President’s Welcome | Rob Flockhart 4
Chairman’s Review | Colin Grassie 6
Chief Executive’s Report | Mark Dodson 8
Chief Operating Officer’s Report | Dominic McKay 10
Scotland 14
  Scotland Women & Women 7s 16
  Scotland 7s 18
  Scotland U20 & Age-grades 20
Glasgow Warriors 22
Edinburgh Rugby 24
BT Sport Academy 26
Training & Education 28
Club Rugby 30
Women & Girls 32
Schools & Youth 34
Match Officials 36
Looking After Our People & Players 38
Strategic Report 44
Governance & Board Report 45
Independent Auditor’s Report 54
Financial Statements 56
  Principal Accounting Policies 58
  Primary Statements 61
  Notes 66
  Five Year Summary 75
  Commentary on the Financial Statements 76

record turnover

£57.2M up 11.3%

63% income growth since 2011

£1.8M surplus

£1.6M distributed over past 4 years through Club Sustainability Fund

3rd position finish in the NatWest 6 Nations

1,836 coaches attended Technical Blueprint workshops

1,836 fans passed through Scottish Rugby’s turnstiles

1st win over Ireland and 1st away win in Six Nations in 12 years for Scotland Women

553,969 games played in Mitsubishi Motors Youth Conferences

2,626 35% more Scotland Season Passes sold 20,674

15 Scotland debuts in 11 Tests

224 Women & Girls teams up 4%

85% more Scotland Supporters Club members 3,971 from 27 countries

25,000 fans attended Silver Saturday

141% increase in attendances at Scotland Women & Under 20 fixtures

43M watched Scotland play in the NatWest 6 Nations in 163 countries around the world

8.9M viewers watched the Autumn Tests series up 42%

7.1M fans engaged with Scottish Rugby’s social media platforms during Calcutta Cup weekend
President’s Welcome

I would like to thank all those who play a part in ensuring grassroots rugby flourishes. The hard work and enthusiasm of the volunteers, match officials, coaches and players is central to the success of rugby in Scotland. Leadership. Engagement. Achievement. Enjoyment. Respect.

From club pitches to the international stage, our rugby community brings people together to contribute to and enjoy our sport.

I am pleased to report that the Mitsubishi Motors UK Schools & Youth Conference programme has been the most successful conference season yet. There was an increase in fixtures played and more boys and girls participated in regular competitive rugby across Scotland.

On the international stage, Scotland had a strong showing in the November tests, beating Samoa and Australia and coming close against the All Blacks. Three wins in the NatWest 6 Nations meant that Scotland enjoyed a third-place finish, before going on to record victories over Canada and Argentina on the Summer Tour.

I would like to take this opportunity to thank Scotland Head Coach, Gregor Townsend, and his team, for the positive impact they have made in his first year. Scotland Women enjoyed their first away match win in 12 years against Ireland in the Women’s Six Nations and experienced record attendances for their home games in the same championship. Scotland 7s came 12th in the HSBC World Rugby Sevens Series and lifted the Challenge Trophy in Canada. Scotland 7s enjoyed success in winning the Amsterdam 7s tournament.

The next generation of talented players continued through the BT Sport Academy and our national age-grade teams. Successes included Scotland U18 winning all three of their games at the U18 Six Nations Festival in Wales and Scotland U20 taking a 24-17 win over England U20 at Myreside.

Congratulations to all BT League winners and those who made it to the BT Cup Finals. This year’s cup finals day saw the addition of the deciding leg of the 1872 Cup between Edinburgh Rugby and Glasgow Warriors.

The President’s Welcome continues with the following paragraphs.

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“Silver Saturday” at BT Murrayfield showcased the most talented players in the men’s and women’s game across all levels. Melrose won the BT Cup and Hillhead/Jordanhill lifted the Sarah Beaney Cup. I believe that Silver Saturday was one of the most memorable days Scottish Rugby has ever enjoyed.

The Club Awards Dinner celebrated the clubs and individuals who have made exceptional contributions to our game. This included Hamilton, who were named BT Club of the Season for their commitment to sustainability and all-round rugby development during their close-fought promotion campaign.

Congratulations to BT Women’s Club of the Season, Ocean Lorne, whose National League 2 and BT Women’s Bowl double topped a season that saw them boost playing numbers and lose just one game in the process.

I would like to thank my fellow Council members for their contributions this year.

Investing in clubs and working to ensure rugby thrives in Scotland remains our priority. I know from speaking to club members across the country that our Agenda 3 plans to support clubs in becoming more sustainable and centred to their local communities are welcome and recognised as vital to ensure the health of our sport at all levels here in Scotland.

Scottish Rugby was saddened by the passing of some notable rugby talent in the past year. Our sympathies go out to all from the rugby family who lost loved ones during the past season.

Good luck to everyone for the season ahead. And thank you for your valuable contribution to rugby in Scotland.

Rob Flockhart
President, Scottish Rugby
Chairman’s Review

Scottish Rugby is enjoying a period of success with positive growth on and off the field.

The Board has made good progress in a number of areas this year and I would like to thank my fellow Board members for their support and expertise. In particular, I would like to pay tribute to Rob Flockhart, who reaches the end of his tenure as Scottish Rugby President this summer, and who has worked tirelessly to develop our sport.

Many thanks to Peter Laverie for his contributions to the Board, and to Jim Littlefair and Mike Monro who are stepping down having given several years of service.

I would also like to thank the committees of the Board on all the work they do. We were pleased to establish the Wellbeing & Inclusion Committee formed in the spring of 2018 to focus on our people and associated activities.

