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Introduction

The sport of Rugby League and the Rugby Football League have evolved over the past 10 years so that the organisation has become one of the most respected National Governing Bodies in the United Kingdom. Throughout this period, the sport has built a positive reputation for good governance based upon the two fundamental ideals of an independent board and a unified structure for the whole of the sport.

Given the recent departure of Chairman Richard Lewis, it is entirely appropriate to review this structure to ensure that the governance model for Rugby League remains best practice, and to undertake a consultation process with all relevant stakeholders to ascertain whether further improvements could be made. It is also the case that all UK NGBs in receipt of Sport England funding will have to demonstrate continued adherence to the governance principles as set out in the Whole Sport Plan funding agreement.

It is important to stress at the outset that this is a review of the sport’s governance structure. It is not a review of strategy and policy or executive performance. In respect of the former, this is a matter for the RFL Board and the sport’s stakeholders to determine collectively. In respect of the latter, this is clearly a matter for the RFL Board.

We would like to place on record our thanks to the many stakeholders who contributed to this review. We are grateful for the time you provided to answer our questions and to give us your views on the state of the game’s health. One of the great strengths of Rugby League is its people, and the consultation undertaken for this review proved once again that the sport is fortunate to have such committed and passionate people involved.

One of the issues that quickly became apparent in our consultation was how misunderstood the current governance model was among stakeholders. Therefore, we make no apologies for spending considerable time in this report explaining clearly and coherently both the existing structure and indeed the events that delivered this. We believe these are important issues that the sport needs to be most mindful of.

The recommendations contained in this report relate to the governance of the sport. Whilst this document is first and foremost a Governance Review, it has also been quite clear from the consultation process that a further discussion about the direction, vision and strategy for the sport for the next five to 10 years should quickly follow, focusing particularly on the size and structure of the leagues, licensing and promotion/relegation, the sustainability of clubs and our approach to expansion. Some of this work has already begun, but the RFL Board is committed to the prompt development and implementation of these strategies so that the sport is ready and able to face future challenges and capitalise on opportunities.

We would like to conclude by stating that while there is an understandable focus on areas that are capable of improvement, the sport as a whole and the stakeholders in particular should remind themselves of the remarkable progress Rugby League has made over the past decade. The future is not without its challenges, but the prospect of hosting the Rugby League World Cup in 2013 provides a unique opportunity for the sport to propel itself to even higher plains. It is an opportunity of which Rugby League must take full advantage.

Maurice Watkins, CBE, Acting Chairman
Bob Stott, Non Executive Director
Clare Morrow, Non Executive Director
Executive Summary

The process of consulting with many of the RFL’s key stakeholders has proved immensely worthwhile and in many ways an illuminating experience. We have listened to a wide range of views on the current strengths and weaknesses of both the governance model and the way it operates, and on wider issues in the game. All were expressed candidly, coherently and above all constructively.

What came across loud and clear was a desire for a new spirit of collective responsibility and transparency, which enables all sections of the game and the governing body to work together more closely on shared goals. It was recognised that without this co-operation it is unlikely that the game as a whole can achieve its potential and the step change in commercial success which is the aspiration of us all.

It is apparent that there are issues around trust which need to be addressed, both in terms of relationships between clubs, and between the clubs and the governing body. There is confusion about where decisions are made and by whom, and a perception that the governing body is not as open as it could be in communicating its decisions and the rationale for making them.

The current governance structure was set up following a strategic review in 2001 against a background of falling revenues and ineffective governance. It was amended slightly in 2006. The full background is set out in Appendix 1 and is a useful reminder of how and why previous governance arrangements proved unworkable.

Appendix 2 outlines the current governance arrangements, including where decisions are taken and by whom. It also looks at the complex financial profile of the sport and how money flows around the game. Since the introduction of the current governance model, the combined turnover of the RFL and SLE has risen year on year, increasing from £19m in 2001 to in excess of £47m in 2011.

As part of this review the revenues and operating costs of other National Governing Bodies were analysed and compared with those of the RFL. Average staff remuneration at the RFL was £31k per annum, compared with £47k at the Rugby Football Union, £58k at the Football Association, £41k at the Football League and £62k at the England and Wales Cricket Board.

In respect of key findings it would be fair to say that there is complete respect for the concept of the independence of the RFL Board and a unanimous assessment that this is hugely beneficial. Those with longer memories can recall the unsatisfactory position of clubs sitting in judgement on other clubs and are anxious not to return to those days. Similarly there is a virtually unanimous assessment that the whole game needs to stay together under a single structure, and that the sport is at its strongest when it is visibly unified.

Our conclusion therefore is that the basic governance model continues to be the right one for Rugby League at this stage, although we are recommending the following changes as a result of the review and feedback received:

- The new RFL Chair should be a non-executive part time role, rather than an executive role.
- The size of the RFL Board should be adjusted from five to seven to allow for the above change but keep the executive / non-executive balance the same.
• The three independent non-executive directors of the RFL will each take responsibility for attending one of the meetings of the three sections of the game - Super League, Championship and Community Board.

• The Community Game’s representation on Council be amended to mirror the representation of the Community Game on the Community Board.

• RFL profits are equally distributed to each professional member of the RFL, with the Community Game continuing to receive 10 per cent.

Super League Europe (SLE) is a limited company separate from the RFL but with a shared shareholding, board and executive. This structure was agreed by the clubs and the RFL when previous arrangements failed, and there was a consensus in our discussions with clubs that this arrangement should not be fundamentally changed. There was, however, recognition that mechanisms needed to be developed which gives clubs greater and more constructive input into key discussions at an earlier stage, and which encourages more collective responsibility for the success of Super League.

Championship clubs also expressed a desire to have greater input into the agendas for meetings, to meet together more regularly, and to see game-wide issues discussed fully at Council meetings.

To address the issues around trust, collective responsibility, accountability and transparency we are recommending a number of significant changes into the way the governing body and clubs work together:

• We believe that the introduction of a Chairmen’s Charter for the Super League and the Championship could help to set out a framework of trust in which clubs in each division can operate, which balances the need to share best practice and work collectively for the overall good of the game with an appropriate level of competitiveness both on and off the field. The Chairmen’s Charter currently operating in the Premier League is attached in Appendix 3 for information, and could prove a useful starting point.

• We propose a major overhaul in the way Council operates. It is currently seen by many as an unwieldy and ineffective body when it should be a key forum for discussion amongst the game’s stakeholders.

• We have set out a series of operational recommendations for the Super League club meetings, including clarity on what decisions are required and by whom, and ensuring papers are distributed in good time for clubs to properly consult appropriate colleagues and bring clear views to the discussion table so that decisions can be expedited quickly. We propose setting up a series of sub-committees for key areas of the game as a mechanism for ensuring greater input from clubs on policy issues in advance of the full club meetings.

• We will encourage the Championship meeting and the Community Board to adopt a similar approach to managing their forums, although we recognise that the Community Board already has a well-developed sub-committee structure which works well.

