16,983,445 |

Company registration number 04064363

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 September 2019.

J Chapman
Director

The notes on pages 23 to 43 form part of these financial statements.

# COMPANY BALANCE SHEET

AS AT 30 JUNE 2019

| | Note | | 30 Jun 2019 | | 31 May 2018 |
|---|---|---|---|---|---|
| | | | £ | | £ |
| **Fixed assets** | | | | | |
| Investments | 16 | | 9,127,072 | | 9,127,072 |
| | | | 9,127,072 | | 9,127,072 |
| **Current assets** | | | | | |
| Debtors: amounts falling due within one year | 18 | | 1,000,000 | | 1,000,000 |
| **Total assets less current liabilities** | | | 10,127,072 | | 10,127,072 |
| **Net assets** | | | 10,127,072 | | 10,127,072 |
| **Capital and reserves** | | | | | |
| Called up share capital | 26 | | 5,195,750 | | 5,195,750 |
| Share premium account | 27 | | 4,841,600 | | 4,841,600 |
| Profit and loss account brought forward | | 89,722 | | 89,722 | |
| Profit and loss account carried forward | | | 89,722 | | 89,722 |
| | | | 10,127,072 | | 10,127,072 |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 September 2019.

Company registration number 04064363

J Chapman
Director

The notes on pages 23 to 43 form part of these financial statements.



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR PERIOD ENDED 30 JUNE 2019

| | Called up share capital | Share premium account | Profit and loss account | Total equity |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| At 1 June 2018 | 5,195,750 | 4,841,600 | 6,946,095 | 16,983,445 |
| **Comprehensive income for the year** | | | | |
| **Profit for the Period** | - | - | 2,990,809 | 2,990,809 |
| **Total comprehensive income for the Period** | - | - | 2,990,809 | 2,990,809 |
| **At 30 June 2019** | 5,195,750 | 4,841,600 | 9,936,904 | 19,974,254 |

FOR PERIOD ENDED 31 MAY 2018

| | Called up share capital | Share premium account | Profit and loss account | Total equity |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| At 1 June 2017 | 5,195,750 | 4,841,600 | 9,760,087 | 19,797,437 |
| **Comprehensive income for the year** | | | | |
| Loss for the year | - | - | (2,813,992) | (2,813,992) |
| **Total comprehensive income for the year** | - | - | (2,813,992) | (2,813,992) |
| **At 31 May 2018** | 5,195,750 | 4,841,600 | 6,946,095 | 16,983,445 |

The notes on pages 23 to 43 form part of these financial statements.

# COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2019

| | Called up share capital | Share premium account | Profit and loss account | Total equity |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| At 1 June 2018 | 5,195,750 | 4,841,600 | 89,722 | 10,127,072 |
| **Total transactions with owners** | - | - | - | - |
| **At 30 June 2019** | **5,195,750** | **4,841,600** | **89,722** | **10,127,072** |

**FOR THE PERIOD ENDED 31 MAY 2018**

| | Called up share capital | Share premium account | Profit and loss account | Total equity |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| At 1 June 2017 | 5,195,750 | 4,841,600 | 89,722 | 10,127,072 |
| Total transactions with owners | - | - | - | - |
| At 31 May 2018 | 5,195,750 | 4,841,600 | 89,722 | 10,127,072 |

The notes on pages 23 to 43 form part of these financial statements.



# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR PERIOD ENDED 30 JUNE 2019

| | 30 Jun 2019 | 31 May 2018 |
|---|---|---|
| | £ | £ |
| **Cash flows from operating activities** | | |
| Profit/(loss) for the financial period | **2,990,809** | (2,813,992) |
| **Adjustments for:** | | |
| Amortisation of intangible assets | **106,697** | 151,816 |
| Depreciation of tangible assets | **798,232** | 754,171 |
| Loss on disposal of tangible assets | - | 26,021 |
| Interest paid | **240,991** | 198,687 |
| Interest received | **(7,541)** | - |
| Taxation charge | **1,284,377** | 26,284 |
| Decrease/(increase) in stocks | **128,545** | (26,722) |
| Decrease in debtors | **66,122** | 60,497 |
| Increase/(decrease) in creditors | **12,816,535** | (517,980) |
| Net fair value gains recognised in P&L | **(7,382,065)** | - |
| **Net cash generated from operating activities** | **11,042,702** | (2,141,218) |
| **Cash flows from investing activities** | | |
| Purchase of intangible fixed assets | **(45,000)** | (2,000) |
| Sale of intangible assets | - | 1,451 |
| Purchase of tangible fixed assets | **(356,897)** | (318,835) |
| Sale of tangible fixed assets | **4,435** | - |
| Purchase of current asset investments | **(5,000,000)** | - |
| Purchase of fixed asset investments | **(2,133,007)** | - |
| Interest received | **7,541** | - |
| HP interest paid | **(9,165)** | (11,633) |
| **Net cash from investing activities** | **(7,532,093)** | (331,017) |