Our turnover has grown by 63% since 2011, and I’m pleased to report that this year’s turnover of £57.2m marks an increase of £5.8m on the previous year. These results provide financial stability and have been driven by growth in broadcast revenue, as well as hospitality and other events at BT Murrayfield.

We are continuing to investigate ways to diversify our revenue streams through globalising the Scottish Rugby brand with a focus on the Asian and US markets, as well as strengthening our existing strategic alliance with Nagasaki in Japan.

We have also enjoyed dialogue and collaboration on a global scale with our colleagues from other unions and organisations, working together to strengthen the game.

The Scotland team continue to improve and their preparations for Rugby World Cup 2019 under Head Coach Gregor Townsend and his team are well underway. The support the national team has enjoyed is tremendous and at BT Murrayfield we have seen eight sell-out home games in a row.

We are also witnessing gains in performance in the women’s game and Scotland Women made progress this season, winning their first away match in over a decade and recording record-breaking attendances for their Women’s Six Nations matches at Scotstoun Stadium.

On the pitch, we have high quality coaches, staff and a technical blueprint in place that is helping to drive the success of our national teams and develop our young players.

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In the domestic game, Scottish Rugby aims to improve the sustainability and quality of the club game through the Agenda 3 initiative. In May we announced the six successful Super 6 franchises and we look forward to working with them ahead of the competition starting in season 2019/20.

Across all ages and levels of our sport, player welfare remains a priority and this year we introduced our comprehensive player support system, Rugby for Life.

Child protection and wellbeing is of paramount importance to us and we are committed to ensuring children and young people enjoy their rugby in a safe environment.

Rugby makes an important contribution to Scottish society, from community and health benefits to the positive commercial impact and ability to help raise Scotland’s profile and enhance its reputation overseas. We continue to build our strong and deepening relationship with the Scottish Government.

At Scottish Rugby we take our responsibilities very seriously and strive to uphold our values of respect, leadership, achievement, engagement and enjoyment in everything we do.

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

Colin Grassie
Chairman, Scottish Rugby
Chief Executive’s Report

Rugby in Scotland is enjoying a resurgence at international and professional level. The national team, age grades, sevens, women’s teams and pro clubs are experiencing success and competitiveness on the global stage.

The support for these teams has never been stronger and we welcomed more than half a million fans to our international and professional fixtures this season. We have now enjoyed eight consecutive sell-outs for Scotland matches at BT Murrayfield.

Off the field, turnover is at record levels (£57.2m) and debt is at an historic low in the professional era. We are also working pro-actively towards our long-term objective of generating significant external investment to secure the future of our game in Scotland.

We are moving forward with Agenda 3, a blueprint for sustainable clubs and we will invest into this programme in the coming years. The investment will become evident in the structure and pathways it develops through an improvement in the standard of rugby being played at all levels.

Super 6 is an important component of our Agenda 3 initiative and we were pleased to announce the six franchises that will form the new Super 6 competition starting in season 2019/20. Franchises were awarded to Ayr, Boroughmuir, Heriot’s, Melrose, Stirling County and Watsonians. The six successful applications will help us achieve our ambition to drive domestic rugby, and our new Rugby Development team will consult with clubs and schools, along with four regional BT Sport Academies, coming to the clubs and schools, along with four regional BT Sport Academies, coming to the forefront with regional matches taking place at all levels from U16 to U20 for the first time.

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At international level the increased standard and level of competition for places was foreseen with regional matches taking place at all levels from U16 to U20 for the first time. At international level the increased standard and level of competition for places was foreseen with regional matches taking place at all levels from U16 to U20 for the first time.

We continue to build our brand on the global stage and find ourselves in a strong position as we head into the 2019 Rugby World Cup where we will meet host Japan in the pool stages. We are working closely with Japan RPU and the city of Nagasaki, who will host our Scotland holding camp.

Having been fully involved in the development of World Rugby’s new global season, we look forward to the return of Scotland playing summer test-match series against the best teams in the southern hemisphere from 2020.

Scotland Women made gains in both performance and support, with a first-ever win against Ireland in the Six Nations and record crowds for their home games at Scotstoun.

I would like to thank Gregor Townsend for his efforts in his first year at Scotland Head Coach. Working with Assistant Coaches Matt Taylor, Dan McFarland and Mike Blair, Gregor led Scotland to victory in two out of three Autumn Tests, with wins over Samoa and Australia and a narrow loss to the All Blacks. Three wins in the NatWest 6 Nations secured third place, including an historic Calcutta Cup victory, while Scotland won two out of three matches on the Summer Tour. We welcome Danny Wilson (Assistant Coach) and Shaun Wane (High Performance Coach) to the national coaching set-up for next season and RWC 2019.

We are creating a new structure for rugby being played at all levels.

We are creating a new structure for domestic rugby, and our new Rugby Development team will consult with clubs and schools in the coming months.

This year we launched our comprehensive player support programme, Rugby for Life. We are proud of the world-class medical support we provide and our objective is to match that with care for the individual’s mental health and personal circumstances.


Scotland U20 | Colwyn Bay, Dublin, Paris, Dubai, Cape Town

Scotland 7s | Dubai, Cape Town, London, Paris, San Francisco

Scotland Men | Cardiff, Dublin, Rome, Edinburgh, Houston, Resistencia, Cape Town

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Under new Head Coach Richard Cockett, Edinburgh Rugby achieved a record 13 victories to reach the Guinness PRO14 quarter-finals for the first time in the team’s history. Dave Rennie took over as Head Coach at Glasgow Warriors and the team made it to the Guinness PRO14 semi-final. Both teams have secured their place in next season’s Heineken Champions Cup and will take Scottish rugby to a wider audience.

