NORTHAMPTON SAINTS PLC

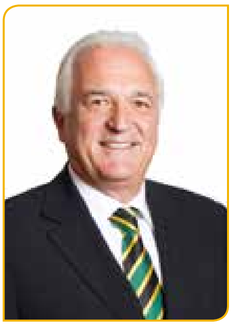
ANNUAL REPORT & ACCOUNTS 2017


Church's

NORTHAMPTON SAINTS PLC AND ITS SUBSIDIARY UNDERTAKINGS

CONTENTS

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. In September 2013 he was appointed Group chairman of McCarthy and Stone, the UK retirement home specialist. He is a life-long supporter of the 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 the Saints since his schooldays. 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

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

NICK BEAL
Non-executive director

Nick is a Chartered Financial Planner and a 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 the Saints. Nick became a full-time rugby player when the game turned professional in 1995, playing over 280 games over 12 seasons for the 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

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 fan, Ella is also a keen hockey player

REGISTERED OFFICE

Franklin's Gardens, Weedon Road
NORTHAMPTON, NN5 5BG

COMPANY REGISTRATION NUMBER

04064363

DIRECTORS

JULIA CHAPMAN
Finance director and company secretary

Julia was appointed as finance director and company secretary in October 2016 from Travis Perkins plc. After training as a Chartered Accountant with PriceWaterhouseCoopers she had roles with IBM and Legal and General before working for 11 years in the retail sector with Home Retail Group plc

SIMON CUNNINGHAM
Non-executive director

Simon was appointed to the Northampton Saints board of directors in November 2016. Simon is chief operating officer at Value Retail, which specialises in the development and operation of luxury outlet shopping villages in China and Europe, including Bicester Village. Prior to joining this multi-national company he held senior positions with the Qatar Sovereign Wealth Fund, Aldar Real Estate Abu Dhabi, Barratt Developments, Umbro/Nike, Allied Domecq and Coca-Cola (global sports events)

JON DROWN
Non-executive director

Jon joined the board in October 2000. Since leaving university, Jon has specialised in corporate finance, treasury and tax in FTSE 100 quoted companies such as Diageo Plc, BPB Plc and Rexam Plc where he was Director, Group Treasury. In 2016, Jon joined Compass Group Plc where he is Head of Group Treasury and also a Trustee director of the Compass UK pension scheme

BRIAN FACER
Commercial director

Brian was appointed as commercial director in January 2014. Northampton-born-and-bred, Brian has been a member of the team at Franklin's Gardens since 2006, initially as marketing manager and then as head of commercial operations from 2012. Prior to joining the Saints, Brian worked in senior sales and marketing roles for a number of blue-chip IT companies throughout the country

TONY HEWITT
Non-executive director

Tony has over 40 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 was appointed to the Northampton Saints board of directors in November 2016. Matt is a Chartered Accountant and the chief financial officer of Debenhams plc, a FTSE listed business. He has held a number of senior finance roles within large UK and International companies, including Home Retail Group plc, where has was finance director of Argos, and a director at KPMG. He has been a life-long supporter of the Saints and a Season Ticket Holder for 20 years

PROFESSIONAL ADVISERS

Auditor
Grant Thornton UK LLP
Chartered Accountants
Grant Thornton House
202 Silbury Boulevard
MILTON KEYNES
MK9 1LW

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

CHAIRMAN'S REPORT

As a life-long supporter of Northampton Saints I am honoured and proud to be taking up the reins as the chairman of this great club ahead of the 2017/18 season.

My connection with the Saints goes back a long time. In the late-1970s I briefly played here until injury ended my rugby career. Later, during my business career at Persimmon plc I was pleased to establish an Elite Sponsorship of the club that lasted for many years, and in 2012 I was delighted to be invited by Keith Barwell and the board to become a director of the club.

We have not had the kind of success in 2016/17 that we have become accustomed to in the past – a seventh-place finish in the Aviva Premiership is below our expectations, and our financial results show our first operating loss in 17 years – but I believe that we are well placed to bounce back and show our true colours.

My ambitions for the club during my tenure as chairman are quite simple. I want to build on previous successes by bringing together the best of what we have already while improving how we operate as an organisation both on and off the field. It is critical that we do this to ensure that we maintain our status as one of the best clubs in Europe and our hard-earned high reputation across the rugby world.

During the close season we have had various reviews on how we can improve the match day experience for our supporters. We have already implemented a number of exciting changes, with more planned. It is right that we should put our supporters and their views near the top of our agenda – the thousands of people who fill the stands at Franklin's Gardens are our lifeblood and our biggest advocates – and I am confident that by doing so we will be more effective in achieving our ambitions in the future.

On the field we have made some exciting new signings, which Jim Mallinder talks about in his playing review, and we will continue to seek further opportunities to strengthen the squad for future seasons.

Jim has also reviewed how we do things in his department and has implemented a number of changes in order to refresh and improve things. We are delighted to be welcoming Phil Dowson back to Franklin's Gardens, this time as part of the coaching Group.

The remainder of the squad is settled, and we have talent and strength in depth across the pitch. More importantly, the game against Stade Francais at the end of May showed the character that the players have, and we can use that as inspiration going forward into the new campaign. Of course, playing results are not guaranteed, but I know it will not be through a lack of effort by Jim and his team.

Away from the playing front we have appointed Mark Darbon as our new chief executive, who joins us following spells with Madison Group, Tough Mudder and LOCOG, where he was a senior figure in delivering the outstanding London Olympics. Mark will bring a fresh approach to how we run our business, which of course in turn is essential in supporting a successful playing effort.

