Annual Report
2018-19
2,373 coaches attended Technical Blueprint workshops

14 Scotland debuts in 12 Tests

75.2M viewers watched Scotland play in the Guinness Six Nations in 171 territories

795 teams played in Mitsubishi Motors Youth Conferences

$3.1M invested in grassroots rugby this season and

14.5M over past 5 years

115.6k fans attended Guinness PRO14 Final

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130.3k fans attended Edinburgh matches

308k surplus

74% income growth since 2011

14 consecutive Scotland matches sold out at BT Murrayfield

£308k surplus

£61.1M record turnover up 7% on 2017/18

£3.1M invested in grassroots rugby this season and

14.5M over past 5 years

21,267 Highest number of Scotland Season Passes sold

115.6k fans attended Guinness PRO14 Final

11.6M viewers watched the Autumn Tests series

708,434 fans passed through Scottish Rugby’s turnstiles

811k fans following Scottish Rugby’s social media platforms

130.3k fans attended Edinburgh matches

47,128 fans attended Guinness PRO14 Final

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Contents
On behalf of Scottish Rugby, I would like to thank all those whose skills, commitment and enthusiasm contribute to the ongoing success of grassroots rugby in Scotland.

Preparations are now well underway for Rugby World Cup this autumn and I would like to thank Scotland Head Coach, Gregor Townsend, and his team, for all their efforts so far and wish them well in Japan.

Scotland Women produced some solid performances at Scotstoun this season, just missing out on a win against Wales, but managed a great second-place finish. Scotland Women 7s reached the final of the World Rugby Women's Sevens Series Qualifiers in Hong Kong.

Scotland continued to be competitive on the HSBC World Rugby Sevens Series, recording two Challenge Cup wins this season. Scotland Women 7s reached the final of the World Rugby Women's Sevens Series Qualifiers in Hong Kong.

At club level, I would like to congratulate all clubs who won league titles or secured promotion and to those who suffered relegation. I wish you all the best, and I hope that you continue to make improvements to the game. To continue to meet so many of the volunteers and share your enthusiasm remains the greatest of privileges for me.

Our Rugby Development team have been making great strides out in their respective regions this past season. Scottish Rugby has been made very welcome at clubs around Scotland and I was pleased to be part of the group who visited Orkney, Shetland and Highland rugby clubs to see and hear about island life and the significance of rugby in the area.

The Mitsubishi Motors UK Schools & Youth Conferences continue to be a vital part of the domestic game, with boys and girls from 273 clubs and schools taking part in regular competitive rugby. Our young players are progressing through the Fosroc academies, based at four regional centres around Scotland, and our age-grade sides also continue to develop.

On the international stage, Scotland recorded a dramatic end to the season, retaining the Calcutta Cup with a 38-38 draw against England at Twickenham in the final match of the Six Nations due to a last-minute conversion. The squad continues to work towards qualification for the 2021 World Cup.

During the last 12 months, I’ve seen and met people in all weather and at all times of the day giving freely of their time without fuss, simply because of that love of the game. To continue to meet so many of the volunteers and share your enthusiasm remains the greatest of privileges for me.

In my first year as President of Scottish Rugby, it has been an honour to witness first-hand the dedication of all those who keep club rugby thriving. There have been many highlights, but to share a few examples: I had an excellent day at the National League Cup Final where Aberdeen Grammar met Highland and we were treated to some magnificent weather and fine hospitality, courtesy of Stirling County who were fantastic hosts on the day.

Silver Saturday at BT Murrayfield was a tremendous showcase for club rugby with several matches going down to the wire. My congratulations to all those who took part, including Watsonians, who won the Sarah Beaney Cup for the first time, and Ayr, who added the Scottish Cup to their Tennent’s Premiership league win, capping an excellent season.

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Rugby globally is experiencing a period of change. Scottish Rugby’s ambitions at home and abroad continue to grow and we are well-placed to make the most of opportunities and ensure the game in Scotland remains in good health.

Fourteen successive sell outs at BT Murrayfield creates an energy and pulse that beats through all of Scottish Rugby.

In the current commercial market, we have had to be nimble and proactive in order to find solutions that allow us to be competitive at the top level of the game whilst fully funding and supporting the grassroots.

We have done that by: seeking external investment; forming partnerships in overseas rugby markets with potential for growth; diversifying revenue streams; and working with other Unions to capitalise on global media and marketing opportunities.

We are a small nation in terms of population and commercial and broadcasting markets, so we must ensure that we work collaboratively as a sport in Scotland to maximise the strength of unity.

Our commercial income continues to grow and I am pleased to report that this year’s turnover of £61.1m shows an increase of £3.9m on last year. With a further improvement in debt position, we report that this year’s turnover of £61.1m shows an increase of £3.9m on last year. £60.8m

Turning £61.1m

Average Debt £0.8m

improvement of £3.2m

In light of the rapidly evolving global rugby landscape (and with the potential for future external investment into the sport), Scottish Rugby’s governance structures must continue to be fit for purpose to take account of the interests of all existing and future stakeholders.

Following the conclusion of the Agenda 3 consultation process, Sir Bill Gammell, Chairman of Winning Scotland Foundation (founder of Cairn Energy PLC and a former Scotland international) was commissioned by the Board and Council to conduct a wide-ranging, independent review of Scottish Rugby’s governance structures. The review is now underway with the assistance of Norman Murray FRSE - the current Chairman of Scottish Ballet and the former Chairman of The Edrington Group, covering all areas of the Union’s governance, business and commercial structures. The Council’s Standing Committee on Governance (independently chaired by Gavin MacColl QC) will consider any recommendations arising, for onward submission to the Council and Board as appropriate.

Scottish Rugby is investing in its workforce, strengthening the senior management team, realigning direct reports and ensuring we have the required expertise in key areas. We have been joined this year by Shona Bell as HR Director and Tavish Scott as Head of External Affairs.

Rugby continues to have a positive impact across the country in terms of commerce, community and health. We are committed to working with players, staff, suppliers, sponsors and supporters to protect and enhance our environment. We work closely with the Scottish Government and other stakeholders and are proud to represent the nation and our sport on the global stage, sharing and upholding our values of respect, leadership, achievement, engagement and enjoyment.

Our very best wishes go out to all in the rugby community for the season ahead.

Colin Grassie
Chairman, Scottish Rugby
Scottish Rugby has had a mixed year where momentum on the pitch stalled somewhat for our international teams but saw breakthroughs for our two professional clubs and progress in the domestic game.

The 2018/19 season proved again you can’t stand still in international sport and the results from our respective national teams showed we need to continue to be smarter and work harder to compete in our respective major tournaments and series.

The retention of the Calcutta Cup in that unforgettable match at Twickenham was a welcome, but modest return from a Guinness Six Nations campaign with three home fixtures.

Our U20s and Scotland Women teams also found wins difficult to achieve in their respective competitions and we have reacted positively to these setbacks and put plans in place to address them. Philip Doyle joins as the new Scotland Women Head Coach and we are looking closely at the U20 Six Nations and Junior World Championship performances to ensure our future talent continues to develop.

Scotland 7s won the Challenge Trophy on two occasions in Las Vegas and Hong Kong and enjoyed some memorable wins on the World Rugby Sevens Series. We were pleased to see former 7s Head Coach John Dalziel join Glasgow Warriors as he progressed into the professional game following Stevie Lawrie who joined Edinburgh. Ciaran Beattie will take on Scotland 7s and all three are examples of our coaching pathway in action.

Both Edinburgh and Glasgow Warriors reached the quarter-finals of the Heiniken Champions Cup following some standout performances in the group stages. This was a first for both Scottish professional clubs to achieve in the same season and is a benchmark we will be keen to repeat.

In the Guinness PRO14 Glasgow Warriors had an exceptional league season and brought a record crowd to Celtic Park for the final but met a confident Leinster side who triumphed on the day.

Support for our national and professional teams continues to grow and we saw a record crowd for a Scotland Women Six Nations match at Scotstoun, alongside the 14th consecutive sell-out at BT Murrayfield.

The support of fans generates vital revenue and I’m pleased to report this year has again seen our financial results achieve an increased turnover of £61.1m and further improvement in our debt position.

The domestic leagues will have a different structure also in the coming season and we look forward to seeing the Tennent’s Premiership, national and regional leagues renewing old rivalries.

Before that we will host France and Georgia at BT Murrayfield in our Summer Tests; the return fixtures will see Scotland play in Nice (where our partnership with Stade Nicois continues to support the development of young players) and then Tbilisi.

Scotland will be the first Tier 1 rugby nation to play Georgia at home and it reflects our global approach and willingness to be innovative and a positive touring side.

This is all in preparation for the 2019 Rugby World Cup in Japan, which will see the Scotland team finalise their preparations in Nagasaki, a city we have worked hard to build links with over recent years. It is an example of how Scottish Rugby takes the thistle around the world and develops genuine relationships on the international stage.

Gregor Townsend and his coaching team have put a full summer of work in place for the Scotland players and they travel and play with our very best wishes.

Mark Dodson
Chief Executive, Scottish Rugby
Scottish Rugby continues to support the development of the Guinness PRO14 league. Premier Sports secured the rights to broadcast the Guinness PRO14 2018/19 season and the agreement meant supporters in Scotland were able to watch all 152 games broadcast in HD, with 21 games shown live free-to-air on FreeSports.

Scottish Rugby was proud to have helped bring the Guinness PRO14 Final to Glasgow’s Celtic Park, where Glasgow Warriors faced Leinster in front of a record-breaking crowd. Edinburgh applied for planning permission for a new purpose-built 7,800-seater stadium on the back pitches at BT Murrayfield in May 2018 and we are working with the City of Edinburgh Council in order to bring the building warrant process to a conclusion. We’re currently exploring options to increase the capacity of Scotstoun, as well as improving the facilities for the Glasgow Warriors supporters on match days.

In addition to rugby, BT Murrayfield has established itself as a popular concert venue for some of the world’s biggest music acts. In June the Spice Girls performed at the stadium in front of a sold-out crowd. The following month we were pleased to host a sold-out pre-season friendly between Champions League winners Liverpool FC and Serie A stars SSC Napoli.

The Scotland Business club remains full with 20 members and is looking to expand with the new suite developments.

Our family of sponsors as grown again this year. We were pleased to announce a six-year extension to its partnership with kit suppliers Macron which will run until at least June 2026. Vitality renewed their partnership for a further two years until 2021. We also welcomed new sponsors including SP Energy Networks, Specavers, Johnnie Walker, Dove Men plus Care, Thomas Cook, Specsavers, MyProtein, Quality Meat Scotland; and Purple Bricks to announce a six-year extension to its partnership with kit suppliers Macron which will run until at least June 2026. Vitality renewed their partnership for a further two years until 2021. We also welcomed new sponsors including SP Energy Networks, Specavers, Johnnie Walker, Dove Men plus Care, Thomas Cook, Specsavers, MyProtein, Quality Meat Scotland; and Purple Bricks and Netflix during the Autumn Tests and Six Nations.

Our professional clubs are also enjoying great support, with both Glasgow Warriors and Edinburgh welcoming more than 100,000 fans to international and professional matches. The 2019 Six Nations series was the third consecutive edition of the championship to experience full houses at BT Murrayfield (Edinburgh applied for planning permission for a new purpose-built 7,800-seater stadium on the back pitches at BT Murrayfield in May 2018 and we are working with the City of Edinburgh Council in order to bring the building warrant process to a conclusion. We’re currently exploring options to increase the capacity of Scotstoun, as well as improving the facilities for the Glasgow Warriors supporters on match days.}

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A Global Brand  Chief Operating Officer’s Report continues

Plans are well underway for the Rugby World Cup in 2019 with a Scottish Rugby House initiative planned for fans and sponsors in Yokohama on Scotland’s match days against Ireland and Japan.

Scottish Rugby’s partnership with Nagasaki, where the Scotland team will be based for a training camp ahead of RWC19, continues to go from strength to strength. In August 2018, 25 young players from CashBack Schools of Rugby travelled to Nagasaki for a rugby and cultural exchange.

In April 2019, Scotland Head Coach Gregor Townsend ran a coaching clinic for all rugby playing schools in Yokohama with more than 20 children taking part. All rugby schools in the city received a Scotland rugby ball with every child who plays rugby at school receiving Scotland memorabilia.

We continue to build our relationships in other markets, including Singapore and the USA, where the Scotland team played one of their 2018 Summer Tour matches in Houston, Texas. We have an excellent partnership with Scottish Development International which allows us to work collaboratively on events in locations in which the team are playing.

Scottish Rugby has become the first Tier 1 national governing body in world rugby to link with a club in the Major League Rugby competition in the United States.

A relationship has been formed with Old Glory DC, based in Washington, which will play in an expanded 12-team MLR competition from February 2020. The involvement potentially opens up new markets for promising Scottish players and coaches and could also give Scottish Rugby access to commercial and broadcast opportunities in North America.

I would like to thank all of the people whose hard work has made this season such a success, including our events, retail, commercial, marketing, ticketing, facilities, media, corporate affairs and business services teams, along with those managing competition from February 2020. The involvement potentially opens up new markets for promising Scottish players and coaches and could also give Scottish Rugby access to commercial and broadcast opportunities in North America.

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In January 2019, the Official Scottish Rugby Podcast was launched, bringing fans exclusive behind-the-scenes interviews and information, news and discussion from the home of Scottish Rugby.

Showing the game across the country at all levels, the podcast is hosted by former Scotland internationalists Chris Paterson, Al Kellock & Lindsey Smith and is anchored by Jamie McMillan.
Scotland

Scotland’s dramatic retention of the Calcutta Cup for the first time in 35 years remains the standout moment of the 2018/19 season, which saw the Scots record a 41%-win rate yielded by successes over Canada, Argentina (twice), Fiji and Italy alongside defeats to USA, Wales (twice), South Africa, Ireland and France, before the famous England draw at Twickenham.

Across the season Scotland underlined the national team’s increasingly prolific credentials with 43 tries in 12 Tests, with the BT Murrayfield record run of 14 uninterrupted Test match sell-outs extending back to the 2017 Six Nations.

Scotland scored seven tries and saw impressive debuts from four young players as they defeated Canada 46-10 in Edmonton on the first leg of the 2018 Summer Tour, with hooker George Turner recording a hat-trick of tries (the first Scotland player to do so since Ally Hogg against Romania in 2007).

Unfortunately for the tourists, success was followed by defeat just one week later as they recorded a first-ever loss to the USA, by a single point, in an eventful match in Houston.

Scotland then withstood a brutal South African onslaught for much of the third autumn contest, drawing level on three occasions. However, in a second-half where opportunities were rare, it was the visitors who emerged victorious.

Despite a heroic effort from the home pack, South Africa’s forwards stood tall when the arm wrestle was at its most intense, and while the score line ended at two tries apiece, it was the points harvested by the Springboks’ boot that won the contest. Winning in international rugby is always hard earned and Scotland wrapped up the Autumn Tests with a tough but low-scoring win against the Pumas.

Conditions certainly impacted the game until some second-half continuity and accuracy saw the Scots cross the whitewash again and end 2018 with 40 tries and a 58%-win rate.

Scotland’s 2019 Six Nations got underway with a victory over Italy.

It was only the third time since five nations became six (in 2000) that Scotland had won their opening fixture – 2006 and 2017 the previous entries in that ledger.

Scotland’s hopes of enhancing their recent proud championship record at BT Murrayfield were then dashed by an Ireland team who, ultimately, imposed their physicality and made fewer mistakes.

The try count was won 3-1 by the visitors when, at crucial periods – early in the game and before half-time – Scotland could not secure a try to reward their territorial gains.

Next up were France on a day where the sport refused to deliver on the neat historical symmetry, that could have seen Scotland end its 20-year losing streak in Paris with the stand-off from that day operating as Head Coach.

Instead Scotland met a French team fighting to regain its own past glories and, in the end, it was the home side who determined the script with a 27-10 bonus-point win in front of a fervent French crowd.

Scotland succumbed to their third defeat in the championship in spite of a monumental physical effort against the eventual Grand Slam securing Wales side.

Scotland did score a majestic second-half try through the fine footwork and searing acceleration of Darcy Graham – another to announce his arrival on the Test scene this season – but were missing the ability to harvest more from the time spent in the Welsh 22.

The Six Nations’ title had already been won by the time the ‘Auld Enemies’ took to the Twickenham turf in the finale but that didn’t stop the most enthralling match of this year’s tournament, which ended with a 38-38 draw after a string 33 point Scottish comeback in a match that will be remembered for generations.

The visitors were staring down a 24-point half time deficit as England were scoring almost a point a minute before captain and hooker Stuart McInally scored to halt the tide in the opening 40.

An early try in the second half by Graham lit a small spark of hope, which quickly turned into a blue blaze and saw Scotland become the first team in the entire history of the tournament to trail by 24 points and not lose.

The Scots registered five second-half tries to briefly lead at Twickenham before an England try at the death created a unique 38-38 draw.
Hannah Smith

Scotland’s top try-scorer of the season

Scotland Women

Scotland Women’s season began earlier than usual due to the addition of three Autumn Test matches. With Lisa Thomson taking on the captniarity for the first time, the team headed to Calvisano in Italy.

The home side drew on strong local support and the match resulted in a disappointing loss for the Scots.

Scotland Women then welcomed Canada to Scotstoun for the second match of the Test series. The game was the finale of a day of celebration of women and girls’ rugby and was played following two exciting finals in the Girls’ Schools Cup.

Going into the match, Canada - ranked fourth in the world - were the firm favourites. Scotland Women, ranked 11th at the time, put in a strong performance in front of the home crowd and were just edged out with a final 28-25 score.

The third match of the Test series saw Scotland Women score four tries away from home but they ultimately missed out with the 28-24 victory going to Spain at the Complutense National Stadium in Madrid.

Going into the Six Nations, the team had more depth than before thanks to the Autumn Test experience and six new caps being called up in this period.