I am fortunate to lead a talented workforce, who are committed to developing rugby at all levels of the game. We are working hard to ensure the future of the sport is both successful and sustainable.

To everyone involved in rugby across Scotland, all the best for the season. We look forward to working together to ensure our sport continues to thrive.

Mark Dodson
Chief Executive, Scottish Rugby
Chief Operating Officer’s Report

Commercial success is vital in order to develop rugby in Scotland, from the grassroots game to the international stage. This season our turnover reached a record £57.2 million - building on growth from the previous seasons.

This increase in turnover has been enhanced by a growing fan base for rugby in Scotland and in 2017/18 we welcomed more than 550,000 fans to our international and professional rugby games.

<Table>
| Scottish Rugby total crowds: | 553,969 |
</Table>

It was the best season ever in terms of Scotland crowds with 335,720 fans, surpassing last year’s record-breaking crowds despite hosting fewer games five as opposed to last season’s six.

With three sell-outs, the 2017 Autumn Tests were the most successful yet for the national team, a trend that continued into the NatWest 6 Nations and meant that the Scotland v England match became the eighth consecutive sell-out at BT Murrayfield.

We saw a 141% increase on the combined attendance at Scotland Women and Scotland U20’s home. Six Nations games, rising from 4,679 at 2017’s double-headers to 11,291 this year when the teams played at separate venues.

Demand for Season Passes continues to rise with record numbers selling for Scotland, All 14 Glasgow Warriors games at Scotstoun sold out while Edinburgh Rugby hosted the record-breaking Silver Saturday which combined BT Cup Finals Day with the third instalment of the 1872 Cup and welcomed over 25,000 visitors.

Not only are more fans flocking to Scottish Rugby events than ever before, our broadcast reach continues to grow with Scotland games broadcast to millions of fans worldwide and hundreds of thousands of fans interacting with us daily across social media.

Scottish Rugby has been instrumental in driving toward the development of the Guinness PRO12 and we were pleased to see the league expand this season to become the Guinness PRO14. Bringing in two quality teams from South Africa is a significant step towards creating the world’s top club competition, as well as opening up new commercial opportunities and revenue for our clubs.

We are working hard to bring a future Guinness PRO14 Final to Scotland.

Away from rugby, BT Murrayfield is now well-established as a concert venue for some of the world’s biggest music acts. Our principal partner BT have extended their agreement for a further three years, until 2021.

We welcomed two new sponsors during the past season – Roseberry Tailoring who became our Official Formalwear Partner and iPRO, who are now our Preferred Isotonic Sports Drink Partner. Our Scotland Business Club remains full with 20 members.

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Tennent’s Lager will continue as a partner for a further five years to 2023, including additional title sponsorship of the domestic leagues. Guinness have also renewed their partnership until 2021.

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Mitsubishi Motors and Scottish Rugby launched a new Hit 4 Clubs scheme to provide rugby clubs and schools around the country with playing kit and equipment to help develop the game.

We are delighted that a number of sponsors have chosen to continue their partnerships with Scottish Rugby.

Scottish Rugby announced a significant multi-year, seven-figure contract extension with Tennent’s Lager in June 2018. The new partnership agreement will see Tennent’s continue its relationship with the Scotland national team, the country’s two professional sides, alongside the additional title sponsorship of the Scottish domestic leagues, growing its focus and investment on helping to develop rugby at a grassroots level.
Globalising Our Brand

While our commercial growth continues to increase, innovating and diversifying our revenue streams remains a priority. Our goal is to ensure the game is sustainable at all levels and with this in mind we are working on a number of different international projects.

Rugby World Cup 2019 provides an excellent opportunity for us to grow the Scottish Rugby brand in Asia. We have been working with Rugby Japan since 2013 and in 2016 announced a partnership with Nagasaki Prefecture. An U16 touring squad, made up of 24 players from 15 Schools of Rugby across Scotland will play two games against Nagasaki U16s in August.

Planning is also underway to ensure that Scotland fans enjoy the best experience at RWC2019 and our partners are able to make the most of opportunities.

We continue to develop our profile globally, strengthening relationships with the aim of delivering long-term commercial growth.

I would like to thank everyone involved in making this season’s success possible including our world-class events, retail, sponsorship, marketing, ticketing, facilities, media, corporate affairs and business services teams as well as those leading the off-field activities for Glasgow Warriors and Edinburgh Rugby.

Our sponsors, including our principal partners BT and Macron, are integral to our success and I would like to thank our family of sponsors for their support across all levels of rugby in Scotland.

I am proud to lead such a talented team who constantly deliver and innovate for Scottish Rugby. We continue to strengthen our partnership with Nagasaki Prefecture ahead of RWC 2019 and a U16 touring squad will visit Japan in August 2019.

Dominic McKay
Chief Operating Officer, Scottish Rugby

Connecting with Fans

Scottish Rugby continues to develop its social media channels, engaging with a growing number of followers.

#AsOne

8.1M views

725k total followers

85% increase

337k twitter followers

17.8k youtube subscribers

2.3M views

108k instagram followers

262k facebook followers

Scottish Rugby LIVE was introduced at the 2017 Autumn tests – a branded match-day content collection team. The Scottish Rugby LIVE stage featured a live band and pre-promoted player interviews before matches. Sky Sports presenter Jo Wilson was a face of Scottish Rugby LIVE on match-day – conducting live streamed interviews as well as behind the scenes content. The branded content collection team captured match-days from all angles, gaining exclusive content for Scottish Rugby’s channels.