# CONSOLIDATED STATEMENT OF CASH FLOWS
(CONTINUED)

| | 2019 £ | 2018 £ |
|---|---|---|
| **Cash flows from financing activities** | | |
| Repayment of other loans | (220,000) | (220,000) |
| Repayment of/new finance leases | (68,235) | (47,839) |
| Interest paid | (231,826) | (198,699) |
| **Net cash used in financing activities** | (520,079) | (437,074) |
| **Net increase/(decrease) in cash and cash equivalents** | 2,990,530 | (2,909,309) |
| Cash and cash equivalents at beginning of year | (703,489) | 2,205,820 |
| **Cash and cash equivalents at the end of year** | 2,287,041 | (703,489) |
| **Cash and cash equivalents at the end of Period comprise:** | | |
| Cash at bank and in hand | 2,287,041 | 4,520 |
| Bank overdrafts | - | (708,009) |
| | 2,287,041 | (703,489) |

The notes on pages 23 to 43 form part of these financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE PERIOD ENDED 30 JUNE 2019

1. General information

Northampton Saints PLC is a public limited entity registered in England and Wales. Its registered head office is located at Franklin's Gardens, Weedon Road, Northampton, Northamptonshire, NN5 5BG.

The principal activity of the group is the playing and development of rugby, along with the operation of the stadium as a conference and events venue.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in Sterling (£). The functional currency is Sterling (£).

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

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated profit and loss account from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 June 2014.

2.3 Going concern

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 2. Accounting policies (continued)

### 2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The Group recognises revenue when:

- the amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity; and
- specific criteria have been met for each of the group activities

Revenue received for specific events, including match day tickets, bar sales, conferences and courses is recognised when the relevant match or event takes place.

Revenue from seasonal sales, including season tickets, executive boxes and VIP packages, is recognised over the season to which it relates.

For income streams that relate to more than one season, such as sponsorship, advertising and branding, revenue is attributed to each season according to the terms of the contract.

Central income is recognised in the season to which it relates unless contingent upon specific criteria or a future event, in which case it is recognised when the criteria are achieved or the event takes place

#### Deferred income

Deferred income other than grants represents amounts received in relation to sponsorship, season tickets and hospitality. Deferred income is released to the profit and loss account in the season to which the income relates and typically is over a period of between 1 and 4 years.

### 2.5 Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

#### Software

Software is amortised on a straight-line basis over a 3 year useful economic life.

#### Transfer fees paid for player registrations

The costs of acquired player registrations are capitalised as intangible assets and amortised over the period of the players' contracts, with appropriate adjustments for any impairments assessed to have taken place.

Gains and losses on disposal of player registrations are determined by comparing the fair value of the consideration receivable, net of any transaction costs, with the carrying amount and are recognised separately in the Profit and Loss Account within profit of disposal of players' registrations. Where a part of the consideration receivable is contingent on specified conditions, this amount is recognised in the Profit and Loss Account on the date the conditions are met.

#### Purchased goodwill

Purchased goodwill represents the surplus arising on the acquisition of the net assets of Northampton Rugby Football Club Limited.



## 2. Accounting policies (continued)

The Group adopted a policy of amortising the cost over its estimated useful life of 20 years. No reduction in useful life under FRS 102 has been implemented as the remaining useful life of the goodwill is within the 10 year requirement.

### 2.6 Tangible fixed assets

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

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

Finance costs are capitalised to the extent that they relate to long term construction in progress.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

| | |
|---|---|
| Freehold property | 2% straight line |
| Leasehold Property | Over the remaining term of the lease |
| Ground improvements | 20% on reducing balance |
| Property improvements | 10% on reducing balance |
| Motor vehicles | 33.33% on reducing balance |
| Furniture, fixtures and fittings | 20% on reducing balance |
| Office equipment | 20% - 33.33% straight line |

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

### 2.7 Operating leases: lessee

Rentals paid under operating leases are charged to the Profit and Loss Account on a straight line basis over the period of the lease

### 2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments other than loans are measured at fair value at each Balance sheet date using a valuation technique with any gains or losses being reported in the Profit and Loss Account.