In reality, however, many consultations concentrated more on policy and strategy issues, rather than the system of governance, and it is clear that the game looks to the RFL Board to show strong leadership on these issues and to take brave decisions where necessary to ensure the game thrives. Many respondents felt that a review of policy and strategy in areas such as licensing, expansion and club financial viability would be timely. Accordingly we have instructed the CEO to draw up plans to review these issues with the RFL stakeholders, and we intend to begin that process immediately.
The sport of Rugby League has made remarkable progress over the course of the past 10 years since the last Strategic Review was undertaken. Revenues and participation numbers have never been greater, and the game’s governance is strong and well respected. However, none of these factors provide immunity from the difficult economic backdrop in which the UK is operating, and the increasing commercial pressures on individual clubs and the game as a whole.

We have a good springboard from which to grow our sport to the next level, but this is the moment for joining forces to find solutions to the challenges we face, and a fresh collaborative approach to maximising the opportunities that present themselves. We believe our recommendations will set the tone for a new way of working for Rugby League for the next decade.
What You Told Us - Stakeholder & Review Responses

The vast majority of responses to the review considered that the RFL Board must remain independent, and retain governance and management of the sport at all levels. Professional clubs placed great value in the neutrality of the non-executive directors, in particular their ability to make decisions in the best interest of the whole of the sport and free from conflicts of interest. Whilst this neutrality was highly valued, many respondents also considered it important for the non-executive directors to remain visible to all clubs and fully informed about issues confronting the sport.

Many respondents also stated that the RFL Board should be responsible for setting the high level vision and strategy for the sport, and empowering the RFL Executive to deliver this vision. Further, there needed to be greater alignment of the objectives of the RFL, and a greater integration between each component part of the sport.

Most of those responding to the review also believed that there was significant benefit in a governing body with responsibility for the totality of the sport (including its elite professional competition). Indeed this structure was nearly unique to sport in the United Kingdom, and many respondents saw this as presenting Rugby League with a great opportunity to grow at all levels.

Almost all respondents to the review considered that the sport had now reached a position where there was no longer a need for an executive chairman. In 2001 an executive chairman had been vital to ending the dysfunctionality that had crippled the sport; however the growth of Rugby League since that time and the success of the independent RFL Board had removed the need for an executive chair. However many respondents did consider that there was room for an increase in the size of the RFL Board, provided that this did not impose a financial burden upon the RFL.

Great importance was also placed upon the support available to member clubs from the RFL, however some respondents also believed that there needed to be clear and transparent guidelines as to the support available. Further, whilst most respondents accepted that the balance between respecting confidentiality and discussing individual club issues was difficult, there needed to be more open communication between RFL and member clubs when assistance was being given to a club in difficulty. Respondents also considered that there needed to be an increase in transparency and accountability of the RFL Board and Executive. Respondents believed that the RFL should be more open, and prepared to explain and justify its decisions to the sport.

There was almost unanimous acceptance that Council meetings were in need of reinvigorating. Member clubs considered that the current meetings are ineffective and at times “pointless”, but should be a valuable forum for stakeholder engagement. Revitalising this important forum was considered a key outcome of this review.

Super League clubs were also asked to comment upon the current model of governance of SLE, and the powers and responsibilities confirmed in the Articles of Association. Whilst many respondents acknowledged confusion as to the division of responsibilities, most were of the view that the current system balanced the sometimes conflicting needs of Super League clubs with their relationship to the remainder of the sport. A number of respondents also suggested that Super League clubs should take a greater responsibility for the direction and performance of SLE, probably through the creation of smaller...
sub-committees with appropriate terms of reference. A number of clubs also queried whether the competition could support 14 clubs, and believed that further discussion was required on the optimum number of teams in the Super League.

A number of clubs raised the issue of the commercial performance of the sport. There was a consistent belief that the sport (both centrally and at club level) had not extracted maximum value for its commercial properties. Many respondents acknowledged that this under-performance was a combination of a number of factors; however it should be a priority of the RFL Board and member clubs to improve significantly the amount of revenue flowing into the sport. Further, almost all clubs were in support of benchmarking their own financial performance. However a number of clubs also stated that they lacked sufficient trust in their fellow clubs in order to perform this benchmarking exercise. There was also a view that there needed to be a more collective approach (particularly to issues of common need, such as collective purchasing).

This issue of trust between clubs and between sections of the game was highlighted by a number of respondents. These respondents believed that at various tiers in the game there was an “us and them” relationship (particularly between the Super League and Championships clubs). There was a clear recognition that the Super League is the “shop window” of the sport and that it needed the appropriate level of resource to flourish and succeed visibly. There was, however, a concern that the Championships also needed nurturing, yet was in a position of being beholden to SLE and therefore utterly dependent upon the discretion of the Super League clubs. It was felt both within Super League and Championships respondents that the game overall would benefit from a more positive relationship between the two sections of the professional game and consideration should be given to how this could best be created. While there was recognition of the need for a significant amount of self determination for SLE, this could not be totally unfettered from the overarching authority of the RFL which is responsible for ensuring that the whole game is as strong as it can be.

Many responses raised issue with the conduct of Super League, Championships and Council meetings. In particular there was frustration that the agenda and papers for these meetings were only provided seven days in advance of meetings, and that this period did not allow for club executives to discuss the agenda and papers with relevant staff to determine an informed club position.

A number of responses also noted that the membership of the RFL Community Board was clearly designed to be a proportionate representation of the Community Game; however the Community Game’s current representation on the RFL Council is not representative. At present BARLA, English Schools Rugby League, Combined Services Rugby League and Students Rugby League are members of the RFL and attend Council meetings. Those playing leagues and clubs that have now aligned with the RFL following the move to a summer based competition have a voice at the Community Board (and therefore with the RFL Board), but are not represented at the RFL Council. This situation will need to be remedied as part of this governance review, and the revision should also serve to ensure appropriate interaction between the Super League clubs, the Championships clubs and the Community Game.
Conclusions and Recommendations

1. **Rugby League maintains the current unified governance and executive structure, with the RFL Chairman and Chief Executive remaining as the Chairman and Chief Executive of SLE.**

   Our discussions reaffirmed the benefits and simplicity of Rugby League’s unified governance structure, and there was a consensus across all parts of the game that the governing body must remain responsible for the whole game and that the RFL Chair and Chief Executive be retained as the Chair and Chief Executive of SLE. We endorse this consensus.

   Consideration was given to other models of governance, for example reverting to a separate SLE Board and Executive or the creation of distinct business units within the RFL responsible for each component of the sport, however on balance the current model was seen as providing the sport with the best opportunity for continued growth in commercial and broadcast revenues, whilst maintaining a responsibility for the “whole of the sport”. Any significant alteration to the SLE Articles of Association is also likely to return the sport to the era of dysfunctionality and instability that pre-dated the 2001 Strategic Review with consequential duplication of management structures and costs.