John White

We remain a club that is determined to achieve the balance of success on the field with profitability off it, and plans are in place to return us to the black over the next few years. We have a strong balance sheet, minimal debt, and the backing of thousands of Season Ticket Holders and supporters as well as a fantastic Group of Elite Sponsors and partners. Furthermore, the £1 million additional investment from our major shareholders in April 2017 was testament to their continued faith in the people who are managing the club.

We remain committed to improving how we best serve all of our supporters, sponsors, customers and other stakeholders and believe that a number of new initiatives and developments will take us ahead of the competition. We have a new ticketing partner in StubHub, have received significant investment from Carlsberg UK into our bar infrastructure, and are working increasingly closely with our new catering partners, Levy Restaurants UK, to ensure that everyone who visits us receives the high standards of service that they expect in the bars and hospitality areas on match days and at conferences and events throughout the rest of the year.

We retain our belief in open communication between the club and all our supporters, sponsors, customers and stakeholders, and encourage constructive dialogue throughout the year.

After all, we all want Northampton Saints to be the very best that it can be, and for us to bring success to the town and surrounding area in the future.

John White
Chairman

16 August 2017


The average attendance at Franklin's Gardens was close to 14,500


Alex Waller extended his record for the most consecutive Aviva Premiership appearances in league history

STRATEGIC REPORT

PRINCIPAL ACTIVITY

The principal activity of the Group in the period under review was that of promoting the playing and development of rugby football.

BUSINESS REVIEW

Both on and off the pitch it was a year of transition at Northampton Saints.

Watching the team was certainly a roller-coaster ride! Several games were lost in the last few minutes – sometimes in the last play – after having played some sensational rugby.

Ultimately there were a few too many losses, culminating in a seventh-place finish in the Aviva Premiership. However we finished the season on a high with three wins, including a dramatic comeback victory over Stade Francais at Franklin's Gardens, an occasion that will live long in the memory and secured us European Rugby Champions Cup rugby for a ninth successive season.

We also ended the season with some silverware thanks to the Wanderers' successes in the Aviva 'A' League Final.

On the international front we were delighted to see Dylan Hartley captain England to another Six Nations title and to have George North and Courtney Lawes be selected for the British and Irish Lions tour to New Zealand. In all 11 players represented six countries, with two more helping England Under-20 reach the World Rugby Under-20 final.

It was also a challenging year from a financial perspective. While turnover increased by just under one percent, for the first time since becoming a plc in 2000 we recorded a loss after taxation amounting to £980,663 (2016 – profit of £610,415). The directors do not recommend the payment of a dividend.

There are two significant reasons for this.

Firstly, our playing-related costs have increased dramatically, with a much larger salary cap framework, the related inflation in player wages, and strong competition from other clubs in both the Aviva Premiership and Top 14. In order to be competitive we need to be spending what we are allowed within the framework, and our task going forward is to increase our income to match these outgoings. Furthermore, the lack of a first team knockout match in all competitions was compounded by a series of Friday night matches imposed by tournament broadcasters, and together this significantly impacted our rugby-related income.

Secondly, we had a number of one-off costs and a stock write-off as we restructured the business for the future. These included a mid-season change of caterers to Levy Restaurants UK, part of Compass Group, and costs related to a number of board appointments as we reorganised the club's management to tackle the challenges ahead.

We have maintained a strong balance sheet with £19.8 million of net assets, including cash of £2.2 million, which increased from 2015/16 due to the receipt of a player transfer fee and our major shareholders investing £1 million in new shares.

There have been some significant commercial deals which are essential to our future. Renewed and improved Elite Sponsorship deals were agreed with Carlsberg UK and Church's Shoes. Macron Sports became our official technical kit supplier and Crabbie's agreed a significant partnership. StubHub has become the club's new ticketing provider from 2017/18.

On behalf of the board of directors I would like to say a big thank you to long-serving colleagues who have left the company during this financial year.

Allan Robson retired as chief executive in May after 17 years' service, a period in which we transformed ourselves into one of the pre-eminent clubs in the country, winning several trophies and achieving an unprecedented record of profitability.

Richard Deane retired in the summer of 2016 as finance director, and Sian Haynes stepped down at the end of May 2017 as head of community after nearly two decades in the role. Meanwhile Murray Holmes and Jon Raphael – who as part of the Gang of Seven revolutionised the club in the late-1980s – both retired as non-executive directors. I would also like to thank Andrew Cozzolino for his time as company secretary.

I have also chosen this as the time to step down as your chairman. I have been involved at Franklin's Gardens for nearly 30 years and have been honoured to have been your chairman for the last four years. We have achieved an awful lot that I will look back on with pride, not least seeing us win the Aviva Premiership title and finish top of the table for the first time, and developing Franklin's Gardens into one of the best dedicated club rugby facilities in the country. It has been a huge honour for me, as it is to remain on the board of directors. John White is a superb person to be taking over as chairman, and I know that he will be a success in the role as we enter a new era.

Finally, thanks to staff, coaches and players for their hard work during the year and our thanks for the fantastic support we have received from our supporters and sponsors. The Saints would not be what it is without your effort and commitment.