Despite showing promise, Scotland Women didn’t record a win of the season. However, they finished in sixth place in the Rugby Europe Grand Prix Series for Women’s 7s, which also included rights for the Scotland men’s side since the men’s and women’s unions playing kit this season. It is the first separate shirt sponsor from the Scotland men’s side.

The development of the women’s performance structures over the past year have resulted in significant changes to the pathway focusing on supporting Scotland Women’s future qualification for Women’s Rugby World Cup 2021.

The introduction of 2021 contracts allowed Scottish Rugby to support a player to play or train more and/or in a better environment with the goal of supporting Scotland Women to qualify and perform at the 2021 World Cup.

Scotland Women welcomed new sponsors and a broadcast deal this season, as they continue to work towards qualification for Women’s Rugby World Cup 2021.

The introduction of 2021 contracts allowed Scottish Rugby to support a player to play or train more and/or in a better environment with the goal of supporting Scotland Women to qualify and perform at the 2021 World Cup.

In the pool stages, Scotland came up against Belgium first and comfortably won 31-12. The second pool match proved to be a tougher affair with Japan winning 27-19. The final pool match gave Scotland a chance to field all their players as they produced a confident 38-5 win over Mexico.

Going into the knock-out stages, Scotland faced Papua New Guinea in the quarter-finals. They eased through the match with a 36-12 win. The semi-finals gave the team a second opportunity against Japan. They succeeded 24-19.

The succession of impressive performances took Scotland to the final, but they weren’t able to overcome an experienced Brazil side, just missing-out on a World Series qualification. The competition offered promotion to the World Sevens Series for whichever team took the top spot.

In June, Scotland Women 7s recorded a momentous match win at World Rugby Women’s Sevens Series in Biarritz (26-14 against Ireland), the first invited team to record a victory this season. The squad then went on to finish in sixth place in the Rugby Europe Grand Prix Series Leg 1 in Maracuzzi, a result which meant they were the highest ranked non-World Series core nation heading into the second leg of the tournament in late July.

A fifth place finish in Kharkiv meant Scotland took the second highest ranking non-World Series core nation overall, securing their place in the 2020 World Series Qualifiers.
Scotland 7s enjoyed a rollercoaster year, in a season that included some memorable moments for the abbreviated form of the game.

Under the stewardship of John Dalziel, Scotland continued to be competitive on the HSBC World Rugby Sevens Series. A fifth-place finish at the Hamilton Sevens in the third stop on the circuit gave the side an early boost, Robbie Fergusson scoring a tournament joint-leading eight tries in the process.

The team also secured two Challenge Trophy victories over the course of the 2018/19 campaign – a narrow defeat of Spain saw Scotland capture the Las Vegas Sevens Challenge Trophy, before repeating the feat with victory over Japan at the ever-prestigious Hong Kong Sevens.

With two rounds of the 2018/19 season remaining, Dalziel stood down from his role as Scotland Sevens Head Coach after accepting the role of forwards coach with Glasgow Warriors. Former Scotland 7s and Edinburgh player, Ciaran Beattie, was appointed Head Coach in July.

Scott Forrest was handed the reins for the London and Paris legs of the series having earlier led Scotland Women’s Sevens to within one win of qualifying for the HSBC World Rugby Women’s Sevens Series.

Individual excellence was also to the fore for Scotland over the course of the 2018/19 season – Max McFarland finished fourth on the series try-scoring charts with 39 tries, whilst Gavin Lowe was in the top 10 points scorers on the series with 232.

A core of key players also ensured Scotland continued to develop a youthful squad, with co-captains Fergusson and Jamie Farndale amongst a group of six players to have played a part in every event on the calendar.

The role of sevens as a key step on the Scottish Rugby performance pathway was seen once more during 2018/19, as 11 members of the Scotland women’s sevens squad took to the field during this year’s Six Nations.

Furthermore, sevens alumni such as Darcy Graham and George Horne continued to make their mark on the 15-a-side stage for Scotland, whilst Kyle Steyn made his presence felt following joining Glasgow Warriors in February 2019 and starting for the Warriors in the Guinness PRO14 Final.

Scotland 7s stalwart Scott Riddell decided that this season would be his last in the shirt, taking up a position with Scottish Rugby Coach Development. Scotland’s most capped 7s player, Paris was Scott’s 74th and final tournament and he signed off in poetic fashion scoring the match-winning try in extra time of his final game.

Scotland 7s ready for action

Scottish Rugby | Annual Report 2018-19

In 2019 the Scotland U20 squad were given the opportunity to test themselves on the international stage during the U20 Six Nations and World Rugby U20 Championship, while several up-and-coming players made the breakthrough into age grade rugby’s highest level of competition. Back-row Connor Boyle was selected as captain and 23 of the 32-man squad named for the Six Nations Championship were looking to make their debut at U20 level. In the opening match the young side lost 22-32 to Italy at Gala RFC’s Netherdale stadium. The following week Ireland powered to a 5-24 victory against Scotland at the same venue. The U20s then travelled to Pau’s Stade du Hameau to face reigning U20 Six Nations Champions France in a match that saw the squad perform at a high level. Trailing 21-0 down in the early stages, Carl Hogg’s outfit battled back to take a 21-22 lead in Pau, with some exceptional tries scored in the thrilling comeback. Although France would eventually win 42-27, there was plenty to be proud of on the night.

The age grade side earned their first win of the Championship a fortnight later as Wales travelled to Edinburgh’s Meggetland Sports Complex. In a combative performance, Scotland earned a 21-20 victory in front of a 2,473 strong crowd. Scotland’s U20 Six Nations Championship concluded with a trip to Northampton’s Franklin’s Gardens to face a strong and experienced England outfit. Although the match was level 7-7 in the early stages of the encounter, the hosts would eventually prevail comfortably - winning 45-7.

Scotland U20 faced a tough test in the 2019 World Rugby U20 Championship in Argentina having been drawn in Pool C alongside New Zealand, South Africa and Georgia. With fixtures against powerhouse southern hemisphere sides South Africa and New Zealand in the opening rounds, the age-grade slipped to two high-scoring losses, however with five tries in the defeat to the Baby Blacks, Hogg’s side did pick up a valuable bonus-point. Scotland U20 faced Georgia in their final pool stage fixture in a more evenly contested match between two balanced sides. However, despite leading until the 73rd minute, the age-grade side slipped to a disappointing loss as the Georgians scored late on to claim the win.

Scotland were drawn against Italy in the 9th place semi-final in a match that was suspended due to adverse weather conditions and the Italians eventually powered to victory, winning a physical encounter 19-26, when the match restarted. That defeat left Scotland up against Fiji in the 11th place play-off in a match that would see the loser relegated from the World Rugby U20 Championship. Fiji ultimately ran out comfortable winners on the day, scoring nine tries in 59-34 victory and Scotland will now participate in the World Rugby U20 Trophy in 2020.

Scotland U18

Scotland U18 kicked off their international season with a loss against England (36-21) in Billingham. Scotland U18 Head Coach Ross Miller selected a 26-man squad to travel to England for the U18 Six Nations Festival in April - which saw three sets of fixtures at Gilman’s Ground, Sixways Stadium and Kingsholm. The side lost their first two games with a narrow loss against Italy (18-19), and a further defeat against Wales (27-28), before ending their campaign on a high with a strong comeback against Ireland (42-40).

Scotland U16 Reds, Blues and Greens

Three Scotland U16 teams participated in the Regional Age Grade Combined tournament in April across various locations in Wales. The Scotland U16 programme is a pivotal stage in the development of young players, with the selected home-based players being split into two teams – the Reds and the Blues, and Scottish Qualified players who reside and play outside Scotland forming the Greens squad. The sides played fixtures against several Welsh teams including the Ospreys, Scarlets, Dragons, Blues and RGC.

Scotland Women U18 7s

The Scottish Futures U18 7s held its first Talent ID day in mid-June with over 60 players nominated. A second assessment date was scheduled due to the high number of players. The squad will be competing in the Home Nations in Wales in August 2019 as well as being invited for the first time to the Rugby Europe U18 7s Girls competition being held in Poland. Scotland came fourth in the 2018 Home Nations, held at Peffermill in Edinburgh. This was despite top performances in the earlier stages of the Championships with wins against Wales and England.

Two Scottish Futures Under 18 players have already been selected by Scotland Women 7s this season. U18 captain Meryl Smith received her first cap at the World Rugby Women’s Sevens Series in Biarritz in June, also in June; Eve Wills and Katie McLaren are also regularly training with Scotland Women 7s (with Wills receiving her first senior cap in 2018).
It was another memorable campaign for the warriors, who reached the Guinness PRO14 final at Celtic Park on 25 May narrowly losing to defending champions Leinster 18-15 in front of 47,128 supporters.

Dave Rennie began his second season at the helm of Glasgow Warriors with a trip to Perth, as the Glasgow Head Coach and his backroom staff oversaw their side’s 50-17 victory over Harlequins. The club constructed a pop-up stadium in the North Inch Park for ‘The Famous Grouse Pre-Season Challenge’ and an impressive crowd of 5,018 was treated to a feast of running rugby, the festival atmosphere adding to the occasion.

The victory in Perth set the tone for the season, as Glasgow Warriors once again proved to be the Guinness PRO14’s great entertainers on route to securing a second successive home semi-final.

Rennie’s men recorded 15 try bonus-points – the most ever earned by a side in a single season – as they finished atop Conference A once more, the 83 points accumulated across the season the most of any of the competition’s 14 teams.

Amongst the memorable victories for the Scotstoun faithful to entertain was a 29-20 triumph over Scarlets – despite playing the majority of the match with 14 men – and a comprehensive 34-10 dismissal of Edinburgh in the final match of the regular season.

Indeed, after defeat to Benetton in Treviso in their first match of 2019, the Warriors did not lose a match in the regular season of the Guinness PRO14, only failing to record a try bonus-point in one of their final nine league matches.

It was not just Glasgow’s attack that secured their place in the Guinness PRO14 Final Series, however, the team’s defensive resilience was on full display during the closing months of the campaign, not least in the 39-24 victory away to Leinster. Jonny Gray’s 43 tackles saw him claim a new world record, with seven of his team-mates also making over 20 tackles in a momentous defensive shift.

The Warriors beat Ulster 50-20 at a sold-out Scotstoun in the semi-final of the Guinness PRO14 to reach the final at Celtic Park.

In Europe, too, the Warriors made their presence felt. Despite defeat to Saracens in their opening match of the Heineken Champions Cup, Rennie’s side rallied with a brace of victories over both Cardiff Blues and Lyon to claim a place in the quarter-finals for only the second time in the club’s history.

As they did two years previously, Saracens proved too strong in the quarter-final tie, yet the Warrior Nation once again turned out in force in support of their team. The club’s supporters were a credit to the club throughout the season, their vocal presence at Scotstoun and further afield a welcome boost to the players.

Two graduates of the Fosroc Scottish Rugby Academy signed their first professional contracts with the club over the course of 2018/19, having impressed in their stints at the Warriors to date. Stafford McDowall and Grant Stewart both committed their futures to Glasgow, with McDowall going on to win the club’s Young Player of the Season award.

Rob Harley continued to make Glasgow Warriors history in the wake of becoming the club’s most-capped player in 2017/18, as he became the first player to reach 200 appearances for Glasgow in the win over Cardiff Blues in January. Niko Matawalu and Jonny Gray also wrote their own piece of club history during the season, with the pair becoming the latest inductees to the Glasgow Warriors centurions club.

In total, the club saw 21 of its players represent their respective countries over the course of the campaign. Two of those players made their international debuts during the 2019 Guinness Six Nations – Sam Johnson’s first appearance against Italy was followed a week later by D’arcy Rae’s international bow, the prop coming on as a replacement against Ireland.

The club’s community team continued to make a positive impact across the Glasgow Warriors region, with the club hosting its own mini-festivals for the first time in 2018/19. Approximately 600 children from 48 clubs played across the three festivals at Scotstoun, in addition to over 1,000 children taking part in match-night activities at the home of the Warriors.

Furthermore, the award-nominated SP Energy Networks Warriors Championship proved to be popular yet again across the region, with 25 schools battling it out to lift the trophy. Wallace High School emerged victorious from the competing outfits, defeating Eastwood High School in the final ahead of Glasgow’s victory over Edinburgh in April.
The 2018/19 season saw Edinburgh reach the quarter-final stages of the Heineken Champions Cup for only the third time in the club’s history as the capital side made further progress under Head Coach Richard Cockerill.

The club enjoyed an historic European run, finishing top of Pool 5 – a group that included French giants RC Toulon, Montpellier and English Premiership side Newcastle Falcons – before narrowly losing out to Munster in front of 36,358 supporters at BT Murrayfield.

Edinburgh continued their domestic resurgence - with a festive double over rivals Glasgow Warriors to retain the 1872 Cup the first time since 2014. Following a tough 21-15 defeat to Leinster in the Challenge Cup quarter-final for the first time since 2012.

On the international stage, three Edinburgh players made their Scotland debuts, including Darcy Graham, who grabbed a brace of tries in March’s Calcutta Cup-retaining draw against England at Twickenham.

Standing on the cusp of qualification for the Heineken Champions Cup knockout stages, Edinburgh travelled to the Stade Mayol in January and became only the third team in history to record an away European win at Toulon’s storied stadium.

Richard Cockerill’s side then defeated Montpellier at BT Murrayfield a week later, securing a home Heineken Champions Cup quarter-final for the first time since 2012.

Back on the league front, Edinburgh’s poor away form continued with losses to Southern Kings and Benetton, however further home victories over Dragons and Leinster maintained the capital side’s push for a place in the Guinness PRO14 Final Series.

31 March saw the arrival of an encounter seven years in the making as Edinburgh faced Munster in the Heineken Champions Cup quarter-final. With 36,358 supporters in attendance, the capital side were pipped by a late Keith Earls try and the Irish side progressed to the last four of the tournament.

Edinburgh’s final league fixtures saw them secure impressive back-to-back victories over last season’s Guinness PRO14 finalists Leinster and Scarlets, however defeats to Ulster and Glasgow saw the capital side finish the 2018/19 season in fifth place in Conference B on 51 points.

On the international stage, three Edinburgh players made their Scotland debuts, including Darcy Graham, who grabbed a brace of tries in March’s Calcutta Cup-retaining draw against England at Twickenham.

Thirteen players added to their international honours as full-back Blair Kinghorn became the first Scotland player in 30 years to score a Championship hat-trick following his flurry of tries in the Guinness Six Nations opening win over Italy at BT Murrayfield.

Meanwhile club honours included Scotland internationalists Ben Toolis and Hamish Watson reaching a century of appearances, while club legend Ross Ford was honoured at the last home game attending 12 tournaments held across the city.

The club maintained its commitment to the local community, with revamped Principal & Prosper Rugby camps held during the Easter break where our community team hosted over 140 young children.

Off the field, Edinburgh continued to make further strides commercially, with a number of high-profile businesses taking up sponsorship with the club.

Edinburgh-based wealth management business Principal & Prosper became the club’s main front of shirt sponsor, with multinational companies Wood and Dentons both signing deals that saw their logos feature on the team’s kit.

Other sponsors came on board as the club’s home stay partner and the Business Club continued to grow, with ten new members joining during the 2018/19 season.

The club community match day activity saw the main club sponsor, Principal & Prosper, support both the Guard of Honour and half-time matches, with 36 clubs involved throughout the campaign.

The Edinburgh community competitions also continued throughout the 2018/19 season with over 4,000 children attending 12 tournaments held across the city.

Super6 is a separate tournament within Scottish Rugby's competition structure which will be played by part-time professional players and will become the top tier of domestic rugby in Scotland. The aim of Super6 is to increase playing standards, by better-developing Scottish players, coaches and match officials to feed talent into the full-time professional game.

January 2019 saw the appointment of all Super6 fulltime Coaches, Peter Murchie (Ayr), Graham Shiel (Boroughmuir), Claran Beattie (Heriots), Rob Chrystie (Melrose), Ben Cairns (Stirling County) and Fergus Pringle (Watsonians). Beattie was subsequently appointed Scotland 7s Head Coach and recruitment is underway for a successor at Heriots.

This is a significant development not only for the Super6 but also for the coaching pathway in Scotland, with a further six Scottish coaches provided full-time opportunities to enhance their coaching aspirations at the same time as improving the standard of the game.

February saw confirmation that the 12-match domestic structure for Season 1, which will take place from mid-November until finals day on 28 March. With Rugby World Cup 2019 taking place this year, the Super6 teams agreed to start the initial 2019/20 tournament after the Rugby World Cup Final and to avoid scheduling fixtures on Guinness Six Nations weekends.

A key aspect of the new Super6 concept was to see Scotland’s Super6 teams compete against clubs of a similar level beyond their own borders to test both players and coaches in a different competitive environment.

A partnership was announced in May between Scottish Rugby’s High Performance department and the Welsh Rugby Union which will see six teams from their own borders to test both players and coaches in a different competitive environment.

Medical

Scrumcaps (Scottish Club Rugby Union Medical Cardiac Pitch-side Skills) - developed by Scottish Rugby to train qualified medical staff in advanced pitch-side care, this course is World Rugby Level 3 (equivalent).

Our Scrumcaps course is endorsed by the pre-hospital care faculty of the Royal College of Surgeons Edinburgh and we have recently undergone an assessment visit and have been reaccredited for another four years. Scrumcaps is fully-funded by Scottish Rugby to drive player welfare and care. This season 109 people attended two courses. In addition, a Level 2 course was attended by 21 candidates from National Level 1 and below. Medical staff working in professional, international, age-grade and Tennent’s Premiership teams are Level 3 certified.

47 World Rugby First Aid Level 1 course were delivered with a total of 409 attendees. Developed in conjunction with World Rugby, this course looks at how to deal with rugby specific incidences such as concussion and limb injuries. Our recommendation is that for all club events a First Aider is present.

Anti-doping

We ran 12 anti-doping workshops across academies, national squads and pro-teams, educating a total of 413 players.

Going forward, it will be a requirement that each Super6 club has two anti-doping advisors and training is available via an online course with a recommendation that all remaining clubs outside the Super6 have a minimum of one anti-doping advisor.