2. **The RFL Board continues to play an active role in the development of a new high level vision and strategy for the sport.**

   We welcomed the chance to talk frankly to a wide range of stakeholders about the role they felt the RFL board and the individual non-executive directors should play. It is clear from the vast majority of responses that the RFL Board should continue to set the high level strategy and vision for the RFL as an organisation and the wider sport. Whilst consultation with clubs and other stakeholders is an important element of the development of this vision and strategy, ultimate responsibility rests with the RFL Board. The sport requires an active and energetic RFL Board, willing to take courageous decisions rather than simply providing a steady regulatory guardianship of Rugby League.

3. **The RFL moves to appoint a non-Executive Chairman embarking immediately on an open and competitive recruitment process.**

   It is clear that Rugby League has moved on significantly in the last decade. At the time of the 2001 Strategic Review it was essential that the next Chairman of the RFL was an Executive Chairman, tasked with re-integrating a fragmented sport, improving credibility in its governance and restoring financial stability. Essential to the re-integration of the sport was the Executive Chairman’s role chairing the RFL, SLE, RLEF and Community Board. However, the sport is now in a position to “move on” from this model, and there is no need for the next Chair to be an Executive Chair. Rather a non-executive Chair should be appointed to the RFL.

4. **The RFL Board confirms as soon as possible the non-executive director (other than the RFL Chair) who will attend the Super League, Championship and Community Board meetings.**

   A common response to this review has been a desire from member clubs and the Community Board to see an increased involvement of the remaining RFL non-executive directors in the governance of the game. Wherever possible the RFL Chair should continue to chair all meetings, however it would be appropriate to designate that the Super League, Championship and Community Board meetings have a non-executive director appointed as an independent link into the RFL Board.
5. *The Articles of Association of RFL (Governing Body) Limited be amended to increase the maximum number of Directors from five (5) to seven (7).*

6. *The Articles of Association shall be amended to confirm that the directors shall be up to three (3) executive directors and up to a maximum of four (4) non-executive directors.*

7. *The requirement that non-executive directors of the RFL Board remain “independent persons” should remain in place.*

At present the RFL Board is restricted to a maximum of five members (two executive and up to three non-executive directors). With a move away from an Executive Chair, it is appropriate to alter the Articles of Association to increase this maximum number of directors to seven in order for the RFL Board to have some flexibility in both the appointment of a new chair or new non-executive directors.

Club responses to this review indicated that regular contact and discussion with the non-executive directors was important. This could create an unworkable burden upon the non-executive directors if this number remains at three (including the Chair) indefinitely.

The independence of the RFL Board was commonly acknowledged by many respondents to this review as a great strength of the current governance structure. Consideration was given to a return to having representatives of the Super League and Championships on the RFL Board. However, the independence of the RFL Board and balance of non-executive and executive directors (and independence of the non-executive directors) has been almost universally regarded by member clubs as important to the past success and future prospects of the sport. On that basis the recommended increase in numbers and the split between executive and non-executive representation ensures that the appropriate independence and balance is maintained following the appointment of a non-executive Chair.

8. *The RFL commit to ensuring Council meetings are increasingly relevant by a considered approach to agenda items and ensuring that the RFL Board and Executive team are in attendance at meetings.*

Whilst the above recommendations confirm the independence of the RFL Board and the unified governance structure, we recognise that there is much work to be done in improving the current system of club meetings, and the way the RFL communicates with its stakeholders.

The RFL Board and Executive are accountable to the member shareholders, and the appropriate forum for them to be held to account is the RFL Council. Many respondents told us that they believed this key meeting had become ineffective, so much so that they did not regularly attend. It is clear that the Council meetings need reinvigorating as a forum in which stakeholders can contribute effectively to policy discussions of relevance across the game, and hold the Board and the Executive to account for decisions made. This should lead to greater transparency when dealing with major issues involving the sport, and improved channels of communication between the RFL Board and its stakeholders.

A number of respondents to the review believed that the RFL Board and Executive needed to display greater transparency to stakeholders on the major issues confronting the game. However many respondents also accepted that the RFL Board should maintain the confidentiality of clubs when dealing with commercially sensitive issues, and balancing the need for transparency with this obligation of confidentiality was a difficult task.

A number of club responses to the review identified the growing gap between Super League and the remainder of the sport as a problem. Changing the way Council meetings operate is an opportunity to bridge some of the perceived distance between the component parts of the sport. Consideration will need to be given to how best to run an effective meeting in which everyone can contribute given the large numbers of attendees involved."
9. **RFL profit is equally distributed to each professional member of the RFL (whether they be Super League or Championship). 10 per cent of the profits should continue to be distributed to the Community Game.**

The current distribution of RFL profits to members is also an issue that is in need of review. At present, 60 per cent of profit is directed to members in the Super League, 30 per cent to members in the Championships and 10 per cent to the Community Game. This split was in part determined by recognition of the contribution Super League clubs made in releasing players for international duties, which is now addressed through a separate financial mechanism. It is therefore now appropriate to amend this split to ensure a more even distribution of profits, recognising the valuable contribution all parts of the game play in its overall success, and ensuring that each tier of the sport has a vested interest in the financial performance of the RFL. The payment of an equal share of profit to each RFL professional club member would be appropriate.

10. **The Community Game’s representation on Council be amended to mirror the representation of the Community Game on the Community Board.**

Immediately improving the representation of the Community Game on Council was also identified as an important issue in many responses. The most appropriate solution is to ensure the Community Game’s representation on Council mirrors the representation of the Community Game upon the Community Board. This will also assist in reinvigorating Council meetings through a more proportionate representation of the Community Game.

**Recommendations for SLE**

As SLE is a limited company separate from the RFL but with a shared shareholding, board and executive, a number of further recommendations have been made in relation to SLE meetings and the conduct of business. A number of these changes could spread to both the Championships and Community if desired, however for the purposes of this report and in light of SLE’s special status the recommendations only concentrate on SLE. Indeed the Community Board already has a competent structure of sub-committees reporting to the Board.

11. **Make it clear on the agenda for SLE meetings which items will require decisions to be made. The papers should remind the club shareholders of their decision making powers, what items are a joint decision between the SLE clubs and the RFL, and what matters are reserved for the RFL Board.**

12. **Agree to issue all papers two weeks in advance of meetings.**

13. **SLE immediately create four (4) sub-committees, Marketing; Commercial; Competition Structure and Regulation; and Player Development and Performance, composed of two/three members of the RFL Executive and two/three club representatives. These sub-committees should meet four (4) times per year.**

14. **SLE general meetings should take place four (4) times per year, in late January, late April (to avoid Easter), early July and late October. Only one of these meetings should be a two day meeting.**

15. **SLE business area meetings cease.**

Significant changes are required to the conduct and structure of Super League club meetings. The RFL Executive should be tasked with ensuring that it maintains greater discipline in creating the agenda for Super League club meetings to ensure that clubs are in no doubt as to which matters for discussion and decision are within their gift, and which are not. This confusion has been a significant contributing factor in the current difficulties at club meetings, and greater clarity should assist a return to shorter and more efficient club meetings.
A number of respondents highlighted a lack of time to consult properly within their clubs, including with coaching and playing staff, prior to meetings if papers were issued too close to meetings or if they were not clear that a decision was required. RFL Executives commented that on occasion clubs were ill prepared to contribute to debate or decision making, or did not send appropriate representation with the ability to commit to decisions, and that this led to issues being protracted unnecessarily. To address both concerns the RFL Executive must ensure that papers are issued two weeks prior to meetings with items requiring decisions clearly marked, and clubs must take responsibility on receipt of papers to thoroughly discuss them with relevant club staff, including coaching staff where appropriate. This is with a view to ensuring that a club representative (at any meeting) is fully empowered to state the club’s position and no member of club management should subsequently seek to amend decisions correctly tabled and fully discussed and agreed at a previous meeting.