Investments which cannot be reliably measured due to significant variability in the range of reasonable fair value estimates are measured at cost less accumulated impairment.

Current asset investments relate to savings accounts held, which have notice periods of over three months. Interest accrued is recognised in the Profit and Loss Account on a straight line basis each year in line with the interest rate on the account.

# NOTES TO THE FINANCIAL STATEMENTS

## 2. Accounting policies (continued)

### 2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Profit and Loss Account.

### 2.10 Debtors

Short term debtors are measured at transaction price, less any impairment.

### 2.11 Cash and Cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

### 2.12 Creditors

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

### 2.13 Finance costs

Finance costs are charged to the Consolidated Profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

### 2.14 Finance leases: Lessee

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the Profit and Loss Account over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the Profit and Loss Account over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.



## 2. Accounting policies (continued)

### 2.15 Pensions

**Defined contribution pension plan**

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

The contributions are recognised as an expense in the Consolidated Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

### 2.16 Interest income

Interest income is recognised in the Consolidated Profit and Loss Account using the effective interest method.

### 2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Profit and Loss Account in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

### 2.18 Current and deferred taxation

The tax expense for the Period comprises current and deferred tax. Tax is recognised in the Consolidated Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:
The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

# NOTES TO THE FINANCIAL STATEMENTS



## 2. Accounting policies (continued)

### 2.19 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or nature.

Termination benefits are expensed at the point when the Group can no longer withdraw the offer of those benefits.

### 2.20 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

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

3.1 Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include revenue recognition, valuation of investments, the recoverability of stock and deferred tax.

### 3.2 Judgements in applying accounting policies

The directors must judge whether all of the conditions required for revenues to be recognised in the Profit and Loss Account for the financial year have been met.

### 3.3 Key sources of estimation

There are key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have significant risk of causing material adjustment to the carrying value of assets and liabilities within the next reporting period, these include:

(i) Recognition of CVC transaction proceeds - note 4
(ii) Recognition of deferred tax - note 12
(iii) Premiership Rugby Limited investment carrying value – note 16
(iv) Recoverability of stock – note 17

## 4. Turnover

An analysis of turnover by class of business is as follows

| | 13 months ended 30 June 2019 | 12 months ended 31 May 2018 |
|---|---|---|
| | £ | £ |
| Rugby income | 4,643,170 | 4,011,345 |
| Premiership Rugby and RFU income | 6,847,144 | 6,221,191 |
| Commercial income | 7,898,832 | 6,894,342 |
| | 19,389,146 | 17,126,878 |

All turnover arose within the United Kingdom.

An agreement to sell a significant minority interest in Premiership Rugby Limited (PRL) to certain funds advised or managed by CVC Capital Partners (CVC Funds) was signed on 29 March 2019 and the club received a cash inflow of £12.8m as a result of this transaction. This income is being recognised in the Profit and Loss Account over 48 months, with amounts relating to future periods being recognised as deferred income. The income recognised is included in Premiership Rugby and RFU income

# NOTES TO THE FINANCIAL STATEMENTS

## 5. Operating profit/(loss)

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

| | 13 months ended 30 June 2019 | 12 months ended 31 May 2018 |
|---|---|---|
| | £ | £ |
| Other operating lease rentals | 30,980 | 42,600 |

## 6. Auditor's remuneration

| | 13 months ended 30 June 2019 | 12 months ended 31 May 2018 |
|---|---|---|
| | £ | £ |
| Fees payable to the Group's auditor for the audit of the Group's annual financial statements | 2,300 | 2,300 |
| The auditing of accounts of subsidiaries of the Group | 29,952 | 29,064 |

**Fees payable to the Group's auditor and its associates in respect of:**

| | | |
|---|---|---|
| Other services relating to taxation | 3,590 | 3,590 |

## 7. Employees

Staff costs, including executive directors' remuneration, were as follows:

| | Group 13 months ended 30 June 2019 | Group 12 months ended 31 May 2018 |
|---|---|---|
| | £ | £ |
| Wages and salaries | 11,579,960 | 10,266,223 |
| Social security costs | 1,417,632 | 1,206,275 |
| Cost of defined contribution scheme | 123,246 | 113,004 |
| | 13,120,838 | 11,585,502 |

The parent company had no employees remunerated during the year. Any directors of the parent company who were paid during the year were remunerated by Northampton Rugby Football Club Limited.