Concussion Guidelines

In 2015, medics, sports (including Scottish Rugby), Scottish Government and sportscotland came together to produce a single concussion policy for all sports. In March 2018 an updated version of those guidelines was released.

Where the previous guidelines advised rest as the main treatment for concussion, the advice now is that, like any other injury, the brain needs to undergo a form of rehabilitation rather than absolute rest.

While evolving evidence into head injuries in sport has been the driving factor in refreshing the guidelines, the overarching message remains the same: all concussions are serious - if in doubt, sit them out. To increase the public profile messaging, an article regarding concussion was placed in each edition of the international test programme and two pitchside message boards were placed at each of the Test matches.

All confirmed or suspected concussion injuries reported through the SCRUMS player registration site now receive an automated message directing the player and or parent to the generic Scottish concussion guidelines with regards the Graduated Return to Play protocols/process.

Scottish Qualified (SQ) Programme

From early July 2018 through to May 2019 the SQ Performance Manager and SQ scouts continued to work in partnership with the English Premiership Academies, clubs, universities, colleges and schools outside Scotland to provide a player centred and engaging process to build and enhance our network to identify and recruit SQ performance focused male and female players primarily at academy, professional and international levels.

Through a series of regional, divisional and Scotland potential training sessions supplemented with individual and targeted scouting, players have been identified and promoted towards our national age-grade Head Coaches for selection into our national age-grade squads at U17, U18, U19 and U20.

Following from last season to ensure we have as wide a talent pool as possible early in the Player Pathway, the Scotland Green U16 squad (selected totally from players living outside Scotland) joined the home-based Reds and Blues to play two fixtures in the Regional Age Grade Combined tournament.

Internationally we continue with designated staff on the ground in South Africa and trusted contacts elsewhere in the world who are regularly active in our SQ Scouting Network.

A targeted approach within the women’s game specifically identifying and recruiting female players for our senior international squads has begun. Three new SQ players for this season have been included in the Scotland Women 7s training squad.
**Sports Science**

**GPS Technology**

This year has seen a strategic increase in availability of systems through the renewal of our partnership with Catapult Sports. This has allowed us to increase our tracking of training and competition demands across multiple levels of the game – expanding the technologies used outside the professional game. Through the investment we now have coverage across:

- The professional men’s game (Scotland Men, Glasgow Warriors, Edinburgh)
- The international women’s program (XVs and 7s)
- Scotland age grade teams (U20s and U18s)
- Academy supported athletes

This has been the first year of collection of metrics across the increased coverage within the Scottish game.

**Physical profiling**

This year has seen an increase in player profiling through our partnership at Oriam. We continue to capture physical data throughout the season, using the National High-Performance Centre to host our national assessment days. We continue to have annual tracking programs looking to profile all our national players, from U16s selection in the male pathway, and U18 selection in the female pathway, through to the professional senior game.

This has seen over 100 female athletes and over 160 male athletes invited to national testing, with profiles shared to programme leaders to help guide physical programming and discuss player progress.

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**Investing in Research**

Edinburgh University: We continue to maintain our longstanding relationship with the Sports and Exercise Science department. In July we had two projects awarded grants from the UKSCA for their poster presentations in the research area of growth and maturation. We are currently working on several MSc and BSc students on various areas of our programmes.

Edinburgh Napier University: Three-year funding partnership for one PhD, using monitoring data to improve player performance. Two-year funding partnership (part-time) for one MSc in Sports Performance Enhancement, looking at Academy and age grade demands on elite adolescent players.

Three-year funding partnership for two PhDs in concussion and using monitoring data to improve player performance.

University of Glasgow: One-year funding partnership for one MSc in Sports Science looking at the design of a rugby simulation test and the physical attributes related to reduction of fatigue in rugby.

Aberdeen University: Supported ground-breaking research on nerve injuries since 2014.

University of the West of Scotland: Involved in a postgraduate research project in women’s menstrual cycle and impact on performance.

University of Hertfordshire: Data is being made available for an undergraduate epidemiological study on the differences in injuries in northern and southern hemisphere rugby.

Additional University partnerships:

- University of St Andrews
- University of Strirling
- Robert Gordon University
- University of Strathclyde
- Leeds Beckett University
- Bath University

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**Performance Analysis**

The Performance Analysis department’s role is to enhance coach feedback and player development using video and statistical data. Performance analysis is a growing discipline in our performance teams, we aim to continue to innovate and provide evidence based solutions that can lead to improved performances.

During season 2018/19, the performance analysis department continued to provide support to Scotland Men, Edinburgh, Glasgow Warriors, Scotland 7s, Scotland national age grade programmes, Scotland Women programmes – national team, 7s (national and U18) and the Futures programmes - Fosroc regional academies, Tennent’s Premiership and Tennent’s National League 1.

The department has also assisted clubs from National League 2, and St Andrews University.

Performance Analysis supports Scottish Rugby players involved in the partnership with Stade Nicois.

The department continues to run a student programme to support the growing interest in sports performance analysis. We engage with all universities in Scotland that teach a sports related degree, although this has broadened to maths and data analytics faculties as these disciplines become more important in the analysis world. Students learn about the role of the performance analyst, and gain experience while supporting full-time analysts in all of our programmes. The department also supports university students with Year 3 and 4 dissertation projects, some of which have been put forward for publication, and submitted for British Association of Sport and Exercise Sciences dissertation of the year. The majority of current full-time analysts were once part of the studenthip programme.

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**Operational Support**

The Operational Support team provide operational assistance to all teams’ management for their training and match requirements throughout the season.

Over the course of the 2018/2019 season Ops Support serviced the requirements of nine international XV-a-side squads and three international 7s squads. In the XV-a-side game our nine squads took part in a total of 71 training camps and competed in a total of 60 international matches. Meanwhile our international sevens squads competed in a total of 16 tournaments across the season.

Operational Support also provides support to the four Fosroc Scottish Rugby Academies, our SQ programme, internal regional matches and our age grade regional championship.

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**Scottish Rugby has become the first Tier 1 national governing body to link with a club in the newly formed Major League Rugby competition in the United States.**

A relationship has been formed with new expansion team Old Glory DC, based in Washington, which will play in an expanded 12-team MLR competition from February 2020.

Scottish Rugby has taken a minority stake in the East Coast side and will provide a combination of financial and rugby support to the Old Glory DC team and see its Chef Operating Officer, Dominic McKay sit on the franchise board.

The strategic partnership was born out of conversations in the US market around expanding the PRO14, and Scottish Rugby’s Board has taken the decision to align with MLR at the start.

Washington is one of America’s rugby hotbeds, with the DC area boasting 130 clubs and 7,500 players at school, college and club levels.

Overall, the demographics of the market offer great economic potential, with Greater Washington alone including more than 8.5 million residents and rated the third largest media market in the US.

The Washington franchise has been developed and is led by former USA Eagles player Paul Sheehy and prominent local businessman Chris Dunlavey. Both are long-term sponsors, coaches and supporters of rugby in the area.

The MLR season runs from February to June and currently has nine franchises competing in its second season following the arrival of the Toronto Arrows earlier this year.

The number of teams will expand to 12 in 2020 with the inclusion of Old Glory DC along with teams from Atlanta and New England.

This strategic international partnership will have a number of benefits for rugby in Scotland, as well as developing Scottish Rugby’s global rugby footprint.

As a demonstration of this partnership, Scotland U20 travelled to Washington DC in May, ahead of the World Rugby U20 Championship, and enjoyed a 70-7 win against Old Glory DC XV in a training match.
Season 2018/19 saw the Academies enter their fourth full season, with a new sponsor in Fosroc. The focus remains on developing, delivering and monitoring individual programmes for those selected players, who are based at one of the four regional centres in Caledonia, Glasgow and the West, Borders and East Lothian and Edinburgh.

In line with a new title sponsor, a two-day academy reboot was held at the University of Stirling in April attended by over 60 people from across Scottish Rugby. After four years the mission is the same - to identify and develop players for professional rugby and Scotland, to deliver regional playing programmes, and to enhance stakeholder relationships. However, it was acknowledged that the landscape has changed with closer pro-team alignment, Super6 involvement, external and internal communication channels and educational needs and support among the many topics discussed. As a result, strategic pillars are being put in place to give clarity around the next four years.

On the playing side, a total of 92 players were selected for Academy intake for the season. This was made up of 28 contracted Stage 3 players and 64 supported Stage 1 and 2 players. All of these players continued to play for their schools and clubs along with training alongside and together with Edinburgh and Glasgow Warriors as part of their ongoing development. In addition, a total of 11 female players were supported by the Fosroc Academies along with the four home-based 2021 contracted female players.

The male Stage 3 players in particular continued to work ever closer with the pro-teams, which offered opportunities to develop through both training and playing, with five individuals playing competitively for the pro teams during the season.

Partnerships continue to develop in France, Washington and with London Scottish, offering fantastic opportunities, not only for male and female players, but staff as well. Peter Murchie, now Super6 coach at Ayr, was with Stade Nicois last season, whilst Hamish Bain, Archie Erskine and Cameron Hutchison played for the French club this season to support their individual development.

Through the regional early talent identification local pathway sessions, around 860 male and female U14, U15 and U16 players were given opportunities to develop as rugby players on the field and attend a number of off field education sessions.

The regional series of matches, primarily over July and early August, across every age level from 16s to 20s, provided an opportunity for a total of 562 individual players to be involved in competitive rugby and to further promote themselves for further honours across the Fosroc Academies or international age grade teams. The Academies Finals Day was again held for U16s, U18s and U20s at BT Murrayfield.

At East (Edinburgh) and West (Glasgow Warriors) levels, the matches for U16, U18, U20 and Women continued, where the best players across the four Academy regions combined to provide a higher standard of rugby to help bridge the gap towards international programmes. These combined sides now play a number of cross border matches including against the Welsh Druds and Colts U18 sides and the Cardiff Blues U16 side, which again, is important in playing unfamiliar opposition and developing coaches, managers and support staff along with the players.

This season saw six more Academy players sign senior professional contracts at clubs, at Glasgow Warriors, Edinburgh and Scotland 7s, while 13 Stage 3 male Academy players helped Scotland U20 secure an emphatic victory over Wales in the Six Nations at Meggetland in March. A record 20 Academy players have featured for Scotland U20 this season.

Additional support and expertise for players continued to be provided by our partnership with the sportscotland Institute of Sport around performance lifestyle, performance psychology and performance nutrition.

Our partnership with the Royal Marine Commandos continued to develop and saw the delivery of two specific camps for selected male and female players by the RM Commandos, where the focus was on teamwork, leadership and working under pressure.

Another exciting development saw the Glasgow and West Academy relocate in April to the first class Ravenscraig facility where they will rub shoulders with both Glasgow Warriors and Scotland 7s, making this a real hub of rugby excellence.

Caledonia Academy have also developed a training base with Dundee and Angus College which further strengthens the presence and improved facility use across the region through Inverness, Aberdeen and Stirling hubs.
The development of quality coaches, match officials and volunteers is central to the growth and improvement of rugby in Scotland. Scottish Rugby's Training and Education team are committed to offering world-class opportunities through qualifications, workshops, conferences and online learning.

The Scottish Way Technical Blueprint

The Scottish Way Technical Blueprint, an overarching set of principles aimed at improving the quality of rugby in Scotland, was developed in 2016 with input from club, school, age grade and professional coaches.

Training & Education

Gregor Townsend presents on the Technical Blueprint

The first ever Women & Girls Technical Blueprint summit took place at BT Murrayfield in August 2018

Age Grade Law Variations

A set of trial Age Grade Law Variations were introduced for season 2018/19, with over 1,117 coaches and referees attending workshops at the beginning of the season.

The trials aim to align the game towards the Technical Blueprint ‘The Scottish Way’ and reduce instances of injury as well as making the mini game more developmental in nature.

Initial results of the trials have shown various positive impacts, including increases in ball-in-play time, tries scored and number of offloads.

The trials will continue into season 2019/20, with the addition of new girls’ age bands and law variations.

Pro-Coach Masterclasses

A series of free workshops took place at rugby clubs and venues across Scotland, providing coaches with the opportunity to hear from Scotland’s top rugby union coaches. Head Coach Gregor Townsend kicked off the workshops, leading a masterclass on attacking shape at Melrose RFC, and more than 600 attendees took part in the masterclasses over the season.

Online Training Hub

The Online Training Hub now has 9,388 registered users (coaches, teachers, match officials, parents and players). It features more than 500 interactive resources from how to coach the tackle safely through to developing an effective attack.

The hub hosts the RugbyRight online course which aims to improve standards of player welfare throughout all levels of the game and features content on topics including child protection, injury prevention, anti-doping and warm-up routine.

World Rugby Courses

- S&C Level 1: 109 participants
- S&C Level 2: 18 participants
- First Aid Level 1: 352 participants

Continuous Personal Development Workshops

- 3,527 attendees

2,373 coaches & teachers attended Technical Blueprint CPD workshops this season

25k views of the Technical Blueprint pages on the Online Training Hub since launch

Pro-Coach Masterclasses

25k views of the Technical Blueprint pages on the Online Training Hub since launch

18% increase

470k views

Hive learning

The hub hosts the RugbyRight online course which aims to improve standards of player welfare throughout all levels of the game and features content on topics including child protection, injury prevention, anti-doping and warm-up routine.

Youth Rugby Summit

The Youth Rugby Summit took place at the Emirates Arena on Friday, 10 May 2013 and attracted over 150 representatives from the club and school game.

The summit aimed to share examples of good practice in youth rugby development, with guest speakers including Richard Chestham (University of Worcester) and Ben Ryan (former Fiji 7s Head Coach).

Workshops were also delivered by Roddy Deans (Head of Rugby, Merchiston) and Stuart Edwards (Head of Rugby, Stewart’s Melville College) on key aspects of the game including developing a positive culture and engaging with parents.

Club Coaching System of the Year

Boroughmuir Rugby were awarded the Club Coaching System of the year award due to their demonstrable commitment to supporting and developing coaches.

The club has an active Club Coach Co-ordinator and supports coaches to undertake UKCC qualifications and attend CPD workshops/events. Through their Youth Rugby Academy they have created a player centred coaching environment across the club, which seeks to identify the needs and provide appropriate support for all players.

UKCC Level 4

A third group of coaches started the UKCC Level 4 qualification in August 2018, including Super6 Head Coach Graham Shiel (Boroughmuir) and Ciaran Beattie (Scotland 7s). The remaining cohort includes Finlay Gillies (High School of Glasgow and Scotland Club XV), David Wilson (Kelvinside Grammar and Scotland U18), Bruce Ruthven (Watsonians & Stewart’s Melville College) and Derek O’Riordan (Murrayfield Wanderers).

The course lasts two years and the qualification is delivered in partnership with Edinburgh Napier University and supported by sportscotland.


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Creating sustainable clubs to ensure rugby thrives in Scotland remains our focus as we continue to increase investment into the grassroots game as part of Agenda 3 – A Blueprint for Sustainable Clubs.

This was the first season where the Rugby Development team were in place under the new regional model. This structure increased the number of Scottish Rugby staff working in the five new regions and includes:

- **5 Regional Directors**
- **12 Regional Managers**
- **5 Coach Development Officers**
- **5 Regional Administrators**
- **3 Regional Competition Administrators**

This new model brings major benefits to the game including:

**Smaller regions** with more staff – increased footprint for Scottish Rugby.

**Delivery, decision-making and enforcement decentralised** in the regions.

**Lead ‘go to’ person** for clubs.

Rugby Development delivered ten regional roadshows in the months of November and December, allowing clubs to meet the new team and have input to the Rugby Development National Strategy. Workshops took place in towns and cities throughout Scotland, ranging from Stewartry in the south west to Inverness.

(*Roles currently existing which were aligned to new regional structure)

One of the continuing priorities for Scottish Rugby this year has been to ensure that all clubs’ child protection policies and procedures are robust. Additional resource and support have been offered with training and education being a key area. Quality assurance audits have been undertaken by our team of regional managers to ensure compliance.

Regional Directors accountable and responsible for delivery of all aspects of the game.

Bespoke regional delivery models - ‘local solutions for local issues’ rather than ‘one size fits all’.

Culture change from ‘them and us’ to ‘we/together’.

Clubs shared valuable learnings on key issues such as:

- **Player retention**, particularly at transition from the youth to adult game.
- Expanding the SCRUMS registration to include coaches.
- Opportunities to share best practise.
- Alternative forms of the game.

One more a highlight of the season was Silver Saturday, which was held at BT Murrayfield in April. Twelve teams competed for silverware and the standard of rugby was high with some thrilling games and close results. Watsonians lifted the Sarah Beaney Cup after a hard-fought final against Hillhead/Jordanhill. In the Scottish Cup final, Ayr completed the league and cup double after a 27-25 win over Heriot’s.

**Club Sustainability Fund**

This season saw the launch of the Club Sustainability Award (CSA) and Club Minimum Operating Standards. The CSA rewards and incentivises clubs to further develop and encourage greater collaboration and planning over the next three years.

Following on from two successful seasons of Tartan Touch - a simple, mixed, social form of non-contact rugby for all ages - we have expanded the number of centres from 30 to 45 for summer 2019. People in communities from Ardrossan to Caithness can get involved in rugby. More clubs will be able to benefit from the new members and increased income that clubs experienced last summer.

**Club Minimum Operating Standards**

We continue to see a growth in **student rugby** with university/college teams taking part in the Tennent’s leagues and within the BUCS competition environment. In particular, there is noticeable increase in women showing interest and joining the game at this level.

**Leadership . Engagement . Achievement . Enjoyment . Respect**
The key focus for season 2018/19 has been to embed our new staffing structure across the East Region. With nine new roles supporting the game across Edinburgh, the Lothians and Scottish Borders, the priority has been to develop and deepen relationships between all stakeholders and Rugby Development staff.