A number of Super League club responses identified a lack of club responsibility for the direction and performance of the competition. Unlike a number of other elite competitions, little or no responsibility is delegated to club sub-committees containing members of the Executive. Compare this to Premier Rugby (which for example has a Salary Cap sub-committee accountable to its Board and the clubs for the operation and review of the Salary Cap Regulations, comprising representatives from four clubs, appointed for a fixed term of two years).

It is therefore appropriate to create sub-committees for SLE. It is suggested that four (4) sub-committees be created: Marketing; Commercial; Competition Structure and Regulation; and Player Development and Performance. Each committee would have strict terms of reference and be composed of 2/3 members of the RFL Executive Management Team, and 2/3 club representatives. The creation of these committees would also have the benefit of removing the need for business area meetings (Commercial, Performance and Regulatory) that are at present, too unwieldy. Responsibility for policy generation should be designated to the sub-committees, giving the clubs some control over and responsibility for the direction and performance of the SLE competition.

It is also appropriate that SLE should meet more regularly, with a subsequent reduction in the number of two-day meetings. At present the business area meetings do create a significant workload for club staff. It would be appropriate to increase the number of Super League club meetings (from three to four per year). However, only one of these meetings should be a two day meeting (reduced from two). Late January, late April (to avoid Easter), early July and late October (overnight) would be the best schedule. Further, with sub-committees introduced these should meet four times, between the general club meetings and reporting into these club meetings. With the business area meetings removed, the creation of sub-committees and removal of an overnight meeting, this should reduce the current club staff meeting workloads.

**Looking Ahead**

16. The RFL Chief Executive immediately lead a review into the current RFL policies on:

   a) *Competition structures and game integration.*

   b) *Super League Licensing and Promotion/Relegation.*

   c) *Club sustainability and the appropriate level of RFL support for clubs.*

   d) *Youth development and player production systems.*

   e) *Expansion of the sport and RFL’s responsibility for European development*
It is clear from the responses to this review that there are a number of contentious areas of RFL or SLE policy that many in the game consider in need of review. The conclusion of this Governance Review presents the RFL Board and Executive with an opportunity for a significant review and further development of current policies. Consultation with member clubs and the Community Game will be central to this review of policy. The outcome of this policy review should in turn provide further direction and certainty about a number of issues. This review is a timely opportunity to review and reinforce the purpose of each tier of the sport (Full-Time, Part-Time and Community). It should be possible to develop and agree these strategies and policies as soon as possible following the conclusion of this Governance Review, put the policies in place for a minimum of three years and then allow the RFL Board and Executive to proceed with driving forward the commercial performance and improving the profile of the sport.
Appendix 1 - Background

Pre-1995

The Northern Rugby Football Union was formed as the governing body for the sport of Rugby League in the United Kingdom in 1895. In 1922 it altered its name to the Rugby Football League (‘the RFL’). For the majority of its existence, the RFL was governed by a Council of representatives of the member clubs. The Council employed a General Secretary who operated the day-to-day business, however almost all major decisions were taken by the Council at general meetings. In 1988 the Council made the decision to delegate responsibility for the day-to-day management of the business to a board of directors made up of club representatives, selected by the Council.

As part of its management of the sport, the RFL organised the Challenge Cup competition, the Championship competition (which in 1995 contained the elite 16 teams), a Premiership play-off competition for the best performing teams in the Championship, a Second Division competition for those outside the elite Championship, and a further knockout ‘Regal Trophy’ competition for clubs in the Championship and Second Division competition.

The sport was played during the Northern Hemisphere winter and contained teams based in the North of England with a team in London. In 1995 few teams in the Championship were fully professional, most were run on a semi-professional basis. This divide was somewhat reflected in the fact that, in the 1994-95 season, Wigan won each of the Championship, the Premiership, the Challenge Cup and the Regal Trophy competitions. The previous season they had won the Championship, the Premiership and the Challenge Cup competitions and been the runner up in the Regal Trophy.

Until 1995 the RFL was also the owner of the broadcast and sponsorship rights to all professional Rugby League in the United Kingdom.

Following the formation of the British Amateur Rugby League Association (‘BARLA’) in 1973, the amateur or community game was governed by this organisation rather than the RFL. In essence there existed two governing bodies, the RFL for the professional game and BARLA for the amateur game. For much of the period after 1973 these bodies remained largely autonomous, with little interaction or common purpose.

Advent of Super League

During 1995, the member clubs of the RFL were approached by News International and British Sky Broadcasting (‘Sky’) with a proposal for the creation of a new, elite, full-time professional Rugby League competition in the United Kingdom and Europe. Following on from the creation of an equivalent competition in the Southern Hemisphere, News International and Sky were keen to obtain the television rights to a similar competition in the United Kingdom.

The creation of the Super League in 1995 was precipitated by a series of discussions as to how Rugby League could produce a more exciting and attractive sporting spectacle, one that would entice new supporters and sponsors to the sport. A major factor in these discussions was the desire to create an elite competition where every team was fully professional, with full-time employed players, and not reliant on significant numbers of “part-time” players who had traditionally combined full-time employment outside Rugby League with part-time playing. There was also a desire to see the reach of the sport
expanded beyond its traditional base, with the addition of teams in France, Wales and other European Nations. Finally, it was envisaged that a meaningful club competition against teams from the Southern Hemisphere's Super League competition would be played ("the World Club Challenge").

On that basis, Sky eventually made a payment of £87 million for the rights to televise a newly-formed Super League competition, in addition to International Rugby League and other RFL-sanctioned competitions (except the Challenge Cup) for five seasons. This broadcast agreement was between Sky and the RFL, with the RFL Board allocating the distributions across the three divisions of the sport. With this development, Rugby League would move to be a sport primarily played at professional level in the summer months and teams in the Super League would contain full-time employed players. Super League clubs would also be expected to introduce and maintain acceptable standards of financial responsibility, on-field playing investment and commercial/marketing expertise within their executives.

In 1996 the clubs participating in the Super League also created a "trade association" by way of a company limited by shares, Super League Europe Limited ("SLE"). The main objects of this association were to exploit the commercial and marketing rights of the competition to their fullest. Each club participating in the Super League was entitled to a share in this new company, and an entitlement to any distributions from its revenue.

The original Articles of Association of SLE also created a Governing Body Share for the RFL, making it a Special Rights Preference Shareholder whose consent was required before certain decisions could be taken.