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

| | 13 months ended 30 June 2019 | 12 months ended 31 May 2018 |
|---|---|---|
| | No. | No. |
| Sports staff and rugby players | 90 | 89 |
| Administration, commercial and match day staff | 183 | 189 |
| | 273 | 278 |

## 8. Directors' remuneration

| | 13 months ended 30 June 2019 | 12 months ended 31 May 2018 |
|---|---|---|
| | £ | £ |
| Directors' emoluments | 482,139 | 400,953 |
| Company contributions to defined contribution pension schemes | 21,937 | 16,118 |
| | 504,076 | 417,071 |

None of the non-executive directors received any remuneration in 2019 (2018: Nil)

During the Period retirement benefits were accruing to 2 directors (2018 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £328,903 (2018 - £242,188).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £12,876 (2018 - £8,061).

# NOTES TO THE FINANCIAL STATEMENTS

## 9. Interest receivable

| | 13 months ended 30 June 2019 £ | 12 months ended 31 May 2018 £ |
|---|---|---|
| Other interest receivable | 7,541 | - |

## 10. Interest payable and similar charges

| | 13 months ended 30 June 2019 £ | 12 months ended 31 May 2018 £ |
|---|---|---|
| Bank interest payable | 17,850 | - |
| Other loan interest payable | 213,976 | 187,054 |
| Finance leases and hire purchase contracts | 9,165 | 11,633 |
| | 240,991 | 198,687 |

## 11. Exceptional items

| | 13 months ended 30 June 2019 £ | 12 months ended 31 May 2018 £ |
|---|---|---|
| Restructuring costs | - | (530,859) |

The restructuring costs in the prior year relate to the re-organisation of management and staff.

## 12. Taxation

| | 13 months ended 30 June 2019 £ | 12 months ended 31 May 2018 £ |
|---|---|---|
| **Corporation tax** | | |
| Adjustments in respect of previous periods | - | (1,471) |
| **Total current tax** | - | (1,471) |
| **Deferred tax** | | |
| Origination and reversal of timing differences | 1,284,377 | 27,755 |
| **Total deferred tax** | 1,284,377 | 27,755 |
| **Taxation on profit on ordinary activities** | 1,284,377 | 26,284 |

## 12. Taxation (continued)

### Factors affecting tax charge for the year

The tax assessed for the Period/year is lower than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

| | 13 months ended 30 June 2019 £ | 12 months ended 31 May 2018 £ |
|---|---|---|
| Profit/(loss) on ordinary activities before tax | 4,275,186 | (2,787,708) |
| Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%) | 812,285 | (529,665) |
| **Effects of:** | | |
| Non-tax deductible amortisation of goodwill and impairment | 15,720 | 14,324 |
| Capital allowances for Period/year in excess of depreciation | 63,540 | 58,818 |
| Short term timing difference leading to a decrease in taxation | (101,847) | 48,055 |
| Deferred tax not recognised | 494,679 | 436,223 |
| Adjustments to tax charge in respect of previous periods | - | (1,471) |
| **Total tax charge for the Period/year** | 1,284,377 | 26,284 |

### Factors that may affect future tax charges

The tax losses carried forward total £6.5m (2018: £3.6m).

There is an unrecognised deferred tax asset of £1,367,125 (2018: £436,223).

The amount of the net increase of deferred tax liability expected to occur next year is £559,883 relating to fixed asset timing differences.

During the prior year, the main rate of UK corporation tax has reduced from 20% to 19% with effect from 1 April 2017, and the rate will reduce further to 17% from 1 April 2020. These changes have been substantively enacted at the Balance Sheet date. Temporary differences have been measured using the enacted tax rates that are expected to apply when the liability is settled or the asset realised.

## 13. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and Loss Account in these financial statements. The profit after tax of the parent Company for the Period/year was £Nil (2018 - £Nil).

## 14. Intangible assets

Group and Company

| | Development expenditure | Player registrations | Goodwill | Total |
|---|---|---|---|---|
| **Cost** | £ | £ | £ | £ |
| At 1 June 2018 | 27,019 | 162,457 | 1,239,472 | 1,428,948 |
| Additions | - | 45,000 | - | 45,000 |
| Disposals | - | (184,143) | - | (184,143) |
| At 30 June 2019 | 27,019 | 23,314 | 1,239,472 | 1,289,805 |
| **Amortisation** | | | | |
| At 1 June 2018 | 18,958 | 150,304 | 1,106,980 | 1,276,242 |
| Charge for the year | 6,824 | 39,303 | 60,570 | 106,697 |
| On disposals | - | (184,143) | - | (184,143) |
| At 30 June 2019 | 25,782 | 5,464 | 1,167,550 | 1,198,796 |
| **Net book value** | | | | |
| At 30 June 2019 | 1,237 | 17,850 | 71,922 | 91,009 |
| At 31 May 2018 | 8,061 | 12,153 | 132,492 | 152,706 |

Amortisation of intangible fixed assets is included in administrative expenses.