KEY PERFORMANCE INDICATORS

Financial

The Group measures its financial performance using the following measures:

- Growth in turnover to £16.7 million; turnover was 1% up on last year
- Maintaining a profitable business
- Maintaining a strong balance sheet; the Group had net assets of £19.8m at 31 May 2017 (2016 - £19.8m)
- Number of Season Ticket Holders and gate receipts per match
- The ability to spend as much as allowed on player expenditure within the Premiership Rugby salary framework

PRINCIPAL RISKS AND UNCERTAINTIES

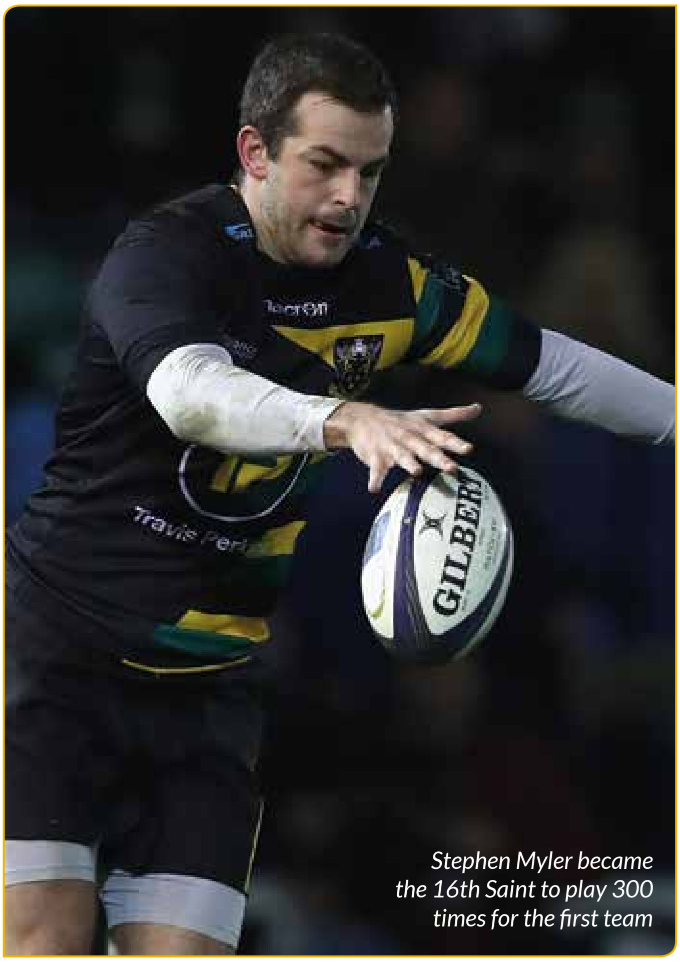
The principal risks and uncertainties facing the business relate to the following:

- 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 retain the employment of key coaching and playing staff by the timely renewal of contracts
- 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 at the maximum level without undermining its financial viability
- Ensuring the club is able to secure adequate resources to underpin its long term financial viability

This report was approved by the board on 16 August 2017 and signed on its behalf.

Tony Hewitt
Director

16 August 2017



Stephen Myler became the 16th Saint to play 300 times for the first team

Charities Day at Stadium MK saw 15 charities have their logos on a Saints starting player in the Aviva Premiership match against Saracens

PLAYING REPORT

The 2016/17 season was a campaign full of highs, lows, frustrations and individual achievements. There was a piece of silverware for the cabinet in the form of the Aviva 'A' League title and qualification for the European Rugby Champions Cup for a ninth successive year, but in the Aviva Premiership results were not what we wanted, even if performances improved dramatically over the course of the 22 rounds of competition.

September set the tone, with us losing three games that in hindsight we could, and perhaps should, have won, and this would be a theme that would last the season, with 2017 seeing us lose two matches in the last play of the game and two more in the final five minutes.

This was particularly frustrating as had these results gone the other way then we would have been comfortably in the Premiership's top four and challenging for the title. There was the consolation of having a significant upturn in our performance levels and the number of tries that we scored per game in the second half of the season, following the appointment of Alan Dickens as attack coach.

Our eventual seventh-placed finish in the league saw us be part of the European Rugby Champions Cup play-offs, and we ended the season on a high, beating first Harlequins in the Premiership, then Connacht and Stade Francais in the Champions Cup play-offs. The final result was particularly pleasing as it showcased the determination and character of the team to bounce back from a red card to see off a star-studded Stade Francais outfit at an emotionally charged Franklin's Gardens.

It was a match in which the true nature of this Saints squad was clear, and we will be looking to build on that in 2017/18.

It was also good for us to win the Aviva 'A' League. There are only four competitions that you can win in any one season, and this tournament gave our up-and-coming players the opportunity to shine alongside some more experienced squad members. In the semi-final against Saracens and final against Gloucester the Wanderers played some excellent rugby, and it was good to see several thousand supporters in the stands getting behind them.

On an individual basis there were several achievements that deserve to be recognised.

Ahsee Tuala scores in the win over Stade Francais which gave the Saints a ninth consecutive year of European Rugby Champions Cup action

Firstly, Dylan Hartley led England to a second successive Six Nations title, before whitewashing Argentina on the summer tour. Dylan has been an excellent England captain and has lost just one game in his two years with the armband.

Courtney Lawes and George North toured New Zealand with the British and Irish Lions, one of the greatest honours a player can have. In my time at the Saints I have seen Courtney progress from being a relatively shy Academy teenager to the confident and experienced international we see today, and we are all proud of what he has done.

Academy scrum-half Alex Mitchell helped England Under-20 win the Six Nations and reach the World Rugby Under-20 Championship final, a game in which he scored a try against New Zealand.

Stephen Myler became just the 16th player to reach 300 first team appearances at the club, and the first to hit this milestone in over a decade. Stephen will go down in the history books as one of the best club men of the modern era; he is the second-highest points scorer of all time and has been a pivotal figure in the successes we have had over recent years.