The Calcutta Cup match during the NatWest 6 Nations gave us some of our best social media results of the year:

Total Facebook reach over Calcutta Cup weekend: 7,078,916

Most engaged tweet:
SCO v ENG celebrations
4.7k retweets
17.4k likes

Most viewed video:
SCO v ENG Highlights
334.5k views

U20 Six Nations SCO v FRA
BT Premiership Final
Sarah Beaney Cup Final
Scottish Varsity
Games live streamed
+ 9 Games produced ‘As Live’

Scotland team announcements streamed live on Facebook then published on YouTube

47.5k youtube views

143k face-book views
Scotland enjoyed another year of stirring national team performances in front of capacity crowds at every home game and seven Test wins from eleven.

Scotland kicked off the 2017/18 season against Samoa. Head Coach Gregor Townsend's first home match in charge of the national team. The men in blue posted their highest score against the Pacific Islanders, and their sixth successive home victory since the previous year's Autumn Tests in an 11-try contest at BT Murrayfield.

Scotland, unreleenting from minute one to 80, then gave a performance of immense hunger and desire in the second Test but still could not land the decisive blow to unseat the number one team in the world, New Zealand.

Stuart Hogg put in a man of the match performance in a narrow defeat packed with pride and drama.

This was followed up by another stirring Scotland showing, that saw the home side record comfortably their biggest win against any of the southern hemisphere powerhouses to end the Autumn Tests at BT Murrayfield on a high of Everest proportions. It was their second successive win against Australia, the team then ranked third in the world, and it came by eight tries to four.

The sequence of continued improvements set-up Scotland nicely for the 2018 NatWest 6 Nations, the tournament will be most remembered for the country’s first victory over England in a decade and an excellent comeback against France. Stuart Hogg, Huw Jones and captain John Barclay all played starring roles.

Scotland didn’t get off to the start they would have hoped for, as early scores gave the Welsh a stronghold on the opening game which they never relinquished.

Experienced heads Sean Maitland, Greig Laidlaw, Pete Horne and Ryan Wilson were all drafted into the starting line-up against France. Maitland was back with a try after 13 minutes but Scotland had to fight back from behind thanks to two brilliant individual scores by France winger Teddy Thomas.

A Huw Jones try kept the hosts in the contest as they trailed, before scrum-half Greig Laidlaw led from the front, kicking six penalties to punish French indiscipline and win the Test.

Then followed the oldest rivalry in international rugby, with Scotland aiming for not only their first win over England since 2008 but also becoming just the second team in 25 games to inflict defeat on their English opponents.

The atmosphere inside BT Murrayfield was as intense as you’d expect, and the noise levels were only increased by what was a fantastic first-half performance by the home side.

Huw Jones (2) and Sean Maitland scored to give the hosts a 22-6 half-time lead and though Owen Farrell quickly pulled a score back for England, ferocious Scottish defence and a dominance at the breakdown ensured a famous victory and the return of the Calcutta Cup to Edinburgh.

Virtually the same side that downed England was fielded against unbeaten Ireland in Dublin. The big difference between the sides was the conversion rate of try-scoring opportunities. Scotland certainly caused the Irish plenty of problems but some exampt passing meant they didn’t always go rewarded.

The final day of the 2018 NatWest 6 Nations produced one of best games of the Championship. Scotland caught Italy at their best, with the hosts desperate for a first win. When Tommaso Allan scored his second try of the game after 45 minutes, the Scots were staring down a 24-12 deficit.

It took the midway point in the half for Scotland to build consistent pressure and they forced the Italians to concede three penalties in their own 22, which Scotland kicked to touch each time. Tries from Sean Maitland and Stuart Hogg, and Greg Laidlaw conversions, brought the score to 24-26. Another try apiece saw a final score of 27-29 as Scotland secured a hard-earned bonus point and third place in the tournament.

Scotland completed the 2017/18 season on tour to Canada, USA and Argentina.

The tourists scored seven tries and saw impressive debuts from four young players as they defeated Canada 48-10 in Edmonton on the first leg of the 2018 Summer Tour. Hocker George Turner scored a hat-trick of tries after coming on for Fraser Brown in the first half, and became the first Scotland player to touch-down three times since Ally Hogg against Romania in 2007.

The following week Scotland recorded their first ever loss to the USA, by a single point, in an eventful match in Houston (29-30). The national team concluded their 2018 Summer Tour with an emphatic win over Argentina at the Estadio Centenario, taking the victory by 44 points to 15. In wet conditions, and in front of a packed crowd in Resistencia, the visitors scored five first-half tries to put the game out of sight by the end of the first 40.

Scotland Women

Scotland Women had an historic season, winning their first away match for 12 years and recording back-to-back record attendances for Scotland Women’s Six Nations matches at their new home of Scotstoun Stadium.

The team’s home match against England saw 3,278 supporters cheer them on to break the attendance record set against France earlier in the campaign.

Earlier in the season a Scotland Women XV travelled to Madrid to take on Spain, recording a 5-24 victory away from home in preparation for the 2018 Women’s Six Nations.

Determined performances from Shade Munro’s side saw them fall short by a single point in their opening match of the tournament away to Wales before putting in an excellent performance against a powerful French side.