## 15. Tangible fixed assets

Group

| | Freehold property, new buildings and ground improvement | Furniture, fixtures and fittings, motor vehicles and office equipment | Total |
|---|---|---|---|
| **Cost** | £ | £ | £ |
| At 1 June 2018 | 24,225,034 | 3,536,237 | 27,761,271 |
| Additions | 132,284 | 224,613 | 356,897 |
| Disposals | - | (6,260) | (6,260) |
| At 30 June 2019 | 24,357,318 | 3,754,590 | 28,111,908 |
| **Depreciation** | | | |
| At 1 June 2018 | 4,643,380 | 2,519,300 | 7,162,680 |
| Charge for the year on owned assets | 503,071 | 295,161 | 798,232 |
| Disposals | - | (1,825) | (1,825) |
| At 30 June 2019 | 5,146,451 | 2,812,636 | 7,959,087 |
| **Net book value** | | | |
| At 30 June 2019 | 19,210,867 | 941,954 | 20,152,821 |
| At 31 May 2018 | 19,581,654 | 1,016,937 | 20,598,591 |

The parent company (Northampton Saints Plc) has no tangible fixed assets.

Included within freehold property, new buildings and ground improvements is:

- land at cost of £1,417,857 (2018: £1,417,857) which is not depreciated.
- capitalised finance costs of £374,333 (2018: £374,333), which relates to the construction of the assets which were completed in 2016.

**15. Tangible fixed assets (continued)**

The net book value of land and buildings may be further analysed as follows:

| | 30 June 2019 | 31 May 2018 |
|---|---|---|
| | £ | £ |
| Freehold | 19,210,867 | 19,581,654 |

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

| | 30 June 2019 | 31 May 2018 |
|---|---|---|
| | £ | £ |
| Fixtures and fittings | 155,536 | 194,420 |

Depreciation charged on assets held on finance leases in the period totalled £38,884 (2018: £42,898)

**16. Fixed asset investments**

**Group**

| | Investments in PRL |
|---|---|
| **Cost or valuation** | £ |
| At 1 June 2018 | 6,483,161 |
| Additions | 2,133,007 |
| Revaluations | 7,382,065 |
| **At 30 June 2019** | 15,998,233 |

The investment above relates to an investment in Premiership Rugby Limited ("PRL"). In line with other shareholding clubs, the Group has valued its investment in PRL based on the income stream that the investment provides. The investment is based on the projected future income stream into perpetuity, discounted at a rate of 8%. This valuation methodology has been approved by the PRL Board. The Group has also co-invested, along with the CVC Funds, in an additional minority shareholding in PRL. The investment is held at cost, which was based on the same valuation methodology.

The prior year's valuation was based on 6 years' projected future income at a discount rate of 6%.

**Company**

| | Investments in subsidary companies |
|---|---|
| **Cost** | £ |
| At 1 June 2018 | 9,127,072 |
| **At 30 June 2019** | 9,127,072 |

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

| Name | Principal activity | Class of shares | Holding |
|---|---|---|---|
| Northampton Rugby Football Club Limited | The playing and development of rugby along with the operation of the stadium as a conference and events venue | Ordinary | 100% |
| Saints Rugby Limited | Dormant | Ordinary | 100% |

The aggregate of the share capital and reserves as at 30 June 2019 and the profit or loss for the Period ended on that date for the subsidiary undertakings were as follows:

| | Aggregate of share capital and reserves | Profit |
|---|---|---|
| | £ | £ |
| Northampton Rugby Football Club Limited | 15,580,603 | 3,072,480 |
| Saints Rugby Limited | 100 | - |

# NOTES TO THE FINANCIAL STATEMENTS

## 17. Stocks

| | Group 30 June 2019 £ | Group 31 May 2018 £ |
|---|---|---|
| Shop stock | 58,493 | 187,038 |

Stock recognised in cost of sales during the Period as an expense was £559,964 (2018 - £600,917).

An impairment loss of £30,000 (2018 - £105,465) was recognised in cost of sales against stock during the Period due to slow-moving and obsolete stock.