And Alex Waller continues to extend his record of consecutive appearances in the Premiership, a figure which now exceeds 150 and is particularly remarkable given that he plays in the front row, one of the toughest positions on the pitch.

Looking forward we believe that we are well placed to progress. We know from our wins over Connacht and Stade Francais that we have the ability and character to challenge, and we will have a relatively stable squad going into next season. Several players who joined us mid-season – the likes of Api Ratuniyarawa, Nafi Tuitavake and David Ribbans – are now well settled, and we will be welcoming some experienced and quality players into the squad, including Rob Horne (Australia international), Cobus Reinach (South Africa international), Piers Francis (who made his England debut in Argentina), Jamal Ford-Robinson (who toured Argentina with England), Mitch Eadie and Francois Van Wyk. We are also delighted to have appointed Dylan Hartley as captain for the second time.

We have a strong coaching Group, too, with Phil Dowson returning to the Saints to join Dorian West (forwards), Alan Dickens (attack) and Mark Hopley (defence).

Thank you to the board of directors, our supporters and sponsors for all your continued support of the team.

Jim Mallinder
Director of rugby

16 August 2017

Dylan Hartley captained England to a second successive Six Nations title, as well as unbeaten Autumn Internationals and summer tour campaigns

NEW CEO MARK DARBON

I'm delighted to be joining Northampton Saints as the club's chief executive. It will be a real honour to lead the team at Franklin's Gardens.

Growing up in the East Midlands I have long been aware of the Saints' standing within the local community and beyond.

Part of this has come from the successes that the team has had over the past decade, and the players that Jim Mallinder has brought in and developed into outstanding internationals.

Just as well-known though are the club's achievements off the pitch, establishing a strong brand, maintaining financial stability and growth, and developing Franklin's Gardens into a superb venue.

It is a very exciting time to be working in rugby. The British and Irish Lions' achievements in New Zealand have dominated the headlines but with England's unbeaten series in Argentina and two successive Six Nations titles, the Under-20s reaching yet another world final, and the Aviva Premiership going from strength-to-strength, the sport as a whole is in a very good place with bright prospects for the future.

The Saints' directors, coaches, players, staff and supporters have the highest standards, and I'm looking forward to helping the club realise its ambitions.

Mark Darbon
Chief executive

The Wanderers finished the season with the Aviva 'A' League title, beating Gloucester in front of thousands of supporters at Franklin's Gardens

DIRECTORS' REPORT

THE DIRECTORS PRESENT THEIR REPORT TOGETHER WITH AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2017.

DIRECTORS

The directors who served during the year were:

J White
Chairman from 1 June 2017
Deputy chairman until 31 May 2017

A Hewitt
Non-executive from 1 June 2017
Chairman until 31 May 2017

C Povey
Deputy chairman from 1 June 2017
Non-executive until 31 May 2017

M Darbon
Chief Executive Officer, appointed 1 August 2017

K Barwell OBE
Non-executive

N D Beal
Non-executive

E Bevan
Non-executive

J Chapman
Finance director, appointed 3 October 2016

S Cunningham
Non-executive, appointed 7 November 2016

R Deane
Finance director, resigned 3 October 2016

J Drown
Non-executive

B Facer
Commercial director

M Holmes
Non-executive, resigned 31 August 2016

J Raphael
Non-executive, resigned 31 August 2016

A Robson
Chief Executive Officer, resigned 31 May 2017

M Smith
Non-executive, appointed 7 November 2016

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 and Group for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgments 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 Group'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 Group 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 Group'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.

Courtney Lawes completed his journey from Old Scouts to British and Irish Lions international

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. Given the maturity of the loan in note 21, 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 bankers 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 rate.

POST BALANCE SHEET EVENTS

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

DISCLOSURE OF INFORMATION TO THE AUDITOR

Each of the persons who are directors at the time when the Directors' report is approved has confirmed that:

- So far as that director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- That director has taken all steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 16 August 2017 and signed on its behalf.

Julia Chapman
Director

16 August 2017

macron
elite insurance
Travis Perkins
HANKOOK
A.WALLER
1
Kubota
dbfb
12

INDEPENDENT AUDITOR REPORT

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF NORTHAMPTON SAINTS PLC

We have audited the financial statements of Northampton Saints PLC and its subsidiary undertakings for the year ended 31 May 2017, which comprise the Consolidated profit and loss account, the Consolidated and Company balance sheets, the Consolidated and Company statement of changes in equity, the Consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' responsibilities statement on page 14, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- Give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 May 2017 and of the Group's loss for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- The information given in the Group Strategic report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The Group Strategic report and Directors' Report have been prepared in accordance with applicable legal requirements

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where 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
- The parent Company financial statements are not in agreement with the accounting records and returns
- Certain disclosures of directors' remuneration specified by law are not made
- We have not received all the information and explanations we require for our audit

John Corbishley
Senior Statutory Auditor

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

16 August 2017

George North en route to a try in the British and Irish Lions' match against the Hurricanes

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2017

	Note	2017 £	2016 £
Turnover	4	16,740,929	16,608,462
Cost of sales		(11,399,988)	(9,799,380)
Gross profit		5,340,941	6,809,082
Administrative expenses		(7,202,215)	(6,547,065)
Exceptional administrative expenses	12	(647,711)	-
Exceptional other operating income	12	-	500,259
Operating (loss)/profit	5	(2,508,985)	762,276
Profit on disposal of intangible assets		1,489,867	-
Interest receivable and similar income	9	31	280
Interest payable and expenses	10	(211,208)	(110,084)
(Loss)/profit before tax		(1,230,295)	652,472
Tax on (loss)/profit	11	249,632	(42,057)
(Loss)/profit for the financial year		(980,663)	610,415

All the losses for the year are attributable to the owners of the parent company

The notes on pages 26 to 46 form part of these financial statements.