Our team of regional managers have been focused on supporting clubs through the inaugural season of our new Club Sustainability Fund, The Robertson Trust and Barr Environmental Limited, Social Investment Scotland, Scottish Rugby’s Club Sustainability programmes with local authority partners and Active Schools and community groups.

The project was funded by West Dunbartonshire Council, Scottish Rugby’s Club Sustainability Fund, The Robertson Trust and Barr Environmental Limited, through the Scottish Landfill Communities Fund.

The boost in club facilities has allowed for the re-engagement with Clydebank Rugby youth section as well as the wider community. Glasgow Alphas, which is Glasgow’s first LGBTI inclusive rugby club, have recently found a new home with their development.
With the implementation of the new Regional Structure, Scottish Rugby has taken the bold step to fully integrate the girls and women’s game across the Rugby Development department, ensuring it is the responsibility for all to grow and develop the female game at all levels.

This has been one of many significant changes across the female game aimed at ensuring that the structures in place allow for the growth and development of the game now and in the future.

After a period of significant consultation with clubs and key stakeholders, the change of season structure for the Tennent’s Women’s Leagues and National Cup Competitions was ratified in June 2018. This move has allowed for regionalisation of local leagues, increasing formalised recreational opportunities and future growth, whilst ensuring the national structures allow for increased competition.

As the number of females playing rugby remains stable, we continue to focus on developing youth competition structures to take the girls’ game to the next level by increasing opportunities to play and improving the standard of play.

Scottish Rugby’s new regional rugby development workforce have been driving consultations locally throughout the year with clubs and schools to make this a reality.

The proposal to increase the number of age bandings, to amend the game formats to offer greater flexibility and to increase the number of formalised playing opportunities across the regions has been welcomed across the country.

Across the year, there has been an increase both on and off the field for those involved in women’s rugby to develop their skills. Through Scottish Rugby, three women were offered opportunities to develop through World Rugby Scholarships and Academy support.

Domestically, Scottish Rugby offered a programme of bespoke workshops aimed at a variety of audiences such as Scottish Futures and Early Talent ID performance coaches, senior women’s rugby coaches, club and school youth coaches as well as female mentoring programme coaches.

### Performance Structures

The development of the women’s performance structures over the past year have resulted in significant changes to the pathway focusing on supporting Scotland Women XV’s qualification for 2021 World cup whilst creating a system that will prepare the Scotland players of the future for the demands of the international game.

Scottish Rugby introduced two new age-grade programmes for women and girls in 2018 at U18 and U20 level.

**Scottish Futures U18** is a player development programme with a focus on rugby skills, game understanding and behaviours needed to succeed in a high-performance rugby environment.

**Scottish Futures U20** gives players the opportunity to test their skills, game understanding and behaviours in a competitive environment.

This programme has offered a new platform for training and development to 55 players from over 19 clubs, schools and universities from across Scotland – from Caithness to Annan.

Both age-grades have enjoyed training days with high levels of coaching, competitive training matches against top opposition and the opportunity to train with some of the Scotland Women players as well.

Five players from the Scottish Futures U20 programme have gone on to be invited to train with the Scotland Women 7s. Rachel McLachlan has also stepped up to the Scotland Women squad and has since won eight caps.

Tartan Touch continues to grow giving women and girls an additional route into participating in Rugby.

**8 caps for Scotland women**

**754 female Tartan Touch Participants 2018/19**

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**Leadership . Engagement . Achievement . Enjoyment . Respect**
The Mitsubishi Motors UK Schools & Youth Conference programme and Scottish Rugby’s schools and youth cups have had another encouraging season where the commitment and enthusiasm of clubs and schools across Scotland has continued to grow.

The programme provides a framework for clubs and schools to work together to grow the game, improve the standard of play, with player welfare at the core and an emphasis firmly on long-term player development. More boys and girls are playing regular competitive rugby in an environment where they can develop into confident and competent adult players.

Scottish Rugby and its development officer network co-ordinates matches to guarantee fixtures across all age groups from U13-U18 with regular, appropriate and competitive playing opportunities for clubs or schools.

The success of 2018/19 has been possible due to the commitment of staff and volunteers across the schools and youth game. 113 clubs, 136 state schools and 24 independent schools (273 institutions in total) have participated in regular fixtures across respective age-groups.

Age Grade Law Variations for mini and youth rugby were trialed during 2018/19 as part of the Technical Blueprint for Scottish Rugby. The trial provided playing formats that build towards the 15-a-side game allowing players the opportunity to master the skills required, the emphasis being on player safety at all times. Further to this, it is Scottish Rugby’s aim to amend the girls’ age bands to increase the current U12, U15 and U18 age bands to U12, U14, U16 and U18 for the coming season.

The boys’ and girls’ schools’ and club cup competitions were well-attended events, displaying a high standard of rugby and giving young players the chance to compete at BT Murrayfield and Scotstoun stadiums.

This past season, following feedback from clubs and schools involved in the annual Mitsubishi Motors UK Schools & Youth Conferences, it was identified that there was a desire from teams to play fixtures against each other after the formal conference matches concluded late last year. A cross-conference festival was piloted at Drumlanrig Castle as an opportunity to showcase all the great work being carried out in both clubs and schools, whilst providing engaging playing opportunities and a platform by which players and coaches were challenged to learn new skills.

Our thanks go to the voluntary members of the National Youth Forum and the National Schools Forum. Along with the volunteers on the National Youth & Schools Championship Committee, these individuals advise and support Scottish Rugby on the running and development of the youth and schools game. Players are at the centre of all that we do. We have been well supported by the National Youth Panel made up of 16 youngsters from across the country who have made a valuable contribution.

Scottish Rugby is committed to ensuring player welfare remains a priority for all involved in the coaching and running of youth rugby. We have continued to engage with clubs to ensure all coaches and volunteers working with children have completed PVG checks.

Cashback for Communities

The CashBack for Communities programme continues to fund 15 secondary schools, and associated feeder primary schools, using the physical and social benefits of rugby to help educational attainment and pupils’ own personal development.

3,787 pupils have been involved in the programme in the past season and we are working in schools in some of the most deprived areas of Scotland.

The £1.3million, three-year funding cycle comes from the Cashback for Communities fund which redistributes assets seized from the result of crime for sporting, social and cultural projects.

Our conference programme is at the core of our Schools & Youth development structure. Together with the schools’ and youth cups for boys and girls this gives a focus for schools and club rugby to develop their programmes based on the below principles.

Scottish Rugby’s Match Official department aims to provide a qualified referee for every rugby fixture played in Scotland. The department trains and develops referees to perform in professional, national, regional and club competitions.

The number of newly trained Level 1 referees reached a highest-ever total of 406 for the 2018/19 season. This includes a record number of 85 female Level 1 referees trained in one season.

An ongoing aim is to grow the number of society-registered referees to officiate in Scottish Rugby’s national and regional competitions.

There were 6,585 match official appointments in Scotland in the past season, a figure that includes referee, assistant referee, touch judge and technical side-line official appointments.

The six referee societies in the regions with their 418 members are the backbone of the match officials that serve Scottish Rugby competitions and clubs in Scotland.

The appointment of reserve officials to matches at the top end of the game delivers a proper and detailed report of movement of players and ensures an orderly substitution process during the match.

The appointment of referee coaches and performance reviewers plays a key part in the development of referees. The reports completed on individual referees’ performances form a crucial part in a match official’s personal development.

Exchange programmes to countries like France, South Africa, Hong Kong and Japan provide opportunities to expose Scottish referees to different rugby styles and cultures and form part of growing their experience in the game.

The latest addition to the exchange programme is the Major Rugby League in USA in which Sam Grove-White frequently appeared in the business end of the Cup competitions in the women’s and men’s World Rugby Sevens Series respectively.

The selection of Scottish referees in play-offs and finals of competitions has become prominent over the past season. Hollie Davidson and Sam Grove-White frequently appeared in the business end of the Cup competitions in the women’s and men’s World Rugby Sevens Series respectively.

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Corporate Social Responsibility

Scottish Rugby continues to work with our charity partners, clubs and schools to advance our values and support initiatives which benefit the wider community.

During the past year we have again forged closer relationships with our former international lock forward, Doddie Weir OBE, in his ongoing battle against Motor Neurone Disease.

With the support of our colleagues at the Welsh Rugby Union, we commissioned the Doddie Weir Cup – crafted by Hamilton & Inches in their Edinburgh workshops - which was first contested at a match in Doddie’s honour at the Principality Stadium in Cardiff between Scotland and Wales last November.

The match, watched by a global TV audience in the millions, once again raised awareness of Doddie’s condition and his campaign to boost research, assist other sufferers and find a cure for MND.

Scottish Rugby and the WRU subsequently presented a cheque for more than £150,000 to Doddie’s charity, the My Name’5 Doddie Foundation, following the match in Cardiff.

The Doddie Weir Cup will now be contested annually between Scotland and Wales within the Six Nations Championship.

BT Murrayfield also hosted the launch of Doddie’s autobiography and rugby clubs and organisations from Scotland and beyond once again undertook a range of fund-raising activities.

With the Rugby World Cup in Japan imminent, Scottish Rugby, working alongside the Scottish Government and our charity partners, the Bill McLaren Foundation and Friends of Scottish Rugby, staged a short two match tour of the Nagasaki region for 24 players from the 15 Schools of Rugby across Scotland.

The aim of the tour was to provide the young players with an opportunity to develop, both as young men and rugby players as well as strengthen the links between Scotland and Japan and off the rugby field. It was hailed as a tremendous success.

Scotland’s co-captain Robbie Fergusson - typical of the support we receive from players - was on hand to open a new Wooden Spoon Scotland facility at an Action for Children base at New Cumnock in Ayrshire, while Scottish Rugby remains determined to enhance player safety and welfare, alongside our charity partners, the Murrayfield Injured Players Foundation and Hearts & Balls.

As part of National Mental Health Awareness Week, we staged a joint seminar with the Scottish FA, to emphasise the drive to promote mental health, while earlier in the season we staged a seminar to underline the importance of child protection.

The remarkable 38-all draw with England at Twickenham meant Scotland retained the Calcutta Cup and, once again, the most venerable trophy is being made available to clubs, schools and other organisations around the country to inspire the next generation to participate in rugby.

In the season ahead, another charity partner, Save the Children, will celebrate their centenary and Scottish Rugby is considering how best to mark that milestone.

Scottish Rugby is committed to working with players, team managements, staff, clubs, suppliers, sponsors and supporters to protect and enhance our environment. Our vision is to be as sustainable a business as possible and we are actively taking steps to achieve this.

After match days at BT Murrayfield, Scottish Rugby segregates waste at source. It is then further segregated when it gets to our waste providers’ depot with all component parts broken down and recycled. We have achieved zero landfill waste every year since 2011.

Earlier this season (2018/19) we introduced recyclable beer cups.

This policy has removed more than 250,000 single use plastics at BT Murrayfield.

In recognition of the Scotland national team’s ability to set a positive example, all players and coaches have been given reusable water bottles, with the team using 60 fewer cases of water during the 2018 Autumn Tests compared to the previous year.

Next on the agenda is keep-cups to cut usage of paper cups for hot drinks.

Glasgow Warriors have implemented their own waste strategy this season with support from players, staff and supporters.

Measures include a new network of colour-coded recycling bins around Scotstoun Stadium and the majority of packaging available within the stadium is now fully compostable and recyclable.

Scottish Rugby complies with the Energy Savings Opportunity Scheme (ESOS) and has done since 2015.

Measures to cut carbon emissions include the phased replacement of inefficient lighting, boilers and flues. We have installed a computerised irrigation system to reduce water use and all green waste – including grass from pitches - is composted.

Scottish Rugby will be sharing more about our strategy and programmes in this important area on our website during the season.

Enhancing our Environment

Health & Safety

Health & Safety is of paramount importance to Scottish Rugby and forms a vital part of what we do.

Helping to keep us fit and healthy there are lunch time activities for staff including yoga, pilates and Tartan Touch rugby. Themed lunch clubs take place regularly and picnic benches have been added to the stadium grounds to encourage staff to take time away from their desks. Staff are encouraged to consider the use of flexible working and how it may benefit them and support a better work-life balance.

A review of display screen equipment has been carried out and upgraded equipment supplied as required. Prometheus Alphanet have been appointed to provide doctor and first-aid cover at Scottish Rugby events. They will also carry out first-aid training for staff from all areas of the business.

Child Protection

We are committed to ensuring children and young people enjoy their rugby in a safe environment and are protected from harm.

Training our staff and volunteers is a vital part of striving to ensure the safety of children in our sport. Over the past year, with our training partner NSPCC Scotland, we have delivered online child protection training to almost 5,000 youth rugby coaches.

Additionally, almost 100 Child Protection Officers attended face-to-face workshops.

Every club with a youth section must have a dedicated Child Protection Officer (CPO) and we work closely with these CPOs to support them with any concerns or queries as well as helping them raise the profile of safeguarding at their club.

PVG compliance remains a focus within safeguarding, and clubs have responded positively to our “No PVG = No Coaching” message. Our Child Protection page on the website has more details on the scheme, who should join and how to progress your application as well as advice for clubs, parents and children.

Child protection in sport is everyone’s responsibility and we would encourage anyone with concerns or queries to contact us at safeguarding@sru.org.uk


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Looking After Our People

Our strategic HR programmes are aligned to support our organisation in achieving our business objectives, along with improving operational excellence and business transformation. Our HR programmes will ensure that Scottish Rugby can successfully perform within a continuously changing environment through competent, motivated people and strong leadership. Our focus will remain on two strands, People Development and Employee Engagement, building critical skills and competencies for our business to strengthen our current and future leadership bench, in addition to improving the employee experience.

Have Your Say

Our employee engagement survey, Have Your Say, was undertaken in February 2018 and has provided an invaluable insight into our employees’ views. Key areas of focus were role, team, manager, performance, career, leadership, reward and benefits, and our business. Feedback will be continuously monitored with further surveys planned. 93% of employees who responded said they were proud to tell others they worked for Scottish Rugby.

Rugby for Life

Further to the launch of our comprehensive player support programme, Rugby for Life, our HR team were delighted to win the ‘Strategic People Project of the Year award’ at the annual HR Network Scotland National Awards.

Scottish Rugby is committed to supporting our players on and off the pitch. Following 18 months of research and development, this wide-ranging portfolio of support options was designed to work with players at whatever age, or stage, of their career.

Rugby for Life workshops continue to be delivered to the Scotland, Scotland Women, Scotland 7s, Glasgow Warriors and Edinburgh teams, as well as practical sessions with Fosroc Scotland, Scotland Women, Scotland 7s, Glasgow Warriors and Edinburgh teams, as well as practical sessions with Fosroc Scotland.

The programme was developed by Scottish Rugby’s Human Resources department and is delivered by a combination of internal staff and external experts. It integrates key learnings from other sports and was developed following a mandate from the Scottish Rugby Board to improve the breadth of player welfare, specifically off the pitch.

Rugby for Life is tailored to three stages of a player’s career:

- Emerging Talent
- Performing in Rugby
- Preparing for life after rugby

The programme aims to take a proactive approach to player support through education, awareness and hands-on experience to enable players to develop their mental health resilience and help in achieving a healthy sport/life balance as they transition into, or out of, professional rugby.

This includes identifying those with long-term injuries, advice on managing finances, an insight into post-playing career options, work experience and support with further education.

A specific programme of support is currently being delivered at the Fosroc Scottish Rugby Academy to enable young players to develop as people, as well as athletes, with focus on continuing education, training and personal development.

Another area of wider development is help in spotting ‘triggers’ which could result in mental health issues in an individual. This led to staff being trained in Mental Health First Aid to enable those working closely with players to be proactive at critical times.

In addition, employees may access a new Employee Assistance Programme which provides a variety of comprehensive support.
Biggar RFC was named Tennent’s Club of the Season 2018/19. The club is very much a family affair, where in the main, the responsibility for coaching falls on the hard-working volunteers; dads and mums, and friends of the club who work tirelessly to help their charges develop skills and enjoy the game of rugby.

The club recently improved their clubhouse facilities and strive to offer the best possible facilities and coaching for their players. Biggar RFC works in the community bringing rugby to a growing number of schools in the area and work with other organisations in the wider community, allowing different groups access to their new pitches.

Award Winners
Tennent’s Club of the Season
Biggar RFC
Tennent’s Try of the Season
Garioch Ladies RFC
Tennent’s Women’s Club of the Season
Boroughmuir RFC
Tennent’s Women’s Club Volunteer of the Season
Max Crumlish


Players of the Season
Tennent’s Premiership
Iain Wilson (Heriot’s Rugby)
Tennent’s Women’s Premiership
Chloe Johnston (Stewartry RFC)
Tennent’s National 1
Seán Nixon (Selkirk RFC)
Tennent’s National 2
Connor Faulds (Falkirk RFC)
Tennent’s National 3
William McComick (Newton Stewart RFC)
Tennent’s Women’s National League Division 1
Shona Jessiman (Glasgow Uni Women)
Tennent’s Women’s National League Division 2
Maedbh Smyth (Aberdeenshire RFC)
Tennent’s Women’s North League
Katie Roe (Shetland RFC)
Tennent’s Caledonia Region
Liam Ward (Rosyth Sharks RFC)
Tennent’s East Region
Jason Watt (Livingston RFC)
Tennent’s West Region
Max Crumlish (Cambuslang RFC)

Club Results 2018/19

Tennent’s League Winners
Premiership
Ayr
Hillhead Jordanhill
Marr
Bigger
Gordonians
Ayr
Kilco
Strathmore
Blagowrie
Rosyth Sharks
Dunfermline 2XV
Highland 2XV
Aberdeenshire
Peterhead
Shetland Ladies
Berwick
Hawick Linden
Inverkeith
Greenock Wanderers
Lenzie
Waysiders/Drumpeller
Heriot’s Blues
Carrick Chieftains A
Jed-Forest A
Peabody Reds
Hillhead Jordanhill 2XV
Greenock Wanderers 2XV
GKH Students

Club Awards 2018/19

Award Winners
Tennent’s Club of the Season
Biggar RFC
Tennent’s Try of the Season
Robin Eatough (Highland RFC)
Tennent’s Volunteer of the Season
Jeremy Wares (Perthshire RFC)
SP Energy Networks Club Coaching System of the Year
Boroughmuir RFC
SP Energy Networks Spirit of Rugby
David Stibbles MBE (Harris Academy FP RFC)
John Wright (Edinburgh Accies/BATs Rugby)
Crabble’s Referee of the Season
Ruaridh Campbell

Cup Final Day Winners
Scottish Cup
Ayr
Aberdeen Grammar
Berwick
Aberdeen
Stewartry
Greenock Wanderers

The Union continues to work towards key areas in its plan to 2019/20, including winning teams, revenue growth & sustainability, developing talent, growing the domestic game and sustainable clubs. Further detail is also outlined throughout the Annual Report.