1997 to 2001

Despite the significant uplift in broadcast revenues following the Sky/RFL agreement in 1995, the financial stability of the sport did not improve. Clubs continued to rely upon advances of future television revenues (through the arrangement with merchant bankers Singer & Friedlander) to maintain solvency, the financial performance of the RFL deteriorated significantly and the creation of an SLE executive team had increased the cost base. These financial difficulties were exacerbated when in 1997, following the conclusion of the Super League war in Australia and concerned about their return on investment in Rugby League in the United Kingdom, Sky and News Limited sought to renegotiate the broadcast agreement with the RFL. Sky/News Limited had informed the RFL and its member clubs in 1997 that should they not renegotiate the broadcast agreements immediately, Sky would pay the sport what it believed its market value was at the conclusion of the existing deal (circa £8 million per annum).

At the time of the negotiations with Sky/News Limited, SLE and its member clubs had agreed with the RFL and Association of Championship clubs ("APC") that it would negotiate its own broadcast, sponsorship and other commercial agreements. All revenue raised from these agreements would remain with SLE. Further, SLE had expanded its executive to include a number of positions that mirrored those already in place at the RFL, but with responsibility for the Super League competition only.

As a result of these difficulties the RFL conducted a Strategic Review in 1997. However this was largely ignored save for an alteration to the composition of the RFL Board. The previous concept of a Board elected from club representatives at Council was replaced in 1998 with a Board consisting of:

a. Chairman (Independent);

b. Director nominated by SLE (with an additional observer drawn from this association);

c. Director nominated by the APC (with an additional observer drawn from this association).
d. Three RFL executive directors (the RFL’s Finance Director, Director of Rugby and Communications Director).

e. One non-executive director.

However, this structure failed to deliver the anticipated improvement in operational and financial performance. There remained on-going tension between SLE and the RFL, the boards of both organisations contained club representation which resulted in continued conflicts of interest and RFL broadcast revenues were reduced to a minimal figure following the transfer of Super League rights to SLE. With net financial liabilities peaking at £1.9 million in 2000, the RFL faced insolvency. As an unincorporated association this would have created additional disruption in the sport, as the RFL members would have been required to cover the full liabilities of the RFL should it be declared insolvent.

2001 Strategic Review

Following the years of deteriorating financial performance and significant losses arising from the organising of the 2000 Rugby League World Cup, in 2001 a Strategic Review Process was constructed by the RFL Chairman, Sir Rodney Walker, to address a number of fundamental issues that were adversely affecting the sport.

This 2001 review process was undertaken by a Strategic Planning Commission (“the SPC”) containing representatives from Super League clubs, Championship clubs (or APC as they were then), BARLA and Sport England. After consultation with other stakeholders, the SPC reported in August of 2001 with 118 recommendations across the following areas:

a. Governance

b. League Structure and Competitions

c. Broadcasting

d. Central Finance

e. Club Finance

f. Sales and Marketing

g. Representative Calendar

h. Player Production

The SPC recommended that for the first time, the RFL Board should comprise no individual with an active relationship at any club. Further, the Board should comprise an Executive Chairman and an appropriate mix of executive and independent non-executive directors. These independent non-executive directors should be selected based upon their ability to contribute individually to Rugby League, by way of business expertise or reflecting specific interest areas for the sport. These recommendations were accepted by the RFL Council, and in 2002 the independent RFL Board was instituted, consisting of Richard Lewis as Executive Chairman, Ian Edwards, Tony Garland and Maurice Watkins as non-executive directors and Nigel Wood as Finance Director.

A further recommendation of the review was the merger of the RFL and SLE executives. SLE and the RFL later agreed and implemented this recommendation on the basis that the employment of two executive teams had led to a significant increase in the cost base of the sport, and merging these two organisations represented an opportunity to restructure efficiently the administration of the sport.
A number of other recommendations from the SPC were also approved and implemented. These included the “unification” of BARLA and the RFL, the expansion of Council to incorporate all elements of the game, the creation of dedicated forums for each area of the game to discuss matters of common interest (for example the RFL Community Board) and the co-ordination of the Super League and RFL broadcast rights offerings to the market.

RFL Incorporation

A significant recommendation of the 2001 Strategic Review had been the incorporation of the RFL. Since its inception in 1895 (as the Northern Rugby Football Union) the RFL had been an unincorporated association, carrying with it the inherent risk that its members were responsible for the liabilities of the RFL in the event of a financial failure. Following the heavy financial losses caused by the deteriorating performance and Rugby League World Cup in 2000, this risk had become a reality. After the newly independent Board restored the RFL to a positive net asset position in 2003, the move to incorporate began to gather further momentum and in 2005 the RFL incorporated as RFL (Governing Body) Limited.

Upon incorporation RFL (Governing Body) Limited became a company limited by guarantee, with each member club or organisation offering a guarantee of £1. The RFL became a separate legal entity in its own right and as such could hold assets (such as shares in subsidiary companies and property), making administration easier and more cost effective. The RFL (Governing Body) Limited members and Board also gained the benefit of limited liability with the assets of the Board members and RFL (Governing Body) Limited members not exposed should the business fail financially.

Set out below is a list of the RFL companies and subsidiaries. However, the RFL is currently in the process of consolidating the subsidiaries, with RLIP Limited, Rugby League Tri Tournaments Limited and ZZ Merchandising Limited to be struck off in the near future:

2006 SLE Article Amendment

Prior to 2006, the Board of SLE consisted of the Chairman of the RFL acting as Chairman of SLE, with each of the member/shareholder clubs entitled to provide one director (“club directors”). However this structure resulted in almost constant conflicts of interest, with each club director often asked to consider the best interests of the Super League at the same time as considering his/her own club’s best interests. This structure also required the club directors to sit in judgment upon other clubs within the Super League (for example, on the re-entry of London Broncos to Super League following administration in 2005 or on the distribution of central revenues).

Further, the independent RFL Executive were under-represented in policy making and frequently “governed” and/or led meetings only because of the goodwill of a sufficient number of member clubs. This often produced an unclear demarcation of responsibilities between the RFL and SLE (for example on issues such as the Salary Cap or minimum standards for membership of SLE).
Given the issues presented by the “club director model, in 2006 the clubs and RFL agreed to amend the SLE Articles of Association to re-insert a ‘Governing Body Share’ for the RFL, to give greater clarity as to the powers and responsibilities reserved to the RFL and/or the SLE member clubs, and appointed the RFL Chairman and Chief Executive Officer as the Board of SLE.