## 18. Debtors

| | Group 30 June 2019 £ | Group 31 May 2018 £ | Company 30 June 2019 £ | Company 31 May 2018 £ |
|---|---|---|---|---|
| Trade debtors | 1,357,644 | 524,944 | - | - |
| Amounts owed by group undertakings | - | - | 1,000,000 | 1,000,000 |
| Other debtors | 688,072 | 760,007 | - | - |
| Prepayments and accrued income | 358,478 | 1,185,365 | - | - |
| | 2,404,194 | 2,470,316 | 1,000,000 | 1,000,000 |

An impairment loss of £64,627 (2018: £30,114) was recognised against trade debtors.

## 19. Current asset investments

| | Group 30 June 2019 £ | Group 31 May 2018 £ |
|---|---|---|
| Corporate savings account | 5,000,000 | - |
| | 5,000,000 | - |

## 20. Cash and cash equivalents

| | Group 30 June 2019 £ | Group 31 May 2018 £ |
|---|---|---|
| Cash at bank and in hand | 2,287,041 | 4,520 |
| Less: bank overdrafts | - | (708,009) |
| | 2,287,041 | (703,489) |

## 21. Creditors: Amounts falling due within one year

| | Group 30 June 2019 £ | Group 31 May 2018 £ |
|---|---|---|
| Bank overdrafts | - | 708,009 |
| NBC loan | 220,000 | 220,000 |
| Trade creditors | 198,157 | 449,617 |
| Other taxation and social security | 813,543 | 688,499 |
| Obligations under finance lease and hire purchase contracts | 67,455 | 62,763 |
| Other creditors | 23,221 | 20,603 |
| Accruals and deferred income | 8,240,730 | 4,121,384 |
| | 9,563,106 | 6,270,875 |

Interest on bank overdraft is charged at 1.7% *(2017: 1.7%)* over the Bank of England rate.

The interest on the NBC loan is charged at 3.97%. The loan is repayable over the period until 2039.

### Secured loans

The loan is secured by a fixed charge over the Freehold Property of Franklin's Gardens, Weedon Road, land North of Edgar Mobbs Way and land SouthWest of St James Road, Northampton.

## 22. Creditors: Amounts falling due after more than one year

| | Group 30 June 2019 £ | Group 31 May 2018 £ |
|---|---|---|
| NBC loan | 4,180,000 | 4,400,000 |
| Net obligations under finance leases | 32,068 | 105,014 |
| Accruals and deferred income | 9,283,173 | 462,185 |
| | 13,495,241 | 4,967,199 |

## 23. Loans

Analysis of the maturity of loans is given below:

| | Group 30 June 2019 £ | Group 31 May 2018 £ |
|---|---|---|
| **Amounts falling due within one year** | | |
| NBC loan | 220,000 | 220,000 |
| | 220,000 | 220,000 |
| **Amounts falling due 1-2 years** | | |
| NBC loan | 220,000 | 220,000 |
| | 220,000 | 220,000 |
| **Amounts falling due 2-5 years** | | |
| NBC loan | 660,000 | 660,000 |
| | 660,000 | 660,000 |
| **Amounts falling due after more than 5 years** | | |
| NBC loan | 3,300,000 | 3,520,000 |
| | 3,300,000 | 3,520,000 |
| | 4,400,000 | 4,620,000 |

## 24. Finance leases

Minimum lease payments under finance leases fall due as follows:

| | Group 30 June 2019 £ | Group 31 May 2018 £ |
|---|---|---|
| Within one year | 67,455 | 62,763 |
| Between 1-2 years | 32,068 | 67,094 |
| Between 2-5 years | - | 37,919 |
| | 99,523 | 167,776 |

## 25. Deferred taxation

**Group**

| | 2019 £ |
|---|---|
| At beginning of year | (1,674,813) |
| Charged to profit or loss | (1,284,377) |
| At end of year | (2,959,190) |

The provision for deferred taxation is made up as follows:

| | Group 30 June 2019 £ | Group 31 May 2018 £ |
|---|---|---|
| Accelerated capital allowances | (647,091) | (619,189) |
| Tax losses carried forward | 176,254 | 176,254 |
| Short term timing differences | 493 | 2,017 |
| Capital gains | (2,488,846) | (1,233,895) |
| | (2,959,190) | (1,674,813) |

## 26. Share capital

| | 30 June 2019 £ | 31 May 2018 £ |
|---|---|---|
| **Authorised** | | |
| 10,625,000 (2018 - 10,625,000) Ordinary shares of £0.50 each | 5,312,500 | 5,312,500 |
| **Authorised, allotted, called up and fully paid** | | |
| 10,391,500 (2018 - 10,391,500) Ordinary shares of £0.50 each | 5,195,750 | 5,195,750 |

## 27. Reserves

**Share premium account**

Share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

**Profit & loss account**

This reserve includes all current and prior period retained profits and losses.