The Union has achieved a £0.3m surplus for the year (2018: £1.5m credit). Turnover increased from £57.2m to £61.1m largely as a result of higher locally generated Pro team incomes. Professional rugby, grants and other operating income has increased by £1.2m as a result of tougher global sponsorship environment. Professional rugby, grants and other operating income has increased by £1.2m as a result of lower sponsorship revenues from the Guinness Six Nations this year, but also reflecting a continuing predominant as a result of having a third home Guinness Six Nations match compared with the previous year’s two. Broadcasting revenues rose slightly as a result of increased Guinness Six Nations related sums. Conversely, Commercial income has fallen by £1.1m, predominantly as a result of lower sponsorship revenues from the Guinness Six Nations this year, but also reflecting a continuing tougher global sponsorship environment. Professional rugby, grants and other operating income has increased by £1.2m mainly as a result of higher locally generated Pro team incomes. Within the expenditure categories, the increase in International and Professional Rugby of £1.9m is mainly due to increased expenditure against budget on a monthly basis. They also monitor other key business areas including Professional and National Team performance which are fundamental to the Union’s strategy of growing the game within a stable commercial environment. On pages 58 to 78, the Directors present their report and audited consolidated financial statements for the year ended 31 May 2019. The financial statements comprise the consolidated financial statements of the Union and its subsidiary.

The risk management framework of the Union is well established with the ongoing identification, evaluation and status of business risks, including those around the terms on which the United Kingdom may withdraw from the European Union, being presented to the Audit Committee, Board and Council, periodically.

The Union uses interest rate swaps to reduce its exposure to interest rate movements. Details of this are noted in the Accounting Policies and in Note 10 to the financial statements. The Union also uses forward sale currency contracts to reduce its exposure to exchange rate movements. Details of this are also noted in the Accounting Policies and in Note 10 to the financial statements. Financial instruments are not used for speculative purposes. By order of the Board

Robert M Howat, Company Secretary
Edinburgh, 18 July 2019

The Union has achieved a £0.3m surplus for the year (2018: £1.5m credit, which is £2.2m ahead of the prior year, generally as a result of the operating performance and the timing of cash flows related to ticket income and advance receipts in relation to the Rugby World Cup in 2019. The net bank position at 31 May 2019 of £1.5m credit was £3.0m better than the previous year level of borrowings of £1.5m. Similarly, this is due to the result for the year, and various favourable working capital movements including receipt of funds in relation to RWC 2019.

The Directors continue to monitor borrowing levels, income and expenditure against budget on a monthly basis. They also monitor other key business areas including Professional and National Team performance which are fundamental to the Union’s strategy of growing the game within a stable commercial environment.

The Directors present their Strategic Report for the year ended 31 May 2019.

Principal Activities

The principal activity of the Scottish Rugby Union is to promote the game of Rugby throughout Scotland, using its wholly owned subsidiary Scottish Rugby Union Limited for all trading activities.

Financial Risk Management

The risk management framework of the Union is well established with the ongoing identification, evaluation and status of business risks, including those around the terms on which the United Kingdom may withdraw from the European Union, being presented to the Audit Committee, Board and Council, periodically.

Financial instruments

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Dee Bradbury chaired the Council during the year with the Vice-President, Ian Barr acting as the Vice-Chair. The Council met 13 times during the financial year, including quarterly reviews, a joint briefing session with the Board and additional briefing meetings.

The Council is responsible, among other things, for reviewing the operational activity delegated to the Board, developing and fostering the game of rugby in Scotland, reviewing and advising on matters of policy and strategy and developing relationships within the game at both domestic and international levels.

Various working groups take place throughout the year which included season structures and governance review and in ambassadorial capacities supporting the various age grade and women’s national teams.

Scotland v Wales at Scotstoun Stadium

Dee Bradbury presents the match ball, Women’s Six Nations, Scotland v Wales at a Scotstoun Stadium

Scottish Rugby Council 2018/19

Dee Bradbury
President, Council nominated non-executive Director

Having served as Vice-President in 2016/2017, Dee was elected as President of Scottish Rugby in the Union’s AGM in 2018. On her election as President, Dee also became a non-executive Director of the Scottish Rugby Board for the period of her Presidency. A founding member of the women’s section at Oban Lorne RFC, Dee went on to occupy several committee roles within the club and is now Honorary President of the club. She was a police officer with Strathclyde Police and latterly Police Scotland and is now retired. She has previously managed Scotland Women U18. An accomplished athlete, Dee has represented Scotland and GB in athletics at junior and masters level. She is married with two sons, one playing professionally for Edinburgh Rugby and the other currently enjoying university rugby having previously represented Scotland at U20 level.

Ian Barr
Vice-President

Ian is the Vice-President of Scottish Rugby having been elected at the 2018 AGM. He is currently managing the family farming and sportsground contracting business and is a spin instructor for Midlothian Council. Ian was President of Lasswade RFC for 15 years, served on the Scottish Rugby Council from 2012-2017 with two years on the Board and was a Scotland Under 20 Ambassador from 2013-2017.

Peter Laverie
Premier Division Rep

Peter has been involved in coaching club rugby at National and Premiership levels for over 25 years. During that time he has also coached age-grade rugby at district and international level and with the Club International side. He has been involved in coach education as well as chairing the Premierships forum for four years. Peter is a Senior Lecturer and Teaching Fellow at Glasgow Clyde College, an Associate Member of staff at Dundee University and a Council member of the Educational Institute of Scotland. He has served as a Scottish Rugby Council member since 2013, including a period on the Board.

Governance

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President, Council nominated non-executive Director

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Graeme Scott
National Division 2 Rep
Graeme Scott joined the Council following the 2014 AGM. Prior to his appointment, Graeme served as the Championship Club Forum Secretary. He remains Honorary Secretary of Whitecraigs Rugby Club where he also has been President, Chairman and Director of Rugby. He is also Company Secretary of Whitecraigs Rugby Club Ltd. Graeme joined the Board of Scottish Rugby in January 2018 and is a member of the Audit & Risk Committee, Safeguarding, Wellbeing & Inclusion Committee and Investment Committee.

Colin Rigby
National Division 1 Rep
Colin Rigby joined the Council following the 2017 AGM. Prior to this Colin served as National 1 Council Secretary and has been involved in various forum working parties over the preceding eight years. Colin is past President and Chairman of Stewart’s Melville RFC and Director of Stewart’s Melville RFC Ltd and has also held various other roles within the club. In 2018 Colin was presented with the title Honorary Vice President of Stewart’s Melville in recognition for his services to the club and rugby. A former ERSS referee Colin has also been involved in the set up and creation of Stewart’s Melville Rugby Academy and the junior section and the club’s partnership with Heriot’s RFC and Ferry Road Wanderers. In December 2017 Colin joined the Council Standing Committee on Governance which he continues to serve on. A Fellow of the Chartered Institute of Management and The Institute of Sales and Marketing, Colin is the Head of Strategic Alliances and Channel for FISCAL Technologies.

Andrew Little
National Division 3 Rep
Andrew played rugby at junior and senior level in his home town of Galashiels. He joined Highland RFC in 1974 and played for 13 years, then was Head Coach from 1987 to 1993, Club President from 2000 to 2002 and Director of Rugby from 2003 to 2008 before taking on the role of Club Chairman from 2008 to 2018. In this role he led a sub-committee to work with Highland Council, Scottish Rugby, sportScotland and HighLife Highland to deliver a major redevelopment of facilities at Canal Park which were completed in 2018. Andy is a former member of the Caledonia Rugby Board and former North District Committee member.

Adam Gray
Glassgow South Regional Rep
Adam is a past Captain of Stewartry RFC, which he also coached from 1992-2006, being awarded National League Coach of the Year in 2005. He is an accredited Level 3 coach. From 2006-2010 he was employed by Scottish Rugby as a Performance Development Manager in the Glasgow South region. From 2011-2013 he served on the Referees Selection Panel. Adam is a Board Member and serves on the Audit & Risk Committee, Remuneration Committee and the Nomination Committee.

Rosy Hume
Scottish Women’s Forum Rep
Rosy Hume was a member of Murrayfield Wanderers RFC for almost 20 years, having started her playing career at Heriot Watt University before the Ladies section moved in 2018 to Heriot’s RFC. She was also the Manager of the Scottish Women’s Rugby XV for four years, during which time they won the European Championships. Rosy also served as Vice Chair of the SWRU and was part of the team working towards the full integration of Women’s Rugby with the SRU. She also serves as the Council Ambassador with the Scottish Women’s Team and chairs the Scottish Rugby National Schools & Youth Forum. Rosy is currently employed by City of Edinburgh Council as a Primary School Head Teacher.

Kenneth Ionatt
Referees Rep
Kenneth was an active member, Secretary then President of the Highland Rugby Referee Society until being elected to the Scottish Rugby Council as the Referees rep. He also served on the Scottish Rugby Referee Association executive including working on the governance and communication working groups.

Dr John Halliday
Schools Rep
John has been the Rector of the High School of Dundee since 2008, his third headship having previously been at the helm of Albyn School and Rannoch School. He is also a Governor of St Aloysius’ College, and previously taught at Merchiston, Sedbergh and Dollar. He currently chairs the Scottish Rugby National Schools Forum. He is dedicated to the vision that sport can transform lives and is a powerful motor for developing grounded young people ready to take on the challenges of the world. He is standing down as Schools Rep at the AGM 2019 and takes up a new role as a Scottish Rugby Representative on Rugby Europe.

William Gardner
Glassgow North Regional Rep
William is a past President and Life Member of Lanark Rugby Football Club. He was re-elected as the Glassgnow North Representative on the Scottish Rugby Council in 2019 and is also a Council Representative on the Advisory Group to the West Regional Academy Group. He is a Trustee of the Murrayfield Injured Players Foundation, and a board member and serves on the Audit & Risk Committee, Remuneration Committee and the Safeguarding, Wellbeing & Inclusion Committee.

Ian Rankin
Co-opted member
Ian served as President in 2014/2015 and was appointed to the Colloic Rugby Board in 2016 as a co-opted Scottish Rugby Council member. The former captain of Edinburgh Wanderers and Howe of Fife went on to coach both sides and Kirkcaldy before taking charge of Caledonia Reds and Edinburgh Reivers. He also assisted with Scotland A and Scotland Under 20 before holding the Director of Rugby position at Dundee HSFP. Ian is also the Chair of Murrayfield Injured Players Foundation and a Trustee of Scottish Rugby.

John Jeffrey
Co-opted member
John won 40 caps for Scotland and was a member of the Grand Slam-winning team of 1990. He was also a British Lion and continues to promote Scottish Rugby’s interests through serving as a co-opted member of the Council by representing Scottish Rugby at World Rugby where he sits on the EXCO and chairs the Rugby Committee and on the Six Nations Council where he is Chairman.

Murdo Gillanders
Edinburgh Regional Rep
Murdo has been involved in Scottish club rugby for many years playing for Kelvinside Accies and GHK in his native Glasgow, before moving through to Edinburgh and joining Lismore. He is a past captain, coach and President of Lismore. Murdo is also Honorary Vice President and Senior Adviser to University of Edinburgh Sports Union and Trustee of Murrayfield Injured Players Foundation.
Scottish Rugby Board

The Scottish Rugby Board is responsible for the ongoing management and operations of Scottish Rugby under powers delegated to it under the Bye-Laws. Its members also serve as the Board of Scottish Rugby Union Limited.

The Board comprises four independent non-executive Directors, four non-executive Directors nominated by the Scottish Rugby Council (one of the four being the President in her capacity as Chair of the Council), and four executive Directors. The Vice-President is also entitled to attend Board meetings as an observer but is not entitled to vote.

The Board is chaired by Colin Grassie. Lesley Thomson QC is the Senior Independent Director. Executive Directors serve under the terms of their employment or service contracts. The independent non-executive Directors are appointed for terms of up to 3 years at a time and would normally be expected to serve for a maximum of two terms. Appointment of the independent non-executive Directors is by the Board, on the recommendation of the Nomination Committee.

The Council nominated non-executive Directors are elected, or re-elected as the case may be, by the Council after the Annual General Meeting, when vacancies arise. Their terms in office vary. Dee Bradbury, the current President, will serve on the Board until the 2020 AGM. The Vice-President, Ian Barr who was elected in the 2018 AGM will, subject to the Bye-Laws, will occupy that post for 2 years, before becoming President. Adam Gray and William Gardiner were elected to the Board as Council nominated non-executive Directors at the 2018 AGM for 3 year terms, replacing Mike Monroe and Jim Littelfield.

Council nominated non-executive Directors, other than the President, may serve for up to 3 years at a time, subject to remaining a member of Council. On ceasing to be a member of Council, a Council nominated non-executive Director is also required to step down from the Board.

The Board met 9 times during the year, including a separate strategy session. An annual evaluation of the performance of the Board is conducted, with the outcomes communicated to the Board and procedures adjusted as appropriate, following that appraisal. The non-executive Directors also meet throughout the year, without the Executive Directors being present.

As at the financial year end, the Directors of the Boards of Scottish Rugby Union and Scottish Rugby Union Limited and their terms of office were:

Colin Grassie
Chairman, independent non-executive Director
Appointed on 1 July 2012
and Chairman from 1 January 2017
Born in Glasgow, Colin joined the Board in 1 July 2012 and was then appointed as Chairman for 3 years, with effect from January 2017. Colin’s term has been renewed for a further 18 months. He Chairs the Nomination Committee. Colin serves on the Global Advisory Board of Lakestar, one of Europe’s leading Technology Venture Capital firms based in Zurich.

Dee Bradbury
President, Council nominated non-executive Director
Appointed on 5 August 2018 for 2 years
Having served as Vice President in 2016/2017, Dee was elected as President of Scottish Rugby at the Union’s AGM in 2018. On her election as President, Dee also became a non-executive Director of the Scottish Rugby Board for the period of her Presidency. A founding member of the women’s section at Oban Lorne RFC, Dee went on to occupy several committee roles within the club and is now Honorary President of the club. She was a police officer with Strathclyde Police and latterly Police Scotland and is now retired. She has previously managed Scotland Women U18. An accomplished athlete, Dee has represented Scotland and GB in athletics at junior and masters level. She is married with two sons, one playing professionally for Edinburgh Rugby and the other currently enjoying university rugby having previously represented Scotland at U20 level.

Mark Dodson
Executive Director, CEO
Appointed on 29 September 2011
Mark has led Scottish Rugby as Chief Executive since September 2011. Over those eight years Scottish Rugby has enjoyed record financial growth and secured major global sponsorship partnerships to help fund Scottish grassroots and professional rugby to unprecedented levels. During his tenure Scotland rose to its highest ever world ranking of 5th and Glasgow Warriors won the Guinness PRO12 title. Mark also has overseen key coaching appointments at national and professional level and prioritised the pathway for young, aspiring Scottish coaches and players. He represents Scottish Rugby at World Rugby and sits on its Council and Audit and Risk Committee. Mark is also a member of the 6 Nations Council, and serves on the European Professional Club Rugby Board. His role also sees him represent Scotland on the Board of the British & Irish Lions. Prior to joining Scottish Rugby Mark enjoyed a 33 year career at the Guardian Media Group rising to Chief Executive of Guardian Media Group Regional in 2005 and a position on the Guardian Media Group Board.

Andrew Healy
Executive Director, Finance Director
Appointed on 22 August 2013
Joining Scottish Rugby in 2007 as Financial Controller, Andrew was appointed to the Board as Finance Director in 2013. A Chartered Management Accountant and a non-executive Director, and former Chief Executive, Andrew also played with GHA for a number of years, before retiring and taking up refereeing for a further nine years. He played for Glasgow Schools, Glasgow U18 and Glasgow U21 and represents Scottish Rugby on a number of Finance Committees within international bodies.

Julia Bracewell OBE
independent non-executive Director
Appointed on 2 April 2019
Julia is a solicitor who specialises in corporate and finance law for US and English clients. As a founder, Julia won bronze medals for Scotland at the Commonwealth Fencing Championships in 1986 and 1990 and represented Great Britain at the 1992 Olympic Games. She brings a wealth of experience in grassroots, development and performance sport through her experience as board member of the English Sports Council and UK Sport and as a member of the Nation and Regions Group of the London 2012 Olympics. She was the first female Chair of sportscotland and chaired the international drafting group of the Brighton Declaration on the Importance of Sport for Development and Peace in 1999. Julia was awarded an OBE for services to sport, in particular fencer.

Lesley Thomson QC
Independent non-executive Director
Appointed on 1 October 2013, re-appointed from 1 October 2016, with a renewal for a further 3 years from 1 October 2019
Former Solicitor General for Scotland and former General Counsel, Legal & Governance Department. He became a Board Director in July 2015 and is also a Board Member of European Professional Club Rugby, Chair of its Regulations Committee and participates in various other EPCR Committees and Working Groups. Prior to taking his role at Scottish Rugby, Robert was Company Secretary at Celtic FC for over 11 years.