Significant consideration was given to the powers and responsibilities reserved to the RFL and/or the SLE member clubs. These powers and responsibilities were carefully assigned to either the RFL, the Super League clubs or as matters that could only be agreed with the approval of both the RFL and a majority of the member clubs. The areas of broadcast and commercial revenue, as the primary reason for the split of SLE away from the RFL remained matters wholly within the gift of the Super League club shareholders. However issues such as the criteria for and membership of Super League, an area that clubs had been conflicted upon when deciding upon past cases, were assigned to be dealt with only by the RFL. Issues that were considered “whole of game” issues, such as promotion and relegation from the Super League, were assigned as matters that could only be dealt with following the agreement of both the RFL and club shareholders.
Appendix 2 - Current Operation

Governance

The current governance structure for the sport is contained within the Articles of Association of both RFL (Governing Body) Limited and SLE, and the RFL Operational Rules. Whilst each of these documents is independent of the other, they confirm an inter-related governance structure that defines and protects the rights and responsibilities of each component part of the sport. A summary of this structure is as follows:

RFL Council

The RFL Council is made up of all member professional clubs, in addition to BARLA, English Schools Rugby League, Combined Services Rugby League and Student Rugby League. Each member is entitled to attend and vote at all meetings of the Council, share in the profits of the RFL or any distribution of its funds and participate in RFL competitions. The Council is the ultimate decision making body for the sport in England, with responsibility for the Laws of the Game and an entitlement to amend the Operational Rules on the passing of a Special Resolution.

Council Meetings must be held at least twice a year, with the Annual Council Meeting approving the accounts of the RFL, appointing/approving auditors, electing non-executive directors to the Board (where necessary) and electing a President. Changes to the Articles of Association of the RFL can only be made upon a Special Resolution approved by 75 per cent of voting members.

At Council, the number of votes held by each Club is calculated as follows:

(a) if the number of SLE Members is identical to the number of Championship Members then each such member shall have one vote;
(b) otherwise, the aggregate number of votes of SLE Members on the one hand and of Championships Members on the other hand shall be equal. For example, if there are 20 Championships Members and 14 SLE Members then:

- each Championships Member gets one vote;
- each SLE Member gets one and two-fifths votes.

Such that the total number of votes will be 20 for Championship Members and 20 for SLE Members.

Further, an ordinary resolution of the Council will be passed only where more than 50 per cent of the votes given in relation to that resolution include the affirmative votes of not less than four Championships Members and not less than four Super League members.

RFL Board

The business of the RFL is managed by the Board. The number of directors upon the RFL Board shall be not less than three and not more than five. The directors shall be a minimum of two executive directors and a maximum of three non-executive directors.

All non-executive directors are subject to election by the RFL Council at the first opportunity after their
appointment, and to re-election at regular intervals and at least every three years. Non-executive directors retire by rotation and may offer themselves for immediate re-election. The Board also undertakes a formal annual evaluation of its own performance and that of its committees and individual directors. This includes a review of whether each director continues to contribute effectively and demonstrates a commitment to the role. The Board has established three specific committees, the Audit Committee (to review internal control procedures, accounting procedures and consider the Annual Report before submission to Council), the Remuneration Committee (which benchmarks key staff against business of similar size and determines the terms and conditions of executive Directors and management staff) and the Nominations Committee (to deal with appointments of new members to the Board in addition to reviewing the size and composition of the Board).

The RFL Board is also responsible for the making and enforcing of the Operational Rules.

Day to day management of the RFL is delegated to the management team under the leadership of the Chief Executive Officer. The Board receives written reports from every member of the senior management team at each Board meeting and may also request updates or attendance at Board meetings from an individual departmental manager if there are significant issues to discuss in a particular area. By virtue of its funding arrangements with Sport England, the RFL is also subject to stringent annual governance audits and other financial assessment. As part of its governance audit, Sport England insists upon an appropriate balance of executive and non-executive directors on the RFL Board.

**SLE**

The RFL (Governing Body) Limited Chairman and Chief Executive Officer are also appointed as the sole directors of SLE. However the Articles contain a safeguard for the Super League clubs, who have the option either to appoint an independent non-executive director to the Board of SLE or return to the former system of “club directors” upon the passing of a special resolution to do so (i.e. with the approval of 75 per cent of the member clubs).

The Articles of SLE also reserve decision making powers to the club shareholders on a number of issues. Only the club shareholders have the power to agree:

a. The competition broadcasting agreement.

b. The title sponsorship of the competition.

c. The number of rounds to be played in the Super League.

d. The format of the Super League.

e. The allocation of central television distributions, prize money and trading surpluses.

The Articles also confirm those issues upon which decisions can only be made where the approval of a majority of Super League clubs and the RFL has been obtained. They are:

a. The number of clubs to play in Super League.

b. The Super League Salary Cap Regulations.

c. The name of Super League.

d. Promotion and relegation to/from Super League.
e. Commitment to the RFL Fixture List.
f. Obligation of each club to enter the Challenge Cup.
g. Ownership of more than one club.

Championship

Prior to the 2001 Strategic Review, the Championship clubs had formed an Association of Professional Clubs (APC) that met and elected a Chair who sat upon the board of the RFL. The APC conducted regular meetings and attempted to obtain television broadcast and sponsorship deals for its members. However, on the implementation of the recommendations from the Strategic Review, the APC was disbanded and meetings of Championship clubs are now chaired by the RFL Chairman. These meetings are held at least three times a year.

The Championship clubs collectively have delegated to the RFL Board (on an exclusive basis) the negotiation of all broadcast and sponsorship agreements.

Community Board

By virtue of Article 79 of the Articles of Association of RFL (Governing Body) Limited, the Board has established a Community Board. This Board is accountable to the RFL Board for the management and development of all aspects of the community, grass roots and amateur game of Rugby League. The role of the Community Board shall be to assist in the organisation and management structure of the RFL, and to bring together all areas of the British Rugby League community, grass roots and amateur game under the governance of the RFL. The Community Board conducts its proceedings in accordance with Terms of Reference and Operation (Appendix "A"), which can only be amended by resolution of the RFL Board.

Regulatory

In accordance with the RFL (Governing Body) Limited Articles of Association, the Board has the responsibility for the drafting and enforcement of the Operational Rules (with the Super League clubs retaining a veto over the Super League Salary Cap Regulations). The Board also has the responsibility for organising and retaining all proceeds from the Challenge Cup and International competition; implementing the rules relating to players, agents, anti-doping and disciplinary; and controlling the recruitment and appointment of Match Officials. The RFL is also tasked with the formation of the fixture lists for the Super League, Championships, Challenge Cup and Northern Rail Cup competitions. The RFL Board also determines the membership and criteria for membership of the Super League competition (i.e. Licensing).

The Laws of the Game are the responsibility of the RFL Council, deciding upon any changes following receipt of recommendations or advice from the Laws Committee (a sub-committee of the RFL Board).

As recommended by the 2001 Strategic Review, dedicated forums currently exist for each area of the game to discuss matters of common interest. Super League club Chief Executives and Chairmen meet 3 times a year to consider general matters relevant to SLE. The Championship clubs also meet 3 times a year to consider matters relevant to the Championship. The Community Board meets at least 4 times per year. These meetings also present opportunities for RFL Executives to report or consult on certain matters, for example World Cup planning, the Laws Committee or Salary Cap Regulations.