CONSOLIDATED BALANCE SHEET

AS AT 31 MAY 2017

	Note		2017		2016
			£		£
Fixed assets					
Intangible assets	13		314,830		331,517
Tangible assets	14		21,049,093		21,346,035
Investments	15		6,483,161		6,483,161
			27,847,084		28,160,713
Current assets					
Stocks	16	160,316		221,576	
Debtors: amounts falling due within one year	17	2,530,813		2,993,744	
Cash at bank and in hand	18	2,205,820		1,690,871	
		4,896,949		4,906,191	
Creditors: amounts falling due within one year	19	(6,057,669)		(5,869,720)	
Net current liabilities			(1,160,720)		(963,529)
Total assets less current liabilities			26,686,364		27,197,184
Creditors: amounts falling due after more than one year	20	(5,241,869)		(5,527,144)	
Provisions for liabilities					
Deferred tax	23	(1,647,058)		(1,891,940)	
			(6,888,927)		(7,419,084)
Net assets			19,797,437		19,778,100
Capital and reserves					
Called up share capital	24		5,195,750		4,695,750
Share premium account	25		4,841,600		4,341,600
Profit and loss account	25		9,760,087		10,740,750
			19,797,437		19,778,100

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 August 2017

Julia Chapman
Director

The notes on pages 26 to 46 form part of these financial statements.

COMPANY BALANCE SHEET

AS AT 31 MAY 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	15	9,127,072	9,127,072
		9,127,072	9,127,072
Current assets			
Debtors: amounts falling due within one year	17	1,000,000	-
Total assets less current liabilities		10,127,072	9,127,072
Net assets		10,127,072	9,127,072
Capital and reserves			
Called up share capital	24	5,195,750	4,695,750
Share premium account	25	4,841,600	4,341,600
Profit and loss account	25	89,722	89,722
		10,127,072	9,127,072

The parent company made no profit or loss during the year (2016: £NIL)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 August 2017

Julia Chapman
Director

The notes on pages 26 to 46 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2017

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 June 2016	4,695,750	4,341,600	10,740,750	19,778,100
Comprehensive income for the year				
Loss for the year	-	-	(980,663)	(980,663)
Total comprehensive income for the year	-	-	(980,663)	(980,663)
Shares issued during the year	500,000	500,000	-	1,000,000
At 31 May 2017	5,195,750	4,841,600	9,760,087	19,797,437

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2016

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 June 2015	4,695,750	4,341,600	10,130,335	19,167,685
Comprehensive income for the year				
Profit for the year	-	-	610,415	610,415
Total comprehensive income for the year	-	-	610,415	610,415
At 31 May 2016	4,695,750	4,341,600	10,740,750	19,778,100

The notes on pages 26 to 46 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2017

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 June 2016	4,695,750	4,341,600	89,722	9,127,072
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	-	-
Contributions by and distributions to owners				
Shares issued during the year	500,000	500,000	-	1,000,000
Total transactions with owners	500,000	500,000	-	1,000,000
At 31 May 2017	5,195,750	4,841,600	89,722	10,127,072

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2016

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 June 2015	4,695,750	4,341,600	89,722	9,127,072
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	-	-
Total transactions with owners	-	-	-	-
At 31 May 2016	4,695,750	4,341,600	89,722	9,127,072

The notes on pages 26 to 46 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MAY 2017

	2017	2016
	£	£
Cash flows from operating activities		
(Loss)/profit for the financial year	(980,663)	610,415
Adjustments for:		
Amortisation of intangible assets	141,320	164,885
Depreciation of tangible assets	774,861	587,735
Loss on disposal of tangible assets	14,909	118
Interest paid	211,208	110,084
Interest received	(31)	(280)
Taxation charge	(249,632)	42,057
Decrease in stocks	61,260	8,604
Decrease/(increase) in debtors	314,627	(459,471)
Increase/(decrease) in creditors	173,264	(544,467)
Corporation tax received/(paid)	153,054	(83,907)
Net cash generated from operating activities	614,177	435,773
Cash flows from investing activities		
Purchase of intangible fixed assets	(124,633)	(115,413)
Purchase of tangible fixed assets	(492,828)	(6,701,007)
Sale of tangible fixed assets	-	1,042
Interest received	31	280
Hire purchase interest paid	(15,260)	-
Net cash from investing activities	(632,690)	(6,815,098)
Cash flows from financing activities		
Issue of ordinary shares	1,000,000	-
Repayment of other loans	(220,000)	(220,000)
Repayment of finance leases	(47,839)	-
Interest paid	(198,699)	(110,084)
Net cash used in financing activities	533,462	(330,084)

CONSOLIDATED CASH FLOW STATEMENT CONTINUED

	2017	2016
	£	£
Net increase/(decrease) in cash and cash equivalents	514,949	(6,709,409)
Cash and cash equivalents at beginning of year	1,690,871	8,400,280
Cash and cash equivalents at the end of year	2,205,820	1,690,871
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,205,820	1,690,871
	2,205,820	1,690,871

The notes on pages 26 to 46 form part of these financial statements.

FOR THE YEAR ENDED 31 MAY 2017

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 that of promoting the playing and development of rugby football.

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 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 expectationthat 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.

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 and executive boxes. 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.

2. Accounting policies (continued)

Purchased goodwill

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

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, on a reducing balance basis.

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% straight line
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.

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.

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 statement of comprehensive income 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 year 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.