The team’s committed effort in the second round boosted the crowd at Scotstoun in Scotland’s second home game and the record crowd saw full-time professional, Jade Konkel, score an early try to add to fellow professional Sarah Law’s penalty.

England would go on to win the game convincingly but the Scots had plenty to build on for their following match.

Travelling to Dublin after the agony of a last-second defeat to Ireland in last year’s championship, the team delivered on the promise of the earlier rounds. A first-half penalty from Helen Nelson gave Scotland the lead at the break and two second-half tries and some staunch defence saw the team home for a famous victory.

Following a period of dogged try-line defence, Chloe Rollie’s interception and length-of-the-field run for the decisive score will live long in the memory of all who saw it.

Difficult conditions in Italy in the final round meant that a second-half fightback wasn’t enough for the side to record back-to-back victories but the resolve they showed in scoring twice after the break is testament to the strides the players in a squad of increasing depth have made.

This year the women’s high-performance department announced the creation of the Scottish Futures U18 and Scottish Futures U20 sides to introduce new training and playing opportunities that will build on the recent successes in developing the next generation of talented female players.

Scotland Women 7s

Last year Scotland Women 7s won promotion from the Rugby Europe Trophy and as a result are participating in the Rugby Europe Grand Prix Series this season.

The squad entered the Cup competition in the knock-out section of the first tournament in Marcoussis, Paris, finishing eighth overall and stay on-track to maintain their position in the Grand Prix in 2018. This will help the players to gain more experience and keep them on course to achieve the strategic aim of qualifying for the Birmingham 2022 Commonwealth Games.
Scotland Sevens

It was a transitional season for Scotland 7s with experienced players moving on at the end of last season and a new coaching group brought in.

Head Coach John Dalziel gave HSBC World Rugby Sevens Series debuts to nine new players across the course of the season with a heavy impetus on the development of youth.

With an average squad age of just 25, Scotland finished 12th overall on the World Series during a physically challenging season that included the Gold Coast 2018 Commonwealth Games and will conclude with the Rugby World Cup Sevens in San Francisco.

Despite the relative inexperience of the squad, Scotland still achieved three Cup quarter-final appearances across the course of the year and won the Challenge Trophy in Canada.

Scotland recorded some impressive victories over the course of the season. A dominant 52-5 win over Canada in Sydney was one of three times John Dalziel’s men scored 50+ plus points.

A last-minute Lee Jones try secured victory over England in Hong Kong. Similarly, a late Harvey Elms score and Robbie Fergusson conversion saw Scotland beat eventual World Series Champions South Africa in Paris.

There were personal landmarks along the way too. Captain Scott Riddell became the most capped Scotland 7s player of all time in Cape Town. In Vancouver and then Paris, Glenn Bryce and Robbie Fergusson picked up the DHL Impact Player of the Tournament awards.

Four individuals have played for both Scotland 7s and the XV-a-side national team this season and the 7s squad will now prepare for the World Cup in California where they have already automatically qualified for the Round of 16.
Scotland's age-grade system develops the country’s best male and female players while also preparing them for the rigours of the international and professional game.

Scotland U20

Although Scotland showed flashes of brilliance in their opening fixture against Italy – with Redpath’s side holding a 13-7 lead the break – it was to be a disappointing opening encounter as the Azurri scored a last-minute try to win by a single point.

It wasn’t to get any easier for Scotland, as they fell short against a slick Argentina outfit, who eventually overpowered the young Scots 29-13. In their final fixture, Scotland recorded a 35-10 loss against eventual Championship runners-up England.

Scotland faced Ireland in a 9th place semi-final and, with pressure on the line, the young side turned on the style. After running in six tries, Scotland eased to a 45-29 victory, thus securing their place in next year’s World Rugby U20 Championship.

Scotland would lose their final match of the 2018 tournament - a 9th place play-off against Georgia – resulting in a 10th place finish.

Scotland U18

Scotland U18 became the only unbeaten team at the inaugural U18 Six Nations Festival in Wales, recording wins over England, France and Ireland. U18 Head Coach Iain Monaghan got his team’s preparations for the tournament underway with a close match against Wales at BT Murrayfield (30-32) and a behind-closed-doors game against England (0-64), before the squad headed to Wales to secure a hat-trick of wins against top level opposition.

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Scotland U16 Reds, Blues & Greens

Three U16 sides competed at the 2018 Colwyn Bay Rugby Festival against Welsh regional sides Cardiff Blues, Dispreys and RGC, as well as English side, The Lambs. In April, Scotland U16 is an important stage in the development of young, ambitious players, with the selected home based 50 being split into two teams – The Reds and the Blues, and an additional team formed entirely of Scottish Qualified players – the Greens.

Scotland Women U19 7s

Scotland Women U19 enjoyed a competitive sevens tournament as they contested the 2017 School Games in Loughborough. The development side’s fifth year at the Games, which is a multi-sport event for British athletes of school age, saw them come away with two wins over England North and a draw with England Midlands. The squad enjoyed a closely fought tournament scoring 16 tries in the process as they took on the UK’s best young players.
Glasgow Warriors

Dave Rennie took charge of the Scotstoun side at the beginning of the 2017/18 season alongside assistants Jason O’Halloran, Jonathan Humphreys, Mike Blair and Kenny Murray.