There also exist a number of further opportunities for the Super League clubs to discuss matters of
common interest, with business area meetings held across a number of disciplines in both the Super League and Championships. Super League clubs hold business area meetings across four disciplines:

a. Regulatory (to discuss and decide upon Operational Rules, Salary Cap Regulation and other policies),

b. Commercial and Marketing (to discuss and decide upon central and club commercial and marketing initiatives),

c. Community Programmes (to discuss and share best practice on community foundations and other charitable activity) and

d. Performance and Player Development (to discuss and decide upon initiatives involving playing and development programmes).

These meetings are held three times per year for each discipline and attended by relevant members of the RFL Executive and club staff. Minutes of these meetings are presented to the clubs at their general meetings. Where it is considered necessary (for example on matters pertaining to the Super League Salary Cap Regulations), proposals developed at the business area meetings will be voted upon by the club representatives at the general meetings.

Championships Clubs also have Regulatory meetings twice a year, and Community meetings three times a year. Again these meetings are attended by relevant members of the RFL Executive and club staff. Minutes of these meetings are presented to the clubs prior to their general meetings and where necessary, proposals developed at the business area meetings are voted upon by clubs at general club meetings.

**International**

The RFL was a founding member of the Rugby League International Federation (“RLIF”), the international governing body of the sport. Along with the Australian Rugby League Commission (“ARLC”) and the New Zealand Rugby League (“NZRL”) it is entitled to appoint two directors to the Board of the RLIF. At present, the RFL Chief Executive is also Deputy Chairman of the RLIF.

The RLIF controls the broadcast and commercial rights to the Rugby League World Cup. It has traditionally used the commercial revenues generated by this tournament, with levies on gate receipts at other international matches, to fund its activities (including grants to developing nations).

The RFL was also a founding member of the Rugby League European Foundation (“RLEF”). The RLEF is the governing body for Rugby League in Europe and the Northern Hemisphere. It oversees and coordinates the development of the sport in all its Member and affiliated countries and territories, as well as neighbouring organisations that choose to link to the RLEF. The RLEF is an Associate Member of the RLIF and is therefore entitled to appoint two directors to the Board of the RLIF.

The World Club Challenge, currently consisting of a single match between the NRL and Super League champions, is jointly owned and organised by the ARLC and SLE. Any proposals to amend or expand the format of the World Club Challenge require the approval of both the ARLC and SLE.
Financial Profile

Introduction

As has been previously discussed in the Background section, the creation of SLE caused a fundamental change in the financial structure of the sport. Previously all centrally generated revenue was received by the RFL, from which it was then expended across and around the whole of what was then identified as the ‘professional game’.

With the creation of SLE as a trade association, the RFL agreed to cede the revenue generated by the Super League title sponsorship, the end of season Play-offs and the television broadcast rights to the Super League competition (upon the renegotiation of the second Sky Sports contract in 1998). In practice this was a straight copy of the model adopted by football earlier in the same decade. SLE also agreed to pay for the competition’s marketing and invested in separate offices and human resources. The RFL retained the commercial and broadcast rights for the Challenge Cup, the non-Super League professional divisions and the International/Representative Game. Crucially the RFL also retained the central costs of administering the entire professional sport, including but not limited to operations, match officials, development, international performance, disciplinary, club insurance and all the obligatory central service functions of a National Governing Body (legal, finance, HR, and IT).

This unsophisticated division of revenue and allocation of costs proved hugely beneficial to SLE and its member clubs. Unfortunately it also served to weaken the RFL to the point where it was close to bankruptcy, which created an unsustainable situation given the then unincorporated status of the RFL. As each member club was responsible for the liabilities of the RFL, financial failure would have resulted in the RFL member clubs paying significant rescue costs. Further, the only group with any prospect of paying these rescue costs were (some of) the Super League clubs then in the competition and benefitting from the unsophisticated distribution of revenue and allocation of costs.

On that basis relatively drastic action was needed to avoid the financial failure of the RFL, and the reintegration of SLE into the RFL in 2002 delivered both significant efficiencies and removed duplication. The subsequent single integrated Executive took responsibility for ensuring the financial security and sustainability of the sport. The aggregate revenues, together with the associated costs of delivering same, are presented below for the period since reintegration in 2002.

The Current Position

The financial model used in the sport has continued to evolve over recent years and the various TV arrangements for both professional competitions have been variously negotiated, while remaining faithful to the central principles agreed in 2002. On that basis it is appropriate to detail precisely Rugby League’s current financial model:

RFL

As stated previously the RFL retains the rights to the Challenge Cup competition and to International and Representative Rugby League. It also receives a 1/16th share of the SLE TV contract as a contribution towards the sport’s central costs. To add to these revenues the RFL receives funding from Sport England to deliver against the participation and performance directives (set by Sport England). Naturally all
monies received from Sport England are expended upon delivery against participation and performance directives, or making a contribution towards the overhead of providing those services.

The RFL pays for all centrally provided services for the entire sport: the Community Game, the Championships and Super League. The cost of these central services in 2012 is estimated to be £2.8m, therefore the 1/16th share received from SLE represents 47 per cent toward these costs.

SLE

The central television contract is split 16 ways: - each Super League club receives a share; one share is paid to the Championship clubs; and one share is received by the RFL (as a contribution towards the Sport’s central costs). In addition, the Super League and the two divisions of the Championships share equally a further £2 million per annum. SLE retains all revenues net of direct costs from its Play-offs, its title sponsorship and other commercial income generated by its competition. Historically SLE also shared the profit from the World Club Challenge match each year, although in the past two years this has been retained by the competing clubs. The gross income of SLE is in the region of £24 million per annum.

From this revenue, SLE pays its prize money and any central initiatives that it determines, i.e. provision of statistical services, its share of the costs of providing a big screen at all televised matches, any central marketing of the competition, a contribution towards the full-time Match Officials squad and travel costs for travel to and from France. Any annual surplus in SLE is paid to the member clubs either equally or by reference to the number of times a club hosts televised games and pitch painting. The RFL does not participate financially in the profits of SLE.

The Championships

Championships finances are not collected in a separate corporate structure but accounted for within the RFL. Income is derived from SLE (as explained above), the RFL and from commercial sponsorships and partnerships. Payments are made to clubs by way of a central monthly distribution and prize money to the Championship competitions.

The Community Game

Similarly to the Championships, expenditure in the Community Game is undertaken within a section of the RFL. The Community Game has no independent sources of income other than those granted from within the RFL. BARLA, while a member of the RFL, remains financially independent and retains all its subscription receipts and determines how these are expended.

Financial Performance

Since its appointment in 2002, the independent RFL Board and Executive have maintained three strategic priorities in assessing and managing the finances of the organisation:

a. Increasing turnover.

b. Increasing investment in the game.

c. Controlling the costs of staff and overheads.
Increasing Turnover

Following the merger of the RFL and SLE executive teams in 2002, the day-to-day responsibility for the raising of revenue and central finance function of both SLE and the RFL has fallen to staff employed by the RFL. From 2003 onwards the broadcast properties of both SLE and the RFL have also been marketed jointly, and the RFL Chairman and Chief Executive have made up the board of SLE since 2006. Given this relationship between the two companies since 2002, the table below displays the level of combined RFL and SLE turnover since 2001. The combined turnover of the RFL and SLE has increased from £17m in 2001 to in excess of £47m in 2011.