Dominic McKay
Executive Director, Chief Operating Officer
Appointed on 22 June 2013
Dominic McKay is Scottish Rugby’s Chief Operating Officer and Executive Director. Dominic joined Scottish Rugby in January 2008 as Director of Communications and Public Affairs from his previous past at drinks giant Pernod Ricard. With added responsibilities from 2011 onwards, he became CEO in 2015 overseeing an off the field transformation, including revenue hitting record levels, thanks in part to regularly selling out matches at BT Murrayfield, the expansion of our blue chip partner family including partners such as BT, Macron and Royal Bank of Scotland and securing landmark broadcasting deals. He also oversees the activity of Scotland’s two professional teams, Glasgow Warriors and Edinburgh Rugby. As an Executive Director of the Board he represents Scottish Rugby as a Non Executive Director on the Guinness PRO14 Board and also an Executive Board Director of European Rugby governing body, Rugby Europe. He was recently appointed a Non Executive Director of Old Glory DC, the recently founded Major League Rugby team based in Washington DC. He is a keen offshore sailor and is a recent former Chairman and Trustee of the sailing charity Ocean Youth Trust Scotland.

Robert Howat
Executive Director, General Counsel & Company Secretary
Appointed on 15 July 2015
Robert joined Scottish Rugby as General Counsel in January 2013 and oversees the Legal & Governance Department. He became a Board Director in July 2015 and is also a Board Member of European Professional Club Rugby, Chair of its Regulations Committee and participates in various other EPCR Committees and Working Groups. Prior to taking his role at Scottish Rugby, Robert was Company Secretary at Celtic FC for over 11 years.
Board Committees
During the period, the Board operated five sub-committees including a new Investment Committee formed in December 2018.

Membership of Board committees, other than the Investment Committee is restricted to non-executive Directors. At least one Council nominated non-executive director serves on each committee. Executive Directors, other members of staff and external advisers attend Committee meetings as required. Each Committee's terms of reference are approved by the Board and communicated to the Chair of each Committee.

The Chair of each Committee presents a report to the Board on that Committee's work at the following Board Meeting. Committee minutes are either circulated to or otherwise available to other Board Members on request.

Audit & Risk Committee
(Chair: Lesley Thomson QC)
Graeme Scott, William Gardner, Adam Gray and Lesley Thomson all served on this Committee during the financial year. The Committee is responsible for assisting the Board to discharge its responsibilities for accounting policies, financial reporting, internal financial control and risk management. The Committee met 4 times during the financial year. Committee meetings are attended routinely by the Financial Director, the Financial Controller or equivalent, the Company Secretary and representatives from the Union's auditors.

Nomination Committee
(Chair: Colin Grassie)
Ian McLauchlan (to 1 April 2019), Adam Gray, Julia Bracewell (from 2 April 2019), Dee Bradbury and Colin Grassie served on this Committee during the financial year. The Committee, together with the Remuneration Committee, the identification and recruitment of new independent non-executive Directors when required and the identification and appraisal of internal and external candidates, is responsible for determining whether or not a member of the Board and its Sub-Committees has become inadmissible to register and removing the Committee's roles as set out in the Constitution. The Committee met 8 times during the financial year.

Remuneration Committee
(Chair: David McMillan)
Ian McLauchlan (Chair until 1 April 2019), Adam Gray, William Gardner, Lesley Thomson and David McMillan served on this Committee during the financial year. The Committee is responsible, amongst other things, for considering the potential for external remuneration in respect of its Directors and certain senior executive remuneration packages and the setting and monitoring of key performance targets. Approval of the remuneration of senior coaches and executive directors when required and the identification and appraisal of international body representatives. The Committee met 5 times during the financial year.

Governing Standards
All members of the Board and Council are required to comply with Scottish Rugby’s Code of Conduct. Any alleged breach of the Code is subject to consideration by an independent panel. No breaches or alleged breaches were reported in the year.

Corporate Governance
The Scottish Rugby Council Standing Committee on Governance continued its work during the year under the Chairmanship of Gavin MacColl QC.

Notes:
1. The fees for non-executive Directors were increased in the year in line with the standard inflationary increase applied to the organisation as a whole.
2. Members of the Scottish Rugby Council receive no remuneration in respect of their elected roles although are entitled to recover expenses incurred wholly, exclusively and necessarily on Scottish Rugby business in accordance with Scottish Rugby's expenses policy.
3. World Rugby, Six Nations (EN) and Celtic Rugby Limited (CRL) compensate the representatives/directors serving on those bodies and the service fees paid to the Scottish Rugby representatives involved are as noted. Any fees payable by those bodies during the financial year to Mark Dodson and Dominic McKay were disclaimed by the individuals and are reported in the Directors' Report.
4. Mark Dodson and Robert Howat are Scottish Rugby’s nominated Board Members of European Professional Club Rugby. No fees are payable by EPCR for their services.
The directors present their report and the audited consolidated financial statements for the year ended 31 May 2019.

An overview and review of the Union can be found in the Business Review, within the Strategic Report on page 50.

**Going Concern and Outlook**

The Directors believe that the Union has adequate resources to continue in operational existence for the foreseeable future and it therefore continues to adopt the going concern basis in preparing the financial statements. The Directors continue to budget for, and operate, the Union on a cash flow positive and earnings positive basis in the short to medium term. Notwithstanding the challenging intra-industry and wider economic and market conditions, the Directors intend to continue to operate on this basis and, therefore, look forward to the year ahead and the challenges that this brings.

**Employees**

Scottish Rugby recognises the value and importance of promoting equal employment opportunities for its current and future staff and considers all forms of discrimination to be unacceptable in the workplace. We aim to be an inclusive organisation where everyone is treated with dignity and respect and where diversity is valued across all of the recognised equality strands detailed within the Equality Act 2010. The organisation is committed to providing equal opportunities throughout recruitment, employment, training and career development and has a comprehensive Equal Opportunities Employment Policy, Diversity and Inclusion Policy and several other related policies that support the nine protected characteristics within the Equality Act.

We are committed to adopting equitable employment practices and terms and conditions which are based on the merits, ability and potential of individuals, and to avoiding any conditions or requirements that cannot be justified by the needs of the job. As an example of this equitable approach, Scottish Rugby has been granted the Positive About Disabled People award by Job Centre Plus, recognising our commitment to diversity and confirming that applications from disabled people are always positively considered by the organisation.

In addition to our employment practices, Scottish Rugby has achieved the Intermediate Level of the Equality Standard: A Framework for Sport which is a collaborative effort between the four national Sports Councils, UK Sport and equality organisations to achieve measurable stands of equality. Scottish Rugby has also been awarded the Preliminary Level of the Equality Standard through our efforts and commitment to make rugby in Scotland open to all. A significant amount of work has been undertaken in producing our Diversity and Inclusion Plan, which can be located on our website, and we have appointed an Equality and Diversity Champion. Further, a Safeguarding, Wellbeing, Diversity and Inclusion Committee has been established, chaired by our Non Executive Director and Equality and Diversity Champion ensuring equality and inclusion remains a focus. Scottish Rugby has also signed the Equality Network Scottish LGBTI Sports Charter.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the Union as a whole. Communication with all employees continues through e-mail communication, organisation-wide financial and economic performance of their business units and of the Union as a whole. Communication with all employees continues through e-mail communication, organisation-wide Engage newsletter briefings, CEO employee briefings and the distribution of the Annual Report.

**Statement of Directors’ responsibilities**

The directors are responsible for preparing the non-statutory group financial statements in accordance with United Kingdom Generally Accepted Accounting Practice for to enable you to fulfil your obligation to obtain an audit of Scottish Rugby Union's group financial statements.

The directors must not approve the non-statutory group financial statements unless they are satisfied that the non-statutory group financial statements give a true and fair view of the state of affairs of the group and of the surplus or deficit of the group for that period. In preparing the non-statutory financial statements, the directors are responsible for:

- selecting suitable accounting policies and then applying them consistently;
- stating whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- making judgements and accounting estimates that are reasonable and prudent; and
- preparing the non-statutory financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors 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 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 group.

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

### Strategic Aim | Objective | Progress so far
--- | --- | ---
**Winning Teams**<br>Scotland<br>2019 Rugby World Cup semi-finals<br>Consistent improvement - win the Six Nations Championship at least once by 2019/20 | Current ranking - 7th; high of 5th achieved in February 2018 | 3rd place in 2018 Six Nations Preparations for RWC19 underway<br>Glasgow Warriors<br>One team in top four of Guinness PRO14 and other team in top six every year<br>Glasgow Warriors reached semi-finals in 2017/18 and were runners-up in 2018/19 | Achieve top 10 ranking by 2019/20 | Edinburgh &<br>Glasgow<br>Warriors<br>Both teams in top four of Guinness PRO14 by end of 2019/20<br>Consistent improvement in World Rugby ranking | Current ranking - 12th; high of 11th achieved in March 2018 | Achieved – In 2018/19, turnover reached £63.1m, surplus was £0.3m and a core debt repayment of £0.5m was made.

### Developing Talent<br>Continued delivery of the Fosroc Scottish Rugby Academy<br>Consistent generation of annual surplus. Repay minimum of £600K of core debt per year | Enhanced coaching pathway and increased numbers at UKCC Level 4 | Increased opportunities and players signing professional contracts.<br>Referees selected for Guinness PRO14, EPCR, 6N, International Tests<br>Continuing delivery of schools & youth programme<br>Refereeing – regular selections in elite tournaments / three individuals by end of 2017/18 | Referees selected for Guinness PRO14, EPCR, 6N, International Tests | Deliver women’s and girls’ programme | Delivering a world leading women’s and girls’ programme | Development of girls’ cups and conferences. Performance pathways created including age grade programmes; introduction of 2021 contracts<br>Continued delivery of domestic sustainability programmes | New regional model for Rugby Development introduced; increased investment in the grassroots game as part of Agenda 3
Independent Auditors’
Report to the Directors
of the Scottish Rugby Union

Report on the Audit of the Financial Statements

Opinion

In our opinion the Scottish Rugby Union’s non-statutory group financial statements (the “financial statements”):

• give a true and fair view of the state of the Union’s affairs as at 31 May 2019 and of the Union’s surplus and cash flows for the year then ended; and

• have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”, and applicable law).

We have audited the financial statements, included within the Financial Statements (the “Annual Report”), which comprise: the consolidated balance sheet as at 31 May 2019; the consolidated income and expenditure account and the consolidated statement of comprehensive income; the consolidated statement of cash flows; and the consolidated statement of changes in equity for the year then ended; the accounting policies; and the notes to the financial statements.

Basis for Opinion

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

Independence

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

Conclusions Relating to Going Concern

ISAs (UK) require us to report to you when:

• the directors’ use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

• the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee to as to the group’s ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the group’s trade, customers, suppliers and the wider economy.

Reporting on Other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors’ report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the Financial Statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors’ responsibilities set out on pages 58 and 59, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors’ responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC’s website at www.frc.org.uk/auditorsresponsibilities. The description forms part of our auditors’ report.

Use of this Report

This report, including the opinion, has been prepared for and only for the Union’s directors as a body for their governance purposes in connection with the Union’s Byelaws and in accordance with our engagement letter dated 10 May 2019 and variation letter dated 17 July 2019, and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, including without limitation under any contractual obligations of the Union, save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh,
19 July 2019
Financial Statements

Principal Accounting Policies

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (“FRS 102”).

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

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

Basis of Consolidation

The consolidated financial statements cover the year to 31 May 2019 and include the Scottish Rugby Union, a mutual organisation, its subsidiary undertakings Scottish Rugby Union Limited, Edinburgh Rugby Limited, Glasgow Warriors Limited, Saltire Rugby Holdings Limited, and The Murrayfield Experience Limited, and a related body, the Thistle Rugby Trust. The parent body, Scottish Rugby Union, has not traded during either the current period or previous year and its only assets and liabilities are its investment in, and loans from, Scottish Rugby Union Limited of £50,000.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intra-group transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the surplus or deficit arising on transactions with associates to the extent of the group’s interest in the entity.

Functional and Presentational Currency

Both the functional and presentational currency of the Union is Pounds Sterling.

Deferred Income

Capital grants and debenture premiums are transferred to deferred income and amortised over the estimated useful life of the associated fixed assets or the life of the debenture, respectively.

Debenture Issue costs

The costs associated with the issue of capital instruments are charged to the income and expenditure account on an annual basis over the minimum period remaining until the redemption of the associated instrument.

Pension costs

Contributions are made by the Union to money purchase scheme pension arrangements for certain employees. Amounts due to assurance companies are charged against the income and expenditure account in the period in which they become payable. The Union provides no other post retirement benefits to its employees.

Finance and operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Leasing and hire purchase agreements which transfer substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitment is shown as an obligation under finance leases. The lease rentals are treated as consisting of capital and interest elements, with the capital element applied to reduce the outstanding obligation and the interest element charged against the surplus or deficit for the period on a straight line basis. Assets held under finance leases are depreciated over the shorter of the lease term and the useful lives of equivalent owned assets.

Grants

Revenue grants are credited to the income and expenditure account in the same period as the related expenses.

Taxation

The Union has mutual trading status for taxation purposes as regards its trading activities with the members and pays tax only on the profit derived from trading with non-members. Deferred Taxation is recognised on all timing differences where the transaction or events that give rise to an obligation to pay more, or less, tax in the future have occurred by the Balance Sheet date. Deferred tax assets are recognised when it is probable that they will be recovered. The tax rates in force at the Balance Sheet date are used to calculate the need for any deferred tax provision or asset.

Long term incentive plan

The Group provides certain employees with a cash-settled long term incentive plan. Amounts payable under the plan are currently discretionary over a 3-5 year period. There are performance conditions attached to this plan.

Financial instruments

The Union has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial Assets

Basic financial assets, including trade and other debtors, cash and bank balances and loans, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

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

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the

Turnover

Turnover represents ticket sales, broadcasting revenue, commercial income and all other income and is stated net of VAT. Revenue is recognised based on the relevant contractual terms or in accordance with the occurrence of the relevant event.

Where consideration is received in kind, income and expenditure are grossed up on the basis of arm’s length commercial rates.

Tangible Assets

The cost of tangible assets is their purchase cost, together with any incidental costs of acquisition. Significant sums are spent on maintenance of the Union’s main asset, BT Murrayfield Stadium, therefore the de-minimus level for capitalisation of assets has been set at £10,000 for the first three asset categories below and at £5,000 for Other equipment. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, over the expected useful economic lives of the assets concerned. The straight line basis is used in respect of all assets and the principal annual depreciation rates are:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Depreciation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>Nil</td>
</tr>
<tr>
<td>Stands and heritable property</td>
<td>1-20</td>
</tr>
<tr>
<td>Fixtures and fittings</td>
<td>4-25</td>
</tr>
<tr>
<td>Other equipment</td>
<td>7-50</td>
</tr>
</tbody>
</table>

No depreciation is charged on Assets Under Construction.

Intangible Assets

Intangible assets comprise computer related software. The cost of intangible fixed assets is their purchase cost, together with any incidental costs of acquisition. The level for capitalisation of intangible fixed assets has been set at £3,000. Amortisation is calculated so as to write off the cost of intangible fixed assets, less their estimated residual values, over the expected useful economic lives of the assets concerned. The straight line basis is used in respect of all assets and the principal annual amortisation rates are:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Amortisation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible Fixed Assets</td>
<td>10-50</td>
</tr>
</tbody>
</table>

No amortisation is charged on Assets Under Construction.

No amortisation is charged on Assets Under Construction.

Principal Accounting Policies

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (“FRS 102”).

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

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

Basis of Consolidation

The consolidated financial statements cover the year to 31 May 2019 and include the Scottish Rugby Union, a mutual organisation, its subsidiary undertakings Scottish Rugby Union Limited, Edinburgh Rugby Limited, Glasgow Warriors Limited, Saltire Rugby Holdings Limited, and The Murrayfield Experience Limited, and a related body, the Thistle Rugby Trust. The parent body, Scottish Rugby Union, has not traded during either the current period or previous year and its only assets and liabilities are its investment in, and loans from, Scottish Rugby Union Limited of £50,000.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intra-group transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the surplus or deficit arising on transactions with associates to the extent of the group’s interest in the entity.

Functional and Presentational Currency

Both the functional and presentational currency of the Union is Pounds Sterling.

Deferred Income

Capital grants and debenture premiums are transferred to deferred income and amortised over the estimated useful life of the associated fixed assets or the life of the debenture, respectively.

Debenture Issue costs

The costs associated with the issue of capital instruments are charged to the income and expenditure account on an annual basis over the minimum period remaining until the redemption of the associated instrument.

Pension costs

Contributions are made by the Union to money purchase scheme pension arrangements for certain employees. Amounts due to assurance companies are charged against the income and expenditure account in the period in which they become payable. The Union provides no other post retirement benefits to its employees.

Finance and operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Leasing and hire purchase agreements which transfer substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitment is shown as an obligation under finance leases. The lease rentals are treated as consisting of capital and interest elements, with the capital element applied to reduce the outstanding obligation and the interest element charged against the surplus or deficit for the period on a straight line basis. Assets held under finance leases are depreciated over the shorter of the lease term and the useful lives of equivalent owned assets.

Grants

Revenue grants are credited to the income and expenditure account in the same period as the related expenses.

Taxation

The Union has mutual trading status for taxation purposes as regards its trading activities with the members and pays tax only on the profit derived from trading with non-members. Deferred Taxation is recognised on all timing differences where the transaction or events that give rise to an obligation to pay more, or less, tax in the future have occurred by the Balance Sheet date. Deferred tax assets are recognised when it is probable that they will be recovered. The tax rates in force at the Balance Sheet date are used to calculate the need for any deferred tax provision or asset.

Long term incentive plan

The Group provides certain employees with a cash-settled long term incentive plan. Amounts payable under the plan are currently discretionary over a 3-5 year period. There are performance conditions attached to this plan.

Financial instruments

The Union has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial Assets

Basic financial assets, including trade and other debtors, cash and bank balances and loans, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

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

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

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Income Statement.