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 incidence.

2.20 Financial instruments

The Group only enters into basic financial instruments 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 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.

2. Accounting policies (continued)

2.20 Financial instruments (continued)

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

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 taxation.

4 Turnover

	2017	2016
	£	£
Rugby income	4,112,293	4,250,140
Premier Rugby and RFU income	5,060,983	5,090,748
Commercial income	7,567,653	7,267,574
	16,740,929	16,608,462

All turnover arose in the United Kingdom.

5. (Loss)/profit on ordinary activities before taxation

The (loss)/profit on ordinary activities before taxation is stated after charging/(crediting):

	2017	2016
	£	£
Depreciation of tangible fixed assets	774,861	587,735
Amortisation of intangible assets, including goodwill	141,320	164,885
Other operating lease rentals	34,361	55,307
Defined contribution pension cost	136,045	356,323

6. Auditor's remuneration

	2017	2016
	£	£
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	2,300	2,100
The auditing of accounts of subsidiaries of the Group	28,147	23,460
Fees payable to the Group's auditor and its associates in respect of:		
Other services	-	8,000
Other services relating to taxation	3,480	17,550
	3,480	25,550

7 Employees

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

	2017	2016
	£	£
Wages and salaries	9,483,257	8,297,892
Social security costs	1,077,471	962,261
Cost of defined contribution scheme	136,045	356,323
	10,696,773	9,616,476

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 year was as follows:

	2017	2016
	No.	No.
Sports staff and rugby players	92	88
Administration, commercial and match day only staff	180	184
	272	272

8. Directors' remuneration

	2017	2016
	£	£
Directors' emoluments	451,699	401,499
Company contributions to defined contribution pension schemes	39,339	60,737
Compensation for loss of office	280,636	-
	771,674	462,236

During the year retirement benefits were accruing to 4 directors (2016 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £486,018 (2016 - £212,804).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £26,014 (2016 - £43,100).

9. Interest receivable

	2017	2016
	£	£
Other interest receivable	31	280

10. Interest payable and similar charges

	2017	2016
	£	£
Other loan interest payable	195,948	101,008
Finance leases and hire purchase contracts	15,260	9,076
	211,208	110,084

11. Taxation

	2017	2016
	£	£
Corporation tax		
Current tax on profits for the year	-	(110,506)
Adjustments in respect of previous periods	(4,750)	(32,367)
Total current tax	(4,750)	(142,873)
Deferred tax		
Origination and reversal of timing differences	(143,672)	355,630
Changes to tax rates	(105,337)	(170,700)
Adjustments in respect of prior periods	4,127	-
Total deferred tax	(244,882)	184,930
Taxation on (loss)/profit on ordinary activities	(249,632)	42,057

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - lower than) the standard rate of corporation tax in the UK of 19.83% (2016 - 20%). The differences are explained below:

	2017	2016
	£	£
(Loss)/profit on ordinary activities before tax	(1,230,295)	652,472
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.83% (2016 20%)	(243,968)	130,494
Effects of:		
Non tax deductible amortisation of goodwill and impairment	14,917	15,078
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	13
Capital allowances for year in excess of depreciation	61,223	55,312
Utilisation of tax losses	-	(4,417)
Adjustments to tax charge in respect of prior periods	214	1,771
Short term timing difference leading to a decrease in taxation	(81,395)	(210,216)
Non taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	-	(100,052)
Capital gains	-	156,025
Adjustments to tax charge in respect of previous periods	(4,750)	(32,367)
Adjustments to tax charge in respect of previous periods deferred tax	4,127	-
Prior year deferred tax charge	-	30,416
Total tax (credit)/charge for the year	(249,632)	42,057

Factors that may affect future tax charges

A deferred tax liability of £1,647,058 (2016 £1,891,940) in respect of capital gains and fixed asset timing differences has been recognised at 31 May 2016. The amount of the net reversal of deferred tax expected to occur next year is £268,715 credit relating to the reversal of existing timing differences on tangible fixed assets.

During the year the UK corporation tax rate was decreased from 20% to 19%. Following Budget 2016 announcements, there will be a further reduction in the main rate of corporation tax to 17% from 1 April 2020.

12. Exceptional items

	2017	2016
	£	£
Exceptional donation received	-	500,259
Restructuring costs	(647,711)	-
	(647,711)	500,259

The exceptional donation received relates to a donation used towards the Sturtridge Pavilion redevelopment in the previous year.

The restructuring costs relate to a change of catering partner and restructure of the board.

13. Intangible assets

Group and Company

	Software	Player registrations	Goodwill	Total
	£	£	£	£
Cost				
At 1 June 2016	45,393	70,010	1,239,472	1,354,875
Additions	2,176	122,457	-	124,633
Disposals	-	-	-	-
At 31 May 2017	47,569	192,467	1,239,472	1,479,508
Amortisation				
At 1 June 2016	9,867	18,333	995,158	1,023,358
Charge for the year	11,681	73,728	55,911	141,320
On disposals	-	-	-	-
At 31 May 2017	21,548	92,061	1,051,069	1,164,678
Net book value				
At 31 May 2017	26,021	100,406	188,403	314,830
At 31 May 2016	35,526	51,677	244,314	331,517

Amortisation of intangible fixed assets is included in administrative expenses.