In light of its importance to any assessment of the turnover of the RFL and SLE, it is necessary to review broadcast revenues following the initial Sky/News and RFL agreement in 1995. As discussed above, following the initial £87million five year agreement of 1995, Sky/News Limited sought to renegotiate this agreement in 1997. In 1998 negotiations were concluded, with SLE agreeing a five year deal (1999-2003) in the sum of £45million. The APC clubs accepted a “termination payment” from Sky/News international in the sum of £10.8million with no further obligations to Sky/News Limited and the RFL agreeing a deal for the broadcast of international matches in the sum of £1million over five years (1999-2003). The RFL also realised a further £8million from the sale of broadcast rights to the Challenge Cup for the period 2000-2004.

In 2003, the rights to the Super League, Challenge Cup, International Rugby League and the Championships were marketed jointly, with IMG engaged for the first time to assist in this process. Following lengthy negotiations, an agreement was concluded with Sky paying £45million for the rights to broadcast the Super League competition and International matches for the period 2004 to 2008. The BBC were awarded the rights to broadcast the Challenge Cup competition for the period 2005-2008 in return for the sum of £7.2million.
The rights to broadcast the Super League, World Club Challenge, Challenge Cup, International matches, the Northern Rail Cup and the Championships were again marketed jointly in 2007 (for the period 2009-2011). A joint bid from Sky and the BBC for all properties was accepted in the sum of £81million. For the sale of broadcast rights for the period 2012 to 2016, the rights to broadcast International matches were excluded from the joint offering. Agreements were concluded with Sky, the BBC and Premier Sport for the broadcast of the Super League, World Club Challenge, Challenge Cup, Championships and Northern Rail Cup in the sum of £135million for the period 2012 to 2016.

The table below shows the distribution of broadcast revenues into the sport since 2004:
The table below demonstrates the flow of television income into the sport and how this is then distributed to the member clubs.

In addition to the broadcast revenues, the RFL is in receipt of significant levels of government funding for its work in both the development of elite athletes and increasing participation in the sport. During the current funding cycle (1st April 2009 to 31st March 2013) the RFL will have received in excess of £27m for this work. These funds have been used to deliver a number of programme and capital costs (for example the RFL was awarded £3 million between 1 April 2009 and 31 March 2013 by Sport England for the improvement of facilities at Community Rugby League clubs). However the majority of this funding has been used to deliver employment opportunities within the sport in accordance with the terms of the funding agreements with the government bodies and agencies.
**Investment in the Game**

The table below confirms the monies invested into the game by the RFL and SLE since 2001. In 2001 the RFL and SLE distributed in excess of £11m into the game, with this amount rising to £27m in 2011:

**Employment Costs**

Funding for the employment of RFL staff can be divided into two categories. Those staff that are directly funded by the revenues received from Sport England and other government partners ("funded staff" or "relieved employment costs") and those that are not ("unfunded staff" or "unrelieved employment costs"). The table below demonstrates the total employment costs (gross, employers NI and pension payments) of all RFL employed personnel:
Of RFL income (excluding Government grants) in 2008 of £9.2million, 36.7 per cent was spent on unrelieved employment costs (£3.4million). In 2011, RFL income (excluding Government grants) had increased to £18.9million, with 19.2 per cent of this income spent on unrelieved employment costs (£3.6million). Between 2008 and 2011 unrelieved staff costs rose by 7.2 per cent whilst non-government funded turnover increased by 105 per cent.

In 2008 the total cost of employment of RFL staff was £3.9million, of which £3.4million was unrelieved cost (i.e. costs not recovered through funding from government). In 2011 the unrelieved cost had increased to £3.6million, however overall employment costs had risen to over £6million. The table below demonstrates the employment costs of funded and unfunded staff.

Between 2008 and 2011, the number of RFL staff increased from 127 to 188. Of the total 2011 figure, 73 were posts funded by Sport England grants.
The table below confirms the RFL's current management structure, Executive Management Team and the areas of responsibility for each member of the Executive.

**Balance Sheet and Treasury Policy**

The losses brought about from the RFL’s staging of the 2000 World Cup of £750K, in addition to the cumulative RFL losses from the preceding years and the further trading loss in 2001 had left the RFL with a balance sheet deficit of £2million at the end of 2001. Recognising the need for change, the RFL Board appointed in 2002 sought to return the RFL to a positive balance sheet within two years. The Board was able to return successfully the balance sheet to a positive position within that period, and the RFL’s balance sheet now sits at a positive £1.7million, with liquid reserves making up just over 50 per cent of this amount.

In December 2002 the RFL posted a pre-tax profit of £809K. For each subsequent year the RFL has delivered member clubs a distribution of a minimum total of £150K whilst also posting pre-tax profits. As part of the RFL treasury policy, the Board has been mindful throughout this time to ensure that, in the main, operating surpluses flow back to the wider game rather than retaining large sums as reserves (thereby attracting corporation tax). Further significant donations have also been made to Rugby League charities (such as the RFL Facilities Trust) in order to fulfil the strategic priority of investing back into the sport.

In recent years the RFL has also established a Corporate Social Responsibility programme, with particular attention upon player welfare, equality and diversity within the sport and the safeguarding of children and vulnerable adults.
Appendix 3 – Premier League Chairman's Charter

PREMIER LEAGUE CHAIRMEN'S CHARTER
SEASON 2011-12

Foreword
The Chairmen’s Charter is a statement of our commitment and aim to run Premier League football to the highest possible standards in a professional manner and with the utmost integrity.

With that aim we, the Chairmen of the Clubs in membership of The Premier League, are determined:

   (a) To conduct our respective Club’s dealings with the utmost good faith and honesty.
   (b) At all times to maintain a rule book which is comprehensive, relevant and up-to-date.
   (c) To adopt disciplinary procedures which are professional, fair and objective.
   (d) To submit to penalties which are fair and realistic.
   (e) To secure the monitoring of and compliance with the rules at all times.

The Charter
The Chairmen’s Charter sets out our commitment to run Premier League football to the highest possible standards and with integrity.

We will ensure that our Clubs:

• Behave with the utmost good faith and honesty to each other, do not unjustly criticise or disparage one another and maintain confidences.
• Will comply with the laws of the game and take all reasonable steps to ensure that the Manager, his staff and Players accept and observe the authority and decisions of Match Officials at all times.
• Follow Premier League and FA Rules not only to the letter but also to their spirit, and will ensure that our Clubs and Officials are fully aware of such rules and that we have effective procedures to implement the same.
• Will respect the contractual obligations and responsibilities of each other’s employees and not seek to breach these or to make illegal approaches.
• Will discharge their financial responsibilities and obligations to each other promptly and fully and not seek to avoid them.
• Will seek to resolve differences between each other without recourse to law.