Other financial assets, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Income Statement, unless they are included in a hedging arrangement, and except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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

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

Hedging arrangements

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

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

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

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

Public benefit entity concessionary loans (including debentures)

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

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The directors do not consider that there are any key accounting judgements and estimates in the preparation of these financial statements.

### Consolidated Income & Expenditure account

for the year ended 31 May 2019

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Notes</td>
<td>£000</td>
</tr>
<tr>
<td>Turnover</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ticket income</td>
<td>15,776</td>
<td>12,337</td>
</tr>
<tr>
<td>Broadcasting revenues</td>
<td>15,517</td>
<td>15,165</td>
</tr>
<tr>
<td>Commercial income</td>
<td>9,704</td>
<td>10,837</td>
</tr>
<tr>
<td>Professional rugby, grants and other operating income</td>
<td>20,080</td>
<td>18,902</td>
</tr>
<tr>
<td></td>
<td>61,077</td>
<td>57,241</td>
</tr>
<tr>
<td>Costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>International and Professional Rugby</td>
<td>(30,797)</td>
<td>(28,894)</td>
</tr>
<tr>
<td>Domestic and Performance Rugby</td>
<td>(9,854)</td>
<td>(9,731)</td>
</tr>
<tr>
<td>Commercial and Operational</td>
<td>(15,459)</td>
<td>(13,252)</td>
</tr>
<tr>
<td>Club Support and Development</td>
<td>(3,088)</td>
<td>(2,913)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(1,341)</td>
<td>(1,281)</td>
</tr>
<tr>
<td></td>
<td>(60,593)</td>
<td>(55,071)</td>
</tr>
<tr>
<td>Operating Surplus</td>
<td>538</td>
<td>2,170</td>
</tr>
<tr>
<td>Net interest</td>
<td>3</td>
<td>(230)</td>
</tr>
<tr>
<td>Surplus on ordinary activities before taxation</td>
<td>1</td>
<td>308</td>
</tr>
<tr>
<td>Tax on surplus on ordinary activities</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td>Surplus for the financial year</td>
<td>17</td>
<td>308</td>
</tr>
</tbody>
</table>

The turnover and operating surplus shown above are derived from continuing operations within the UK.
Consolidated Statement of Comprehensive Income
for the year ended 31 May 2019

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus for the financial year</td>
<td>308</td>
<td>1,837</td>
</tr>
</tbody>
</table>

Other Comprehensive Income:
Cash Flow hedges:
- Change in value of interest rate hedging instruments: | 32     | 84     |
- Change in value of foreign exchange hedging instruments: | 452    | 467    |

Other comprehensive income for the year: | 484    | 551    |
Total comprehensive income for the year: | 792    | 2,388  |

Consolidated Balance Sheet
as at 31 May 2019

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>38,622</td>
<td>37,903</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>610</td>
<td>415</td>
</tr>
<tr>
<td>Investments</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other comprehensive income for the year:</td>
<td>39,234</td>
<td>38,320</td>
</tr>
<tr>
<td>Derivative financial instruments: falling due after more than one year:</td>
<td>207</td>
<td>377</td>
</tr>
</tbody>
</table>

Current Assets
- Derivative financial instruments: 10
- Debtors: 8
- Cash at bank: 14
- Cash in hand: 14

Net Current Liabilities: | (6,900) | (6,145) |
Provisions for liabilities: | (99)    | (151)  |
Total assets less current liabilities and provisions: | 32,442  | 32,401 |

Creditors: amounts falling due after more than one year: | 3,000   | 3,500  |
Derivative Financial Instruments: 10
Deferred income: 12
Ten Year Debentures: 13
Murrayfield Debentures: 14
Irredeemable Debentures: 15

Capital and Reserves
- General reserve: 17
- Hedging reserve: (32)

Total Capital and Reserves Deficit: | (4,389) | (5,181) |

The financial statements on pages 62 to 78 were approved by the Scottish Rugby Board and signed on its behalf on 18 July 2018 by:

Colin Grassie, Chairman

Mark Dodson, Chief Executive
Consolidated Statement of changes in equity
for the year ended 31 May 2019

<table>
<thead>
<tr>
<th>General Reserve</th>
<th>Hedging Reserve</th>
<th>Total £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td><strong>Balance as at 1 June 2017</strong></td>
<td></td>
<td>(6,502)</td>
</tr>
<tr>
<td></td>
<td>(1,067)</td>
<td>(7,569)</td>
</tr>
<tr>
<td><strong>Surplus for the year</strong></td>
<td></td>
<td>1,837</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,837</td>
</tr>
<tr>
<td><strong>Other comprehensive expense for the year:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value gain on interest rate derivative financial instrument</td>
<td>-</td>
<td>84</td>
</tr>
<tr>
<td>Fair value gain on foreign exchange derivative financial instrument</td>
<td>-</td>
<td>467</td>
</tr>
<tr>
<td><strong>Total other comprehensive expense for the year</strong></td>
<td></td>
<td>551</td>
</tr>
<tr>
<td><strong>Balance as at 31 May 2018</strong></td>
<td></td>
<td>(4,665)</td>
</tr>
<tr>
<td></td>
<td>(516)</td>
<td>(5,181)</td>
</tr>
<tr>
<td><strong>Balance as at 1 June 2018</strong></td>
<td></td>
<td>(4,665)</td>
</tr>
<tr>
<td></td>
<td>(516)</td>
<td>(5,181)</td>
</tr>
<tr>
<td><strong>Surplus for the year</strong></td>
<td></td>
<td>308</td>
</tr>
<tr>
<td></td>
<td></td>
<td>308</td>
</tr>
<tr>
<td><strong>Other comprehensive income for the year:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value gain on interest rate derivative financial instrument</td>
<td>-</td>
<td>32</td>
</tr>
<tr>
<td>Fair value gain on foreign exchange derivative financial instrument</td>
<td>-</td>
<td>452</td>
</tr>
<tr>
<td><strong>Total other comprehensive income for the year</strong></td>
<td></td>
<td>484</td>
</tr>
<tr>
<td><strong>Balance as at 31 May 2019</strong></td>
<td></td>
<td>(4,357)</td>
</tr>
<tr>
<td></td>
<td>(32)</td>
<td>(4,389)</td>
</tr>
</tbody>
</table>

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

Consolidated Statement of cash flows
for the year ended 31 May 2019

<table>
<thead>
<tr>
<th>Notes</th>
<th>2019 £000</th>
<th>2018 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td>18</td>
<td>4,827</td>
</tr>
<tr>
<td><strong>Cash Flow from investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments to acquire Tangible Assets</td>
<td>(1,534)</td>
<td>(639)</td>
</tr>
<tr>
<td>Payments to acquire Intangible Assets</td>
<td>(14)</td>
<td>(222)</td>
</tr>
<tr>
<td><strong>Payments to acquire Fixed Assets</strong></td>
<td>(1,548)</td>
<td>(861)</td>
</tr>
<tr>
<td><strong>Cash flow from financing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repayment of bank loan</td>
<td>(500)</td>
<td>(1,500)</td>
</tr>
<tr>
<td>Finance Lease</td>
<td>(4)</td>
<td>(4)</td>
</tr>
<tr>
<td>Interest paid on bank overdrafts and loans</td>
<td>(225)</td>
<td>(265)</td>
</tr>
<tr>
<td><strong>Net cash used in financing activities</strong></td>
<td>(729)</td>
<td>(1,769)</td>
</tr>
<tr>
<td><strong>Net increase / (decrease) in cash at bank and in hand</strong></td>
<td>2,550</td>
<td>(43)</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the beginning of the year</strong></td>
<td>1,993</td>
<td>2,036</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the end of the year</strong></td>
<td>4,543</td>
<td>1,993</td>
</tr>
</tbody>
</table>
1. Surplus on ordinary activities before taxation

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortisation of deferred income</td>
<td>117</td>
<td>125</td>
</tr>
<tr>
<td>Barter transaction sponsorship income</td>
<td>1,092</td>
<td>1,198</td>
</tr>
</tbody>
</table>

The surplus on ordinary activities before taxation is stated after crediting:

<table>
<thead>
<tr>
<th></th>
<th>£000</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortisation of deferred income</td>
<td>117</td>
<td>125</td>
</tr>
<tr>
<td>Barter transaction sponsorship income</td>
<td>1,092</td>
<td>1,198</td>
</tr>
</tbody>
</table>

And after charging:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auditors’ fees for non-audit services</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Tax compliance</td>
<td>25</td>
<td>6</td>
</tr>
<tr>
<td>Other</td>
<td>79</td>
<td>10</td>
</tr>
<tr>
<td>Depreciation charge for the year:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owned fixed assets</td>
<td>1,301</td>
<td>1,268</td>
</tr>
<tr>
<td>Amortisation charge for the year:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owned intangible assets</td>
<td>40</td>
<td>13</td>
</tr>
<tr>
<td>Operating lease rentals</td>
<td>21</td>
<td>21</td>
</tr>
<tr>
<td>Other</td>
<td>409</td>
<td>374</td>
</tr>
<tr>
<td>Barter transaction sponsorship costs</td>
<td>1,092</td>
<td>1,198</td>
</tr>
<tr>
<td>Administrative and management expenses</td>
<td>4,060</td>
<td>3,236</td>
</tr>
</tbody>
</table>

2. Staff Costs

The average monthly number of persons employed during the year who are involved in and support the Scottish game was:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rugby</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional Players</td>
<td>104</td>
<td>103</td>
</tr>
<tr>
<td>Professional Teams - Coaching &amp; Operations</td>
<td>35</td>
<td>31</td>
</tr>
<tr>
<td>National Team - Coaching &amp; Operations</td>
<td>11</td>
<td>10</td>
</tr>
<tr>
<td>Elite Development Players &amp; Coaches</td>
<td>34</td>
<td>34</td>
</tr>
<tr>
<td>Domestic &amp; Performance</td>
<td>79</td>
<td>77</td>
</tr>
<tr>
<td>Strength &amp; Conditioning</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td>Medical &amp; Physiotherapy</td>
<td>19</td>
<td>18</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stadium Operations</td>
<td>40</td>
<td>38</td>
</tr>
<tr>
<td>Commercial, marketing &amp; other corporate functions</td>
<td>62</td>
<td>59</td>
</tr>
<tr>
<td>TOTAL</td>
<td>401</td>
<td>387</td>
</tr>
</tbody>
</table>

Within these figures:

- **Domestic & Performance** includes employees within the Fosroc Academies, Domestic Rugby Support Services, Participation & Development, Coach Development, Outreach & Equality, Schools & Youth, Domestic & Elite Refereeing, and Age Grade & Other Coaches.
- **Stadium Operations** includes staff involved in Event Management, Ticketing and Stadium, Pitch & Grounds Maintenance.
- **Commercial, marketing & other corporate functions** includes Commercial & Marketing, HR & Communications, Finance & IT, Governance and Business Services.

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment costs:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wages and salaries</td>
<td>27,313</td>
<td>24,360</td>
</tr>
<tr>
<td>Social security costs</td>
<td>3,386</td>
<td>2,887</td>
</tr>
<tr>
<td>Other pension costs</td>
<td>779</td>
<td>717</td>
</tr>
</tbody>
</table>

At the year end the pension accrual was £331k (2018 - £273k).
Notes to the Financial Statements

3. Net Interest

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Interest payable on bank overdrafts</td>
<td>(149)</td>
<td>(251)</td>
</tr>
<tr>
<td>Amortisation of Debenture issue costs</td>
<td>(81)</td>
<td>(82)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(230)</td>
<td>(333)</td>
</tr>
</tbody>
</table>

The rates of interest on the Union’s term loan borrowings are included in Note 10.

4. Tax on surplus on ordinary activities

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Current Tax:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>On surplus arising from non-mutual trading</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deferred:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Origination and reversal of timing differences</td>
<td>162</td>
<td>450</td>
</tr>
<tr>
<td>Movement in deferred tax unprovided</td>
<td>(162)</td>
<td>(450)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Factors affecting the current tax charge for the year

Surplus on ordinary activities before taxation | 308  | 1,837 |

Corporation Tax at 19% (2018 – 19%) | 59    | 349   |

Effects of:

Net expenses not deductible for tax purposes | 180  | 161  |
Crystallisation of tax losses | (162) | (447) |
Non-taxable mutual profits | (217) | (298) |
Depreciation in excess of capital allowances | 107  | 102  |
Capital transactions | 16    | 16    |
Movement in other timing differences | 17    | 17    |

The Union has gross taxable profits arising in the year of £nil (2018 - £nil).

5. Tangible Assets

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Heritable Property</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixtures and Fittings</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at 1 June 2018</td>
<td>47,459</td>
<td>14,841</td>
</tr>
<tr>
<td>Additions</td>
<td>90</td>
<td>473</td>
</tr>
<tr>
<td>Transfers</td>
<td>-</td>
<td>59</td>
</tr>
<tr>
<td>Disposals</td>
<td>(55)</td>
<td>(757)</td>
</tr>
<tr>
<td><strong>As at 31 May 2019</strong></td>
<td>47,494</td>
<td>14,616</td>
</tr>
</tbody>
</table>

Accumulated Depreciation

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>As at 1 June 2018</td>
<td>12,706</td>
<td>13,116</td>
</tr>
<tr>
<td>Charge for year</td>
<td>704</td>
<td>233</td>
</tr>
<tr>
<td>Disposals</td>
<td>(55)</td>
<td>(757)</td>
</tr>
<tr>
<td><strong>As at 31 May 2019</strong></td>
<td>13,355</td>
<td>12,592</td>
</tr>
</tbody>
</table>

Net book value

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 31 May 2019</td>
<td>34,139</td>
<td>2,024</td>
</tr>
<tr>
<td>As at 31 May 2018</td>
<td>34,753</td>
<td>1,725</td>
</tr>
</tbody>
</table>

6. Intangible Assets

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Computer Software</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets Under</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at 1 June 2018</td>
<td>497</td>
<td>90</td>
</tr>
<tr>
<td>Additions</td>
<td>235</td>
<td>-</td>
</tr>
<tr>
<td>Disposals</td>
<td>(146)</td>
<td>-</td>
</tr>
<tr>
<td><strong>As at 31 May 2019</strong></td>
<td>676</td>
<td>-</td>
</tr>
</tbody>
</table>

Accumulated Amortisation

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 1 June 2018</td>
<td>172</td>
<td>-</td>
</tr>
<tr>
<td>Charge for year</td>
<td>40</td>
<td>-</td>
</tr>
<tr>
<td>Disposals</td>
<td>(146)</td>
<td>-</td>
</tr>
<tr>
<td><strong>As at 31 May 2019</strong></td>
<td>66</td>
<td>-</td>
</tr>
</tbody>
</table>

Net book value

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 31 May 2019</td>
<td>610</td>
<td>-</td>
</tr>
<tr>
<td>As at 31 May 2018</td>
<td>325</td>
<td>90</td>
</tr>
</tbody>
</table>
Notes to the Financial Statements

7. Investments
The Union holds one €1.25 ordinary share in British & Irish Lions DAC, First Floor, Simmonscourt House, Simmonscourt Road, Ballsbridge, Dublin 4, a company incorporated in the Irish Republic. The Union’s investment represents a 25% holding in the company’s issued share capital.

The Union is the beneficial owner of 100 €1.00 ordinary shares in Celtic Rugby DAC, Millbank House, Arkle Road, Sandymount Industrial Estate, Dublin 18, a company incorporated in the Irish Republic. The Union’s holding represents 33% of the company’s issued share capital.

The Union is the beneficial owner of 1,667 €1.27 ordinary shares in European Rugby Cup Limited, 24/26 City Quay, Dublin 2, a company incorporated in the Irish Republic and which is in liquidation. The Union’s holding represents 16.67% of the company’s issued share capital.

In addition to the above, The Union is a member of European Professional Club Rugby, a Swiss association, whose principal activity is promoting and managing the European Rugby Champions Cup, Challenge Cup and Continental Shield.

The Union is one of three subscribers, the others being The Welsh Rugby Union Limited and Rugby Football Union, to Great Britain Rugby Sevens Limited, a company incorporated in England and Wales, and limited by guarantee.

Given the disposition of the other shareholdings in these companies, and the immateriality of their net surpluses and net assets after receipt of dividends by the Union, the Directors do not believe that these investments fall to be treated as associate companies.

The Union owns 100% of the shareholding of The Murrayfield Experience Limited, Saltire Rugby Holdings Limited, Edinburgh companies.

Fixed asset investments are stated at the lower of cost and valuation.

8. Debtors

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts falling due within one year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade debtors</td>
<td>8,272</td>
<td>6,880</td>
</tr>
<tr>
<td>Other debtors</td>
<td>-</td>
<td>286</td>
</tr>
<tr>
<td>Prepayments</td>
<td>755</td>
<td>854</td>
</tr>
<tr>
<td></td>
<td>9,027</td>
<td>8,029</td>
</tr>
</tbody>
</table>

9. Creditors

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts falling due within one year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advance receipts</td>
<td>8,780</td>
<td>5,363</td>
</tr>
<tr>
<td>Trade creditors</td>
<td>2,249</td>
<td>2,000</td>
</tr>
<tr>
<td>Other tax and social security</td>
<td>2,456</td>
<td>2,392</td>
</tr>
<tr>
<td>Accruals</td>
<td>7,055</td>
<td>6,034</td>
</tr>
<tr>
<td></td>
<td>20,340</td>
<td>15,789</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts falling due after more than one year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank loans</td>
<td>3,000</td>
<td>3,500</td>
</tr>
<tr>
<td></td>
<td>3,000</td>
<td>3,500</td>
</tr>
</tbody>
</table>

Within Amounts falling due after more than one year, bank loans of £3.0m (2018: £3.5m) are repayable in full by 30 June 2020. It is the Union’s intention to renew the funding facilities in advance of the date of repayment. Security was granted to the Union’s bankers by way of a Bond and Floating charge over the assets of Scottish Rugby Union Limited.

Notes to the Financial Statements

10. Financial instruments

Treasury policy
Treasury activity is focused on monitoring working capital, managing interest rate risk and managing currency rate risk. Treasury activity is not a profit centre and the Union neither enters into transactions of a speculative nature nor trades in financial instruments.