## 28. Capital commitments

At 30 June 2019 the Group and Company had capital commitments as follows:

| | Group 30 June 2019 £ | Group 31 May 2018 £ |
|---|---|---|
| Contracted for but not provided in these financial statements | 515,368 | - |
| | 515,368 | - |

## 29. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £123,246 (2018: £113,004). Contributions totalling £2,896 (2018: £Nil) were payable to the fund at the Balance Sheet date and are included in other creditors

## 30. Commitments under operating leases

At 30 June 2019 the Group had future minimum lease payments under non-cancellable operating leases as follows:

| | Group 30 June 2019 £ | Group 31 May 2018 £ |
|---|---|---|
| **Land and buildings** | | |
| Not later than 1 year | 49,320 | 47,760 |

| | Group 30 June 2019 £ | Group 31 May 2018 £ |
|---|---|---|
| **Other operating leases** | | |
| Not later than 1 year | 28,334 | 35,032 |
| Later than 1 year and not later than 5 years | 48,915 | 75,725 |
| | 77,249 | 110,757 |

The Company had no commitments under the non-cancellable operating leases as at the balance sheet date.

## 31. Related party transactions

The Group has taken advantage of the exemption in FRS 102 section 33 from disclosing transactions with all wholly owned members of the group headed by Northampton Saints PLC.

Northampton Rugby Football Club Limited made an interest free loan of £5,000 to Northampton Saints Foundation on 10 November 2017 for the purpose of providing start-up capital to the charity. The loan was repaid on 30 August 2018.

The shareholder loan was repaid on 17 April 2019.

| | 30 June 2019 £ | 31 May 2018 £ |
|---|---|---|
| N Beal (David Williams Independent Financial Advisors)<br>- Sales made by group | 23,125 | 21,071 |
| J White<br>- Sales made by group | 73,808 | 7,101 |
| J White<br>- Amounts owed to group | - | 162 |
| A Hewitt<br>- Sales made by group | 3,732 | 1,100 |
| A Hewitt<br>- Amounts owed to group | 420 | - |
| Key management personnel compensation | 561,157 | 460,044 |

Sales and purchases between the Group and the directors or companies associated with the directors were at arm's length. Sales were principally tickets, hospitality and advertising.

## 32. Controlling party

The company does not have a parent undertaking. There is no overall controlling party.

## 33. Financial instruments

| | Group 30 June 2019 £ | Group 31 May 2018 £ |
|---|---|---|
| **Financial assets** | | |
| Financial assets measured at fair value through profit or loss | 15,998,233 | 6,483,081 |
| Financial assets that are debt instruments measured at amortised cost | 2,261,157 | 2,271,387 |
| | 18,259,390 | 8,754,468 |
| **Financial liabilities** | | |
| Financial liabilities measured at amortised cost | (6,217,764) | (6,339,916) |

Financial assets measured at fair value through profit or loss comprise the investment in Premiership Rugby Limited.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise loans, trade creditors, other creditors, finance lease creditors and accruals.

# NOTICE OF ANNUAL GENERAL MEETING IN 2019

NOTICE IS HEREBY GIVEN that the nineteenth Annual General Meeting of Northampton Saints plc will be held in The Champions Suite, Franklin's Gardens, Weedon Road, Northampton on Wednesday 13th November 2019 at 7.30pm to transact the following business:-

ORDINARY BUSINESS
To consider and, if thought fit, pass the following resolutions all of which will be proposed as Ordinary Resolutions:

Resolution 1
To receive and consider the accounts for the period ended 30 June 2019, together with the reports of the directors and auditors thereon.

Resolution 2
To re-appoint as a director Mr N Beal who retires in accordance with Article 21.2.b of the Company's Articles of Association.

Resolution 3
To re-appoint as a director Ms E Bevan who retires in accordance with Article 21.2.b of the Company's Articles of Association.

Resolution 4
To appoint the auditors and to authorise the directors to determine their remuneration.

By order of the Board

Julia Chapman
Secretary
23 September 2019

Notes:
1 Any member entitled to attend and vote at the Meeting may appoint a proxy to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company. A form of proxy is enclosed for use if desired.
2 To be entitled to attend and vote at the Meeting (and for the purpose of determining the number of votes a member may cast) members must be entered on the Register of Members of the Company by 5pm on 6th November 2019.
3 To be effective, forms of proxy together with any power of attorney or authority (if any) under which they are signed (or a duly certified copy of the power or authority) must be deposited at Franklin's Gardens not less than 48 hours before the time for holding the Meeting. Completion and return of a form of proxy will not prevent a member from attending the Meeting and voting in person should he wish to do so.