14. Tangible fixed assets

Group

	Freehold property, new buildings and ground improvement £	Furniture, fixtures and fittings, motor vehicles and office equipment £	Total £
Cost or valuation			
At 1 June 2016	23,814,113	3,215,552	27,029,665
Additions	317,101	175,727	492,828
Disposals	-	(41,600)	(41,600)
At 31 May 2017	24,131,214	3,349,679	27,480,893
Depreciation			
At 1 June 2016	3,724,455	1,959,175	5,683,630
Charge for the period on owned assets	453,587	321,274	774,861
Disposals	-	(26,691)	(26,691)
At 31 May 2017	4,178,042	2,253,758	6,431,800
Net book value			
At 31 May 2017	19,953,172	1,095,921	21,049,093
At 31 May 2016	20,089,658	1,256,377	21,346,035

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

- land at cost of £1,417,857 (2016: £1,417,857) which is not depreciated.
- capitalised finance costs of £389,391 (2016: £389,931), which relates to the construction of the assets which were completed in 2016.

14. Tangible fixed assets (continued)

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

	2017	2016
	£	£
Freehold	19,953,172	20,089,658

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

	2017	2016
	£	£
Fixtures and fittings	214,488	241,299

Depreciation charged on finance leases in the year totalled £53,622 (2016 - £26,811).

15. Fixed asset investments

Group

	Investments other than loans
	£
Cost or valuation	
At 1 June 2016	6,483,161
At 31 May 2017	6,483,161
Net book value	
At 31 May 2017	6,483,161
At 31 May 2016	6,483,161

The investment above relates to an investment in Premiership Rugby Limited.

15. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Northampton Rugby Football Club Limited	Ordinary	100%	Promoting the playing and furtherance of rugby football
Saints Rugby Limited	Ordinary	100%	Dormant

The aggregate of the share capital and reserves as at 31 May 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves	Loss
	£	£
Northampton Rugby Football Club Limited	15,246,727	(905,274)
Saints Rugby Limited	100	-

Company

	Investments in subsidiary companies
	£
Cost or valuation	
At 1 June 2016	9,127,072
At 31 May 2017	9,127,072
Net book value	
At 31 May 2017	9,127,072
At 31 May 2016	9,127,072

16. Stocks

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Shop stock	160,316	221,576	-	-
	160,316	221,576	-	-

Stock recognised in cost of sales during the year as an expense was £728,403 (2016 - £560,415).

An impairment loss of £159,430 (2016 - £25,305) was recognised in cost of sales against stock during the year due to slow moving and obsolete stock.

17. Debtors

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade debtors	727,326	741,209	-	-
Amounts owed by Group undertakings	-	-	1,000,000	-
Other debtors	4,131	15,045	-	-
Prepayments and accrued income	1,799,356	2,089,186	-	-
Tax recoverable	-	148,304	-	-
	2,530,813	2,993,744	1,000,000	-

An impairment loss of £18,996 (2016 - £NIL) was recognised against trade debtors.

18. Cash and cash equivalents

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Cash at bank and in hand	2,205,820	1,690,871	-	-

19. Creditors: Amounts falling due within one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
NBC loan	220,000	220,000	-	-
Trade creditors	636,503	624,658	-	-
Corporation tax	1,471	-	-	-
Social security and other taxation	1,345,989	1,236,845	-	-
Obligations under finance lease and hire purchase contracts	51,694	47,839	-	-
Other creditors	33,779	3,773	-	-
Accruals and deferred income	3,768,233	3,736,605	-	-
	6,057,669	5,869,720	-	-

Interest on bank overdraft is charged at 1.7% (2016 - 1.5%) over the bank rate.

The interest on the 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 Edge Mobbs Way and land South West of St James Road, Northampton.

20. Creditors: Amounts falling due after more than one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
NBC loan	4,620,000	4,840,000	-	-
Net obligations under finance leases and hire purchase contracts	146,103	197,797	-	-
Accruals and deferred income	475,766	489,347	-	-
	5,241,869	5,527,144	-	-

21. Loans

Analysis of the maturity of loans is given below:

	2017	2016
	£	£
Amounts falling due within one year		
NBC loan	220,000	220,000
Amounts falling due 1 - 2 years		
NBC loan	220,000	220,000
Amounts falling due 2 - 5 years		
NBC loan	660,000	660,00
Amounts falling due after more than 5 years		
NBC loan	3,740,000	3,960,000

22. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2017	2016
	£	£
Within one year	51,694	47,839
Between 1 - 2 years	5,550	51,695
Between 2 - 5 years	90,553	146,102
	197,797	245,636

23. Deferred taxation

Group

	2017
	£
At beginning of year	(1,891,940)
Charged to profit or loss	244,882
At end of year	(1,647,058)

23. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	Group 2017 £	Group 2016 £
Accelerated capital allowances	(590,932)	(585,463)
Tax losses carried forward	176,254	-
Short term timing differences	1,515	-
Capital gains	(1,233,895)	(1,306,477)
	(1,647,058)	(1,891,940)

24. Share capital

	2017 £	2016 £
Shares classified as equity		
Authorised		
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 (2016 - 9,391,500) Ordinary shares of £0.50 each	5,195,750	4,695,750

During the year a further 1,000,000 Ordinary shares were issued at £1 per share. £500,000 was recognised as share premium.

25. 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.

26. 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 £136,045 (2016 - £356,323). Contributions totalling £8,912 (2016 - £NIL) were payable to the fund at the balance sheet date and are included in other creditors.

27. Commitments under operating leases

At 31 May 2017 the Group had future minimum lease payments under non-cancellable operating leases as follows:

Group	2017 £	2016 £
Land and buildings		
Not later than 1 year	47,040	46,260

	2017 £	2016 £
Other operating leases		
Not later than 1 year	37,337	30,588
Later than 1 year and not later than 5 years	106,697	59,007
	144,034	89,595

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

28. 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.