Rennie’s first game as Head Coach was a pre-season game against Northampton Saints in Stirling, with 2,532 supporters turning out at the home of Stirling County RFC. The inaugural Guinness PRO14 campaign got underway two weeks later and it proved to be a happy hunting ground for the men from the west of Scotland. The Warriors were unbeaten at Scotstoun for the entirety of the regular season and off the pitch sold out every home game for the second consecutive campaign. It ended in disappointment with a home defeat to the Scarlets at the Semi-Final stage, however that proved to be another special occasion for the club, with 10,000 supporters selling out Scotstoun.

The Warriors were the first team in the competition to secure a place in the Final Series and the club equalled the league record for the number of try bonus-points as their attacking verve to scintillating effect throughout the season.

Resounding victories over Munster and Leinster at Scotstoun delighted the supporters inside the stadium as the club racked up an impressive list of contenders for Try of the Season.

The squad welcomed back some familiar faces throughout the 2017/18 campaign, with Ruaridh Jackson, Niko Matawalu, DHF van der Merwe and Ryan Grant all returning to the club over the course of the past year.

A host of players have further boosted the club’s family of sponsors with continued to grow, with BT Sport Scottish Rugby Academy graduates playing their first season as full professionals and three of them won their first caps for Scotland. Jamie Bhatti wore the Scotland jersey for the first time in the November fixture against Samoa, while Matt Fagerson and George Horne represented Scotland on the Summer Tour to USA, Canada and Argentina. Adam Hastings also made his Scotland debut on the Summer Tour, while George Horne finished the season as Glasgow’s Player and Young Player of the Season.

Club history was made as Rob Harley surpassed Graeme Morrison as Glasgow’s most-capped player, making his 178th appearance against Munster.

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BT MurrayRed for the inaugural Silver Saturday event, making up the majority of the supporters inside the stadium as the Warriors narrowly lost to their inter-city rivals Edinburgh in the final leg of the 1872 Cup.

Four BT Sport Scottish Rugby Academy graduates played in their first season as full professionals and three of them won their first caps for Scotland. Jamie Bhatti wore the Scotland jersey for the first time in the November fixture against Samoa, while Matt Fagerson and George Horne represented Scotland on the Summer Tour to USA, Canada and Argentina. Adam Hastings also made his Scotland debut on the Summer Tour, while George Horne finished the season as Glasgow’s Player and Young Player of the Season.

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A host of players have further boosted the club by committing their futures to the Scotstoun side, including club Captain Ryan Wilson and Yellow Scotland internationals Jonny Gray and Fraser Brown.

The Warrior Nation show their support at Scotstoun.

The award-nominated SP Energy Networks Warriors Championship continued to grow in 2017/18, with 75 teams from 25 schools competing at Scotstoun for the top prize, while the Warriors Kids Camps and Wee Are Warriors Club once again proved a resounding success with 860 kids taking part in more than 34 days of camps in Glasgow, Aberdeen and Perth over the last 12 months.

Off the pitch, the club has opened its doors to its supporters for the first time to become the official Community Partner of the Warriors. The deal saw SP Energy Networks logo feature on the front of both the home and away jerseys, with Land Rover and Savills also coming on board as official kit sponsors.

The Warrior Nation show their support at Scotstoun.

Glasgow Warriors in 2017/18

- Total Glasgow Warriors Attendance at 14 home matches: 105,563
- BT MurrayRed - 5,000 season tickets sold
- 61 players represented their countries
- 21 BT Sport Scottish Rugby Academy graduates
- 4,000 more than 2016/17
- 183,924 social media fans
- 4 players in Scotland’s squad for the Commonwealth Games rugby sevens at Gold Coast 2018

Annual Report 2017-18

Leadership ∙ Engagement ∙ Achievement ∙ Enjoyment ∙ Respect

Scottish Rugby

Glasgow Warriors

Leadership ∙ Engagement ∙ Achievement ∙ Enjoyment ∙ Respect

Annual Report 2017-18

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Annual Report 2017-18
Edinburgh Rugby

In Head Coach Richard Cockerill’s first season, Edinburgh Rugby achieved a record number of victories to reach the Guinness PRO14 Final Series and secured a place in next year’s Heineken Champions Cup.

With a new coaching team in place in the form of Duncan Hodge (Attack Coach), Calum MacRae (Defence Coach) and Roddy Grant (Assistant Forwards Coach), Edinburgh’s season got off to the perfect start with impressive victories away to Cardiff Blues and at home to Dragons.

Cockerill’s men also made a flying start in Europe, running rampant against London Irish and Russian side Krasny Yar. November saw Edinburgh travel to South Africa on league duty for the first time in the newly expanded PRO14, facing off against newcomers Toyota Cheetahs and Southern Kings.

Despite falling short against the Bloemfontein-based Cheetahs, the squad recorded a string of 48-21 victory over the Southern Kings in Port Elizabeth to cap off a successful two-week tour.

Edinburgh’s dominance in the Challenge Cup continued with two further home victories over London Irish and Krasny Yar with the 78-0 win over the Russian side at BT Murrayfield the largest winning margin in the club’s history.

The club’s attention then turned to the 1872 Cup derbies. A last-minute try from Chris Dean saw the team record a dramatic 18-17 victory over Glasgow, with the home side spending 75 minutes of the match down to only 14 men.

In a battle for Pool 4 supremacy, Edinburgh faced off against reigning Challenge Cup champions Stade Francais and despite losing 17-10 at Stade Jean Bouin, the club topped the group and were drawn against Cardiff Blues in a home Quarter-Final.

After switching several home fixtures over winter from Myreside to BT Murrayfield due to adverse weather, the club announced that it would return to the national stadium for the remainder of the season.