# EXPLANATORY NOTES

The Annual General Meeting is a meeting of shareholders which the Company is required by law to hold each year.

There are four resolutions to be considered and voted on by the shareholders at the Annual General Meeting which all relate to "Ordinary Business".

ORDINARY BUSINESS

Resolution 1 – Report and Accounts
The Directors of the Company are required to present to the meeting the Directors' Report and Financial Statements for the period ended 30 June 2019 and the Independent Auditor's Report on the Financial Statements.

Resolutions 2 and 3 – Re-election of Directors
Under the Company's Articles of Association, a proportion of the Directors are required to retire by rotation and are entitled to seek re-election. The Directors retiring this year are N Beal and E Bevan. Resolutions 2 and 3 propose their re-election as Directors.

Resolution 4 – Appointment of Auditors
The Company must appoint auditors to hold office until the end of the next meeting at which the Financial Statements are presented. This resolution proposes the appointment of the auditors and authorises the Directors to determine their remuneration.



# FORM OF PROXY

Annual General Meeting to be held on Wednesday 13th November 2019 at Franklin's Gardens, Weedon Road, Northampton.

I/We, ..................................................................................................................................................

of (address) ..........................................................................................................................................

being a member of Northampton Saints plc, hereby appoint ........................................... or failing him/her, the Chairman of the Meeting, as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company and at any adjournment thereof.

Please indicate how you wish your votes to be cast by placing an "X" in the spaces provided below. The resolutions are as indicated in the Notice of Meeting contained in the Report and Accounts of the Company. If this Form of Proxy is signed and returned without any indication as to how the Proxy shall vote, he will exercise his discretion both as to how he votes and whether or not to abstain from voting on all resolutions at the Meeting.

| | | **For** | **Against** |
|---|---|---|---|
| **Resolution 1** | Report and Accounts | | |
| **Resolution 2** | Re-appointment of Mr N Beal | | |
| **Resolution 3** | Re-appointment of Ms E Bevan | | |
| **Resolution 4** | Appointment of the auditors | | |

Signature(s) or Common Seal (see notes 2 and 3 below) ..............................................................................

..............................................................................

..............................................................................

Dated: ...................... 2019

Notes:

1 You are entitled to appoint a Proxy of your own choice, who need not be a member of the Company, by inserting the name and address of such proxy in the space provided. Should the space be left blank, the Proxy will be exercised by the Chairman of the meeting.

2 In the case of a Company, this Form of Proxy must be executed under its common seal or under the hand of a duly authorised officer or attorney or other person authorised to sign.

3 In the case of joint holders, only one need sign but the vote of the senior who tenders the vote, whether in person or by Proxy, shall be accepted to the exclusion of the votes of the other joint holders, and seniority is determined by the order in which the names of the holders stand in the register of members. If the person signing is not the first named holder, it will be helpful to give the name of the first named.

4 To be valid, forms of proxy together with any power of attorney or other authority under which it is signed, or a copy of such authority notarially certified, must be lodged at Franklin's Gardens, Weedon Road, Northampton NN5 5BG not later than 48 hours before the time fixed for the Meeting. Completion and return of a form of proxy will not prevent the holder from attending the Meeting and voting in person should he wish to do so.

Second Fold

PLEASE
AFFIX
STAMP

Northampton Saints PLC
Franklin's Gardens
Weedon Road
Northampton
NN5 5BG

First fold

Third fold inside flap

## REGISTERED OFFICE

Franklin's Gardens
Weedon Road
NORTHAMPTON
NN5 5BG

## COMPANY REGISTRATION NO.

04064363

## PROFESSIONAL ADVISORS

### Auditor

Grant Thornton UK LLP
Victoria House
4th Floor
199 Avebury Boulevard
Milton Keynes
MK9 1AU

### Bankers

Barclays Commercial Bank
Ashton House
497 Silbury Boulevard
MILTON KEYNES
MK9 2LD

## REGISTERED OFFICE

Franklin's Gardens
Weedon Road
NORTHAMPTON
NN5 5BG

## COMPANY REGISTRATION NO.

04064363

## PROFESSIONAL ADVISORS

### Auditor
Grant Thornton UK LLP
Victoria House
4th Floor
199 Avebury Boulevard
Milton Keynes
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