	2017 £	2016 £
N Beal (David Williams Independent Financial Advisors)		
- Sales made by Group	13,098	13,578
N Beal (David Williams Independent Financial Advisors)		
- Amounts owed to Group	216	-
J White		
- Sales made by Group	6,752	-
J White		
- Amounts owed to Group	2,770	-
J Drown (Porterhouse Developments)		
- Purchases made by the Group	94,988	75,298
Key management personnel compensation	835,193	514,861

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, and purchases were repairs and maintenance services.

29. Controlling party

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

30. Financial instruments

	Group 2017 £	Group 2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	6,483,081	6,483,081
Financial assets that are debt instruments measured at amortised cost	1,591,735	2,044,960
	8,074,816	8,528,041
Financial liabilities		
Financial liabilities measured at amortised cost	(6,384,616)	(6,607,344)
	(6,384,616)	(6,607,344)

Financial assets measured at fair value through profit or loss comprise the investment in Premier 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

Notice is hereby given that the seventeenth Annual General Meeting of Northampton Saints plc will be held in The Rodber Suite, Franklin's Gardens, Weedon Road, Northampton on Thursday 21st September 2017 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 year ended 31 May 2017, together with the reports of the directors and auditor thereon.

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

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

Resolution 4
To re-appoint as a director Mr B Facer who retires in accordance with Article 21.2.b of the Company's Articles of Association.

Resolution 5
To re-appoint as a director Mrs J Chapman who retires in accordance with Article 21.2.b of the Company's Articles of Association.

Resolution 6
To re-appoint as a director Mr M Smith who retires in accordance with Article 21.2.b of the Company's Articles of Association.

Resolution 7
To re-appoint as a director Mr S Cunningham who retires in accordance with Article 21.2.b of the Company's Articles of Association.

Resolution 8
To re-appoint as a director Mr M Darbon who retires in accordance with Article 21.2.b of the Company's Articles of Association.

Resolution 9
To re-appoint Grant Thornton UK LLP as auditor and to authorise the directors to determine their remuneration.

Resolution 10
That, in accordance with section 551 of the Companies Act 2006 (the "Act"), the directors be generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("Rights") up to an aggregate nominal amount of £5,457,448.50, being inclusive of all issued shares as at the date this resolution is passed, provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the fifth anniversary of the date this resolution is passed save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This authority is in substitution for all previous authorities conferred on the directors in accordance with section 551 of the Act.

SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolution which will be proposed as a Special Resolution:

Resolution 11
That, subject to the passing of resolution 10 and in accordance with section 570 of the Act, the directors be generally empowered to allot equity securities (as defined in section 560 of the Act) pursuant to the authority conferred by resolution 1, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall:

(i) be limited to the allotment of equity securities up to an aggregate nominal amount of £5,457,448.50; and
(ii) expire on the fifth anniversary of the date of this resolution (unless renewed, varied or revoked by the Company prior to or on the expiry date), save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

By order of the Board
Julia Chapman
Secretary
16 August 2017

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/her. 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 18th September 2017.

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/she 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 eleven resolutions to be considered and voted on by the shareholders at the Annual General Meeting. Resolutions 1 to 10 relate to "Ordinary Business" and resolution 11 relates to "Special 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 31 May 2017 and the Independent Auditor Report on the Financial Statements.

Resolutions 2, 3, 4, 5, 6, 7 and 8 – 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 A Hewitt, J Drown, B Facer, J Chapman, M Smith, S Cunningham and M Darbon. Resolutions 2 to 8 propose their re-election as Directors.

Resolution 9 – Re-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 re-appointment of Grant Thornton UK LLP and authorises the directors to determine their remuneration.

Resolutions 10 & 11– General authority to allot shares & Disapplication of pre-emption rights

The purpose of Resolutions 10 and 11 respectively is (i) to authorise the Directors to allot new shares and (ii) to allow that allotment to be to anyone they see fit (rather than offering them to all existing shareholders on a pro rata basis). The authority in Resolutions 10 & 11 will allow the Directors to allot new shares up to a nominal value of £259,787.50 (which is equivalent to 5% of the total issued ordinary share capital of the Company as at 31 May 2017) to anyone they see fit. While this is a general unrestricted authority to allot shares free from pre-emption rights, the Directors currently consider it to be most likely that if any such shares are to be issued they will be issued either to Shareholders seeking to increase their shareholding in the Company or to strategic partners of the Company who are also interested in becoming Shareholders.

FORM OF PROXY

Annual General Meeting to be held on Thursday 21st September 2017 at Franklin's Gardens, Weedon Road, Northampton.

I/We, ………………………………………………………… of ……………………………………………………………………………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/she will exercise their discretion both as to how he/she 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 A Hewitt		
Resolution 3	Re-appointment of Mr J Drown		
Resolution 4	Re-appointment of Mr B Facer		
Resolution 5	Re-appointment of Mrs J Chapman		
Resolution 6	Re-appointment of Mr M Smith		
Resolution 7	Re-appointment of Mr S Cunningham		
Resolution 8	Re-appointment of Mr M Darbon		
Resolution 9	Re-appointment of the Auditors		
Resolution 10	General authority to allot shares		
Resolution 11	Disapplication of pre-emption rights		

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

……………………………………………………………………

……………………………………………………………………

Dated: …………………..2017

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 Chairperson 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

Cut here


AVIVA

NORTHAMPTON SAINTS PLC
Franklin's Gardens, Weedon Road
NORTHAMPTON, NN5 5BG

Company registration number: 04064363

www.northamptonsaints.co.uk