Despite having several key members of the squad on international duty, Edinburgh’s league form hit unprecedented heights over the Six Nations period. A run of five victories – including wins over all four Irish provinces – elevated the club into a Guinness PRO14 Final Series place.

Edinburgh’s European journey came to an end following the Challenge Cup Quarter-Final defeat to Cardiff Blues, but the squad rallied to record a 52-14 victory over Scarlets before hosting Glasgow Warriors in the 1872 Cup decider on Silver Saturday – which saw the historic fixture join BT Cup Finals day at BT Murrayfield.

Edinburgh battled to a 24-19 win, thus securing the 1872 Cup, Champions Cup rugby for the 2018/19 season and a Semi-Final Qualifier away to four-times league champions Munster.

Despite pushing the Irish side to the last play in an enthralling contest at Thomond Park, Edinburgh’s PRO14 season came to a conclusion.

On the international stage, six Edinburgh players made their Scotland debut whilst a further 11 added to their international honours.

The 2017/18 season also saw 11 players make their club debuts, including former Scotland U20 trio Luke Crosbie, Darcy Graham and Callum Hunter-Hill.

Off the field, Edinburgh achieved almost 40% commercial revenue growth, while four new sponsors joined the club – notably Thomas Cook Sport who will provide all team travel, and from next season, fan travel to away games.

Ten new members joined the Edinburgh Business Club to take the membership to over 50 corporate members, with all existing businesses renewing their membership for the 2018/19 season.

Scottish Rugby announced it had applied for planning permission to install a new playing venue in the grounds of BT Murrayfield, which will have a capacity of up to 7,800. The development is intended to be the new home of Edinburgh and will be located on a section of land currently used as training pitches. The club will play its home matches on the international pitch at BT Murrayfield for the remaining 2018/19 season, with the aim of commencing the 2019/20 campaign in the new purpose-built venue.

Our first dedicated community partner, Miller Homes, stepped up their sponsorship to promote participation and growth with clubs in Edinburgh, the Lothian, Borders and Fife.

The club has also invited over 120 Community Heroes to matches throughout the season as thanks for the work they do.

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BT Sport Academy

The BT Sport Academy entered its third full season and the focus remained on developing, delivering and monitoring individual programmes for selected players who are based at one of four regional centres in Caledonia, Glasgow & the West, the Borders & East Lothian and Edinburgh.

A total of 95 players were selected for Academy intake for the 2017/18 season. This was made up of 33 contracted Stage 3 players and 62 supported Stage 1 and 2 players.

Four female players were contracted for the season and a total of 19 were included within the overall numbers. All of these players continued to play regularly for their school or club as a key part of their individual development.

The male Stage 3 players also trained and played with either Glasgow Warriors or Edinburgh Rugby, with a total of seven individuals playing competitively for the pro teams during the season.

To further enhance the opportunities for the players, partnerships were developed in France. Lille Metropole Rugby Club Villeneuve (LMRC), one of the top women’s clubs, provided an increased level of rugby and opportunity for three of our Stage 3 female players, Jade Konkel, Lisa Thomson and Chloe Rolle.

The wider Scottish Rugby partnership with Stade Nicois provided new on and off-field challenges and development for two of our male Stage 3 players, Bruce Flockhart and Josh Henderson.

Through regional early talent identification and development local pathway sessions, circa 850 male and female U14, U15 and U16 players were given opportunities to better understand the requirements of being a developing rugby player through off-field coaching and off-field education sessions.

Building on previous seasons, the regional series of matches were expanded to include U17 and U19 levels, thus ensuring for the first time that representative rugby was available across all of the four regions from U14 to U20.

This provided an opportunity for a total of 544 individual players to be involved in a competitive programme. This not only developed them as players but also allowed them to promote themselves for further honours at either BT Sport Academy level and/or international age-grade rugby.

The flagship U16, U18 and U20 programmes saw a series of fixtures played across the country in July and August, culminating in the final day at BT Murrayfield.

At East and West levels, the matches for U16, U18, U20 and women continued and the best players from the four regions teamed up to provide a high standard of rugby and help bridge the gap towards international programmes.

Once again, the U20s match took place indoors at Oriam, whilst a further positive addition saw a cross border competition at U18 level where our East and West teams played against two Welsh teams indoors at Oriam in February.

All of these representative matches provided great opportunities for coaches, managers and support staff to not only support the development of players, but also their own continued personal and professional development.

This season saw 12 more Academy players go on to sign senior professional contracts at clubs, Edinburgh Rugby and Scotland 7s. Thirteen players helped Scotland Women achieve their first ever Six Nations away victory in Ireland.

A further 36 individuals played for Scotland age-grade and club international sides during the season and three competed for Scotland 7s on the HSBC Sevens World Series.

Each of the Academies continued to find regional solutions to regional problems but all were driven by the national framework and key pillars of player development - high performance behaviours, rugby and athletic capacity.

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.

The partnership with the Royal Marine Commandos saw the delivery of two camps for selected male and female players by the RM Commandos. The focus was on developing high performance and leadership behaviours, focusing on self-reliance, work ethic, engagement, commitment, analysis, goal setting and resilience. These proved to be extremely beneficial for all involved.

Another exciting development was the opportunity for our Stage 3 players to take part in a job swap at BT’s Edinburgh HQ. Demonstrations and workshops led by BT apprentices and senior managers gave the players an insight into the range of careers and the opportunities available, and also encouraged them to consider their continued development as a person as well as a player.

The teams contest the lineout, East U20 v West U20 at Oriam
Training & Education

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.