The Union has the following financial instruments:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets that are debt instruments measured at amortised cost:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash at bank and in Hand</td>
<td>4,543</td>
<td>1,993</td>
</tr>
<tr>
<td>Trade Debtors</td>
<td>8,272</td>
<td>6,880</td>
</tr>
<tr>
<td>Other debtors</td>
<td>-</td>
<td>286</td>
</tr>
</tbody>
</table>

Financial assets measured at fair value through other comprehensive income due within one year:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derivative financial instruments</td>
<td>152</td>
<td>118</td>
</tr>
</tbody>
</table>

Financial assets measured at fair value through other comprehensive income due after more than one year:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derivative financial instruments</td>
<td>207</td>
<td>377</td>
</tr>
</tbody>
</table>

Financial liabilities measured at amortised cost due within one year:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>2,249</td>
<td>2,000</td>
</tr>
<tr>
<td>Other creditors</td>
<td>15,835</td>
<td>11,397</td>
</tr>
</tbody>
</table>

Financial liabilities measured at amortised cost due after more than one year:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Loans &amp; Overdraft</td>
<td>3,000</td>
<td>3,500</td>
</tr>
</tbody>
</table>

Financial liabilities measured at fair value through other comprehensive income due within one year:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derivative financial instruments</td>
<td>82</td>
<td>487</td>
</tr>
</tbody>
</table>

Financial liabilities measured at fair value through other comprehensive income due after more than one year:

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derivative financial instruments</td>
<td>310</td>
<td>524</td>
</tr>
</tbody>
</table>

Derivative financial instruments - Forward Contracts

The Union enters into forward foreign exchange contracts to mitigate the exchange rate risk for certain future foreign currency receivables. The forward foreign exchange contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the year end spot exchange rates. The fair value of the forward foreign exchange currency contracts at 31 May 2019 was (£20k) (2018: (£472k)).

Derivative financial instruments - Interest rate swaps

The Union has a term loan with Bank of Scotland of £3.0m (2018: £3.5m), with the balance being repayable in full on 30 June 2020. The Union has also entered into an interest rate swap with the Bank of Scotland, which is used to hedge the Union’s exposure to interest rate movements on the bank loan facility in relation to £2.5m (2018: £2.5m) of the term loan. This has fixed the interest rate on these borrowings over the period of the loan at an average rate of 3.491%.

The interest rate swap arrangement has a fair market value, being the net present value of future cash flows due under the swap compared to current interest rates. The fair value of the interest rate swap on 31 May 2019 was (£12k). The fair value of the interest rate swaps in place on 31 May 2018 was (£44k).
Notes to the Financial Statements

11. Provisions for Liabilities

<table>
<thead>
<tr>
<th>Tenant Club</th>
<th>Deferred</th>
<th>Residual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tax £000</td>
<td>Fund £000</td>
</tr>
<tr>
<td>Opening</td>
<td>-</td>
<td>52</td>
</tr>
<tr>
<td>Transfer during period</td>
<td>(52)</td>
<td>-</td>
</tr>
<tr>
<td>Closing</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Deferred taxation comprises:

- Accelerated capital allowances: £1,116
- Other timing differences: £261
- Trading losses carried forward: £1,616

Deferred tax asset not recognised: £239

Following due consideration of future anticipated taxable profits, the residual deferred tax assets on trading losses carried forward has not been recognised on the basis that it will take some time for them to be fully recovered. The deferred tax asset will be fully recoverable should there be appropriate future taxable profits.

12. Deferred Income

<table>
<thead>
<tr>
<th>Heritable Debenture</th>
<th>Property Premium 2019</th>
<th>Property Premium 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Opening</td>
<td>1,486</td>
<td>187</td>
</tr>
<tr>
<td>Amortisation in period</td>
<td>(18)</td>
<td>(99)</td>
</tr>
<tr>
<td>Closing</td>
<td>1,468</td>
<td>88</td>
</tr>
</tbody>
</table>

13. Ten Year Debentures

<table>
<thead>
<tr>
<th>Class of Debenture</th>
<th>Value Each</th>
<th>Max. No. Authorised</th>
<th>No. Issued</th>
<th>No. Issued</th>
<th>No. Issued</th>
<th>No. Issued</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009 Debentures</td>
<td>J £1</td>
<td>500</td>
<td>-</td>
<td>90</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>K £1</td>
<td>1,000</td>
<td>-</td>
<td>429</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>L £1</td>
<td>200</td>
<td>-</td>
<td>78</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2012 Debentures</td>
<td>N £1</td>
<td>1,000</td>
<td>14</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>O £1</td>
<td>1,000</td>
<td>180</td>
<td>180</td>
<td></td>
</tr>
<tr>
<td>Debentures issued</td>
<td></td>
<td>194</td>
<td>791</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The 2009 Debentures were unsecured, interest free and repayable at par on 31 May 2019. The 2012 Debentures are unsecured, interest free and repayable at par on 31 May 2022. Holders of the 2009 and 2012 Debentures have the right to purchase a ticket for any event or match at the stadium for which the Union retains direct control over the allocation of all tickets. In respect of Six Nations matches, the ticket is for a specific seat.

14. Murrayfield Debentures

<table>
<thead>
<tr>
<th>Class of Debenture</th>
<th>Value Each</th>
<th>Authorised</th>
<th>Issued</th>
<th>Issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>£1,200</td>
<td>9,100</td>
<td>9,092</td>
<td>10,910</td>
</tr>
<tr>
<td>B</td>
<td>£2,200</td>
<td>7,900</td>
<td>7,900</td>
<td>17,380</td>
</tr>
<tr>
<td>C</td>
<td>£3,500</td>
<td>1,000</td>
<td>1,000</td>
<td>3,500</td>
</tr>
<tr>
<td>Thistle</td>
<td>£9,900</td>
<td>500</td>
<td>188</td>
<td>1,861</td>
</tr>
</tbody>
</table>

Debentures issued: 18,180 33,651 18,180 33,651

Issue Costs:

- Opening: Amortisation £1,864 (81)
- Closing: Amortisation £1,783 (84)

Net Issue Proceeds less Amortisation: 31,868 31,787

The Murrayfield Debentures are unsecured, rank pari passu and are interest free. Repayment, at par, is at the discretion of the Union on or after 1 January 2043 in respect of the A and C Debentures and 1 January 2044 with regard to the B and Thistle Debentures. Holders have the right to purchase a ticket for any event or match at the stadium for which the Union retains direct control over the allocation of all tickets. In respect of Six Nations matches the ticket is for a specific seat. Thistle and C Debenture holders also have a right to purchase certain matchday hospitality packages.

15. Irredeemable Debentures

The 972 (2017 - 972) Debentures of £100 each (the 1925 Debentures) entitle the holder to purchase two tickets at Murrayfield for each match directly controlled by the Union. The debentures are interest free.

16. Leases

<table>
<thead>
<tr>
<th>Operating Lease commitments 2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land &amp; Buildings; payable in 1 year</td>
<td>£409</td>
</tr>
<tr>
<td>2 to 5 years</td>
<td>£608</td>
</tr>
<tr>
<td></td>
<td>£1,017</td>
</tr>
</tbody>
</table>

17. General Reserve

<table>
<thead>
<tr>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening</td>
<td>£100</td>
</tr>
<tr>
<td>Surplus for the year</td>
<td>(4,665)</td>
</tr>
<tr>
<td>Closing</td>
<td>(4,357)</td>
</tr>
</tbody>
</table>

18. Reconciliation of operating surplus to net cashflow from operating activities

<table>
<thead>
<tr>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating surplus</td>
<td>£538</td>
</tr>
<tr>
<td>Depreciation charge</td>
<td>1,301</td>
</tr>
<tr>
<td>Amortisation charge</td>
<td>40</td>
</tr>
<tr>
<td>Deferred income amortisation</td>
<td>(117)</td>
</tr>
<tr>
<td>Movement in other provisions</td>
<td>-</td>
</tr>
<tr>
<td>Tenant club residual fund</td>
<td>(52)</td>
</tr>
<tr>
<td>Increase in debtors</td>
<td>(1,008)</td>
</tr>
<tr>
<td>Increase in creditors</td>
<td>4,124</td>
</tr>
<tr>
<td>Net cashflow from operating activities</td>
<td>4,827</td>
</tr>
</tbody>
</table>
Notes to the Financial Statements

19. Reconciliation of net cashflow to movement in net debt

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
<th>£000</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase / (decrease) in cash in the year</td>
<td>2,550</td>
<td>(43)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortisation of Murrayfield Debentures</td>
<td>(81)</td>
<td>(82)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conclusion of 2009 Debenture Term</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance Lease</td>
<td>4</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repayment of bank loan</td>
<td>500</td>
<td>1,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net debt during the year</td>
<td>2,974</td>
<td>1,379</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net debt at the beginning of the year</td>
<td>(33,388)</td>
<td>(34,767)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net debt at the end of the year</td>
<td>30,414</td>
<td>33,388</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

20. Analysis of net debt

<table>
<thead>
<tr>
<th></th>
<th>31 May 2018</th>
<th>Other Changes</th>
<th>31 May 2019</th>
<th>£000</th>
<th>£000</th>
<th>£000</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in hand</td>
<td>14</td>
<td>-</td>
<td>-</td>
<td>14</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash at bank</td>
<td>1,979</td>
<td>2,550</td>
<td>-</td>
<td>4,529</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank loans</td>
<td>(3,500)</td>
<td>500</td>
<td>-</td>
<td>(3,000)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance lease due within one year</td>
<td>4</td>
<td>4</td>
<td>-</td>
<td>8</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Irredeemable Debentures</td>
<td>(97)</td>
<td>-</td>
<td>-</td>
<td>(97)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Murrayfield Debentures</td>
<td>(31,787)</td>
<td>-</td>
<td>(81)</td>
<td>(31,868)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ten Year Debentures</td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(33,388)</td>
<td>3,054</td>
<td>(80)</td>
<td>30,414</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

21. Related Party Transactions

Three of the directors of Scottish Rugby Union Limited, Rob Flockhart, Jim Littlefair and Mike Monro were also trustees of the Murrayfield Injured Players Foundation until 4 August 2018. Dee Bradbury has been a trustee of the Foundation during the year since 5 August 2018. Scottish Rugby Union Limited does not charge the charity for any administrative or other support that it provides and made a donation to it of £1,596 in the current year (2018: £1,596).

22. Post Balance Sheet Event

In June 2019, the Group concluded the purchase of a 33.3% shareholding in Washington DC Professional Rugby LLC through a wholly owned subsidiary, Scottish Rugby (USA) LLC.

23. SRU Group

The Scottish Rugby Union carries out all of its operations through its wholly owned subsidiary, Scottish Rugby Union Limited, the registered office of which is Murrayfield Stadium, Edinburgh, EH12 5PJ. For accounting purposes, the group is also deemed to include the Thistle Rugby Trust. The group has taken advantage of the exemption conferred by FRS102 from the need to disclose transactions between group entities that have been eliminated on consolidation in these group financial statements.

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>61,077</td>
<td>57,241</td>
<td>51,449</td>
<td>47,434</td>
<td>44,243</td>
</tr>
<tr>
<td>Expenditure:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International and Professional Rugby</td>
<td>30,797</td>
<td>28,894</td>
<td>24,967</td>
<td>23,988</td>
<td>22,761</td>
</tr>
<tr>
<td>Domestic and Performance Rugby</td>
<td>9,854</td>
<td>8,731</td>
<td>7,623</td>
<td>7,509</td>
<td>6,201</td>
</tr>
<tr>
<td>Commercial and Operational</td>
<td>15,459</td>
<td>13,252</td>
<td>12,460</td>
<td>10,570</td>
<td>10,876</td>
</tr>
<tr>
<td>Club Support and Development</td>
<td>3,088</td>
<td>2,913</td>
<td>2,766</td>
<td>2,937</td>
<td>2,772</td>
</tr>
<tr>
<td>Depreciation</td>
<td>1,341</td>
<td>1,281</td>
<td>1,231</td>
<td>1,180</td>
<td>1,053</td>
</tr>
<tr>
<td></td>
<td>60,539</td>
<td>55,071</td>
<td>49,047</td>
<td>46,184</td>
<td>43,663</td>
</tr>
</tbody>
</table>

Operating Surplus | 538 | 2,170 | 2,402 | 1,250 | 580 |
Deficit on disposal of Fixed Asset | - | - | (331) | - | - |
Surplus on ordinary activities before interest | 538 | 2,170 | 2,071 | 1,250 | 580 |
Net interest | (230) | (333) | (356) | (404) | (556) |
Surplus before taxation | 308 | 1,837 | 1,715 | 846 | 24 |
Taxation | - | - | (10) | - | - |
Surplus for year | 308 | 1,837 | 1,715 | 836 | 24 |
Capital Expenditure | 2,255 | 1,104 | 889 | 732 | 1,040 |
This section provides a general commentary on the income and expenditure categories for the year ended 31 May 2019.

Turnover
Scottish Rugby’s turnover comes from a number of areas. National team match ticket sales, including the Guinness Six Nations and other home international matches, pro-club match ticket sales, together with related broadcasting revenue provide a significant element of this. Match day income also includes revenue from pitchside advertising boards, match programmes and revenue from hospitality activities. The sale of merchandise throughout the year is a further important source of income. Scottish Rugby is grateful for funding from its many sponsors including BT and Macron. All of Scottish Rugby’s partners are noted at the back of the Annual Report. Scottish Rugby is also grateful for significant grant funding from World Rugby, sportscotland and the Cashback for Communities programme. Turnover also includes income from European Professional Club Rugby (EPCR) and the Guinness PRO14, and from other events held in BT Murrayfield Stadium including football matches, dinners, business conferences, concerts and Christmas party nights.

International and Professional Rugby
The expenditure relating to the players, management, medical and strength & conditioning teams involved in International and Professional rugby is within this category. This includes travel, food and accommodation at venues, salaries, kit, laundry costs, travel insurance, training facilities, honours caps and team coach hire for all of the Scotland teams playing at international level. It also includes all Pro-club costs, being players’, coaches’ and support staff salaries together with kit, travel and other coaching costs, and match day outings such as advertising, travel, staff ticket printing, venue preparation and entertainment.

Expenditure in the provision of medical services, including physiotherapists, match doctors for the players, crowd doctors, and the medical supplies needed to support players involved in international and professional rugby is included in this category. Also included is the investment in the strength and conditioning personnel who work with the National and Professional teams, together with the associated programme costs.

Domestic and Performance Rugby
Grassroots investment, which is key in helping to develop the players and coaches of the future, as well as maintaining and growing the game, is included in this category. The Rugby Development team, which is supported by sportscotland, together with associated programme costs, including travel, training – both internal and external – and event costs are also included. Similarly, expenditure for the delivery of the programme related to funding from the Cashback for Communities grant is included here.

The investment in the Fosroc Scottish Rugby Academy is included in this category, with costs including coaching, facilities, programmes and players, kit, equipment and match venue and logistics. Specialist coaching costs are included here, as are analysis and other rugby operational support costs. This area also includes investment in the Scottish Qualified programme. Referee development, from grassroots to international level, includes the costs of referee coaching, travel to games, kit, and staffing and office expenditure for those employed in this area. Referee costs also include salary, travelling expenses and associated costs for professional refereeing.

Scottish Rugby delivers coaching courses throughout Scotland, including United Kingdom Coaching Certificate (UKCC) ones. The costs of those are included here and the delivery of this programme is part funded by sportscotland. This area also includes the staff in the Training & Education team, training and facility costs, and course resources, as well as tutor and registration fees. The costs of a number of other coaching resources and initiatives, including the on-line training hub, workshops and conferences, and RugbyRight are also part of this area’s expenditure.

Finally, the provision of medical services from physiotherapists and doctors, for cover at various domestic and performance rugby events and matches are included here, as are related strength and conditioning costs.

Scottish Rugby is grateful for the support of sportscotland and World Rugby grants which assist in the delivery of a number of the above programmes.

Commercial & Operational
Commercial and Operational costs cover various areas of activity in Scottish Rugby. The running costs of the national stadium are included and these range from pitch repair and preparation to roof and other stadium maintenance, and include security, insurance, rates, electricity, gas and water, all of which continue to ensure that BT Murrayfield remains a suitable, safe, and well maintained venue. Also included are match day and non-match day operational and staff costs, as well as other event management and entertainment costs.

Marketing and commercial expenditure is included in this area, where the costs of partnering with, developing and maintaining Scottish Rugby’s family of sponsors are recorded. The activation costs of marketing campaigns, promotional materials, media events and other operational activities are also included here. Similarly included are the costs of other support staff and programmes in the areas of ticketing, HR, procurement, IT, finance, governance and business services. Finally, the costs of the communications and corporate affairs team and related activity across the wide range of print, broadcast, web and other social media are part of this category.

Club Support and Development
Scottish Rugby recognises that investment in the sport at grassroots level is a key element in maintaining and growing the game of rugby. Clubs are supported through the payment of Club Sustainability Awards, Player Accident Insurance, contributions to cup and league travel costs, the Club Sustainability Fund and the payment of all referees’ travel costs across the country. Ticket commissions which clubs receive for sales of international and sevens tickets are included here as are player reward scheme payments, where clubs’ contributions to the development of players who have gone on to win academy or professional contracts are acknowledged. The joint funding of Club Development Officers in partnerships with both clubs and local authorities across the country is also part of club support and development expenditure.

Depreciation
Depreciation is the annual charge in respect of Scottish Rugby’s fixed assets, primarily the redevelopment costs of BT Murrayfield Stadium.
The Greenock Wanderers players celebrate at full time, Women’s National Bowl Final.

Thank you to Our Partners

Front cover
Scotland’s Darcy Graham celebrates his second try against England

Back cover
Scotland Women 7s, Rhona Lloyd & Helen Nelson
Credit: Mike Lee, World Rugby

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