Since its launch, the Technical Blueprint pages on the Online Training Hub have received over 25,000 views, with a further 1,836 coaches and teachers attending Technical Blueprint CPD workshops throughout the season.

UKCC Level 4

Scotland 7s Head Coach John Dalziel and Calum Forrester, Head Coach of BT Premiership side Ayr, gained the United Kingdom Coaching Certificate (UKCC) Level 4 qualification, delivered in partnership with Edinburgh Napier University and sportscotland. The course takes a minimum of two years to complete and aims to increase the standard of Scotland’s performance coaches by developing outstanding and knowledgeable decision makers who are better placed to advance their own and others’ learning.

Regional Coaching Conferences

Four regional coaching conferences were held to support coaches of all age groups and share good practice from the National Age Grade and Academy set-up. The conferences took place at Edinburgh Napier University, Glenalmond College, Borders College and Scotstoun Stadium. Guest speakers included Gregor Townsend, Duncan Hodge, John Dalziel, Brian Ashton, Richard Shuffleworth, Iain Managham, Graham Shiel, Jared Deacon, Ed Tooley and Andy Boyd. 226 coaches attended in total - a 40% increase on last season’s national coaching conference.

RugbyRight

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.

Club Coaching System of the Year

Stirling County were awarded Club Coaching System of the Year at the BT Club Awards for their commitment to supporting and encouraging the development of their coaches.

The club has more than 90 coaches with a dedicated Head Coach at each age group for Micros through to Senior. They work with their local sports council to support all their coaches to complete UKCC qualifications and First Aid training.

Coaches have access to resources that outline all the necessities of becoming a coach to comply with Scottish Rugby legislation and best practice and to fully inform them of all club policies and how to access CPD.

These efforts have led to strong results:

- 792 participants
- 16 medical educators completed World Rugby Medical Educator programme enabling them to deliver World Rugby First Aid in Rugby courses
- 179 people attended World Rugby level 1 First Aid in Rugby (FAIR) course
- 4,244 completed by coaches, match officials and volunteers
Club Rugby

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.

Highlights in the club calendar this season included two major events at BT Murrayfield for clubs - the Club Development Conference and Silver Saturday. The Club Development Conference was attended by 124 delegates from circa 70 clubs. Keynote presentations were delivered by Mark Dodson on Scottish Rugby’s plans for Agenda 3 and Gregor Townsend presented his strategy for the Scotland national team and how key principles of building a positive squad culture can transfer to any club.

Clubs shared valuable learnings on key issues such as:

- Player Retention
- Income Generation
- Developing a Positive Culture
- Volunteer Recruitment

A new funding model for clubs was introduced for next season with the launch of the Club Sustainability Award (CSA) and Club Minimum Operating Standards. The CSA will reward and incentivise clubs to further develop and encourage greater collaboration and planning over the next three years.

We continued to help clubs to develop and implement their business plans and support them to improve club facilities, generate income and build community involvement. Five successful workshops across the country were held for clubs focusing on how to maximise income through their club bars.

One of the priorities for Scottish Rugby this year has been to ensure that all clubs’ child protection policies and procedures are robust. Additional resource and support has been offered with training and education being a key area. All youth coaches have completed online child protection training and the network of club Child Protection Officers attended regional workshops.

BT Club of the Season

Hamilton was named BT Club of the Season for their improving league form across the board and commitment to rugby development.

This season the club’s first XV secured promotion into Tennent’s National 1 and the women’s side claimed their first ever victory in the national development leagues having been formed in 2017 following the success of the club’s Tartan Touch programme.

Hamilton’s youth section has at least one boys’ team playing at every age group and continues to increase in size with over 250 young people now playing at different levels.

Hamilton President Iain Leggate said: “Everyone at the club put in a lot of hard work to ensure that the teams at all levels can train, play and enjoy their rugby.

“It has been a good season at the club and we are very proud of what we continue to achieve.”

Off the pitch their community work stretches beyond rugby development with players and members regularly working with a number of charities in fundraising and volunteering roles.

Hamilton are also in the process of updating their facilities, raising funds to ensure that their matches are accessible to all fans.

BT Club Sustainability Fund

Made possible through our partnership with BT, the fund enables clubs to generate revenue and improve infrastructure.

- £1.6M over 4 years
- 43 clubs awarded this year
- £15.6M worth of projects invested into

An increasing number of clubs are running specific sessions to ease the transition from youth or school rugby into adult rugby. Clubs in Dumfries & Galloway worked together last summer to run a very successful under-20 programme that resulted in 97% of under-18 players moving up to adult rugby. Circa 10 clubs are running similar initiatives this summer with our support.

BT Cup Finals Day 2018

Silver Saturday was introduced this season, building on the success of the traditional BT Cup Finals day by finishing the event with the deciding 1872 Cup match between Edinburgh Rugby and Glasgow Warriors.

- 3 men’s finals
- 12 women’s finals
- 3 Women’s Cup winners, Heriots

All 12 club finalists over the six finals had a great day along with more than 160 people taking part in a Tartan Touch festival. Club members and Edinburgh and Glasgow fans joined together to celebrate rugby in Scotland with a record-breaking attendance of over 25,000 fans on the day.

BT Premiership & BT National 1 leagues weekly highlights show

BT Cup & Sarah Beaney Cup finals streamed live on youtube

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Women & Girls

Scottish Rugby is committed to growing, developing and improving the women and girls’ game at all levels by providing more opportunities to play, coach and referee rugby.

As participation grows and performances improve, the progress that we have made under the National Strategy for Women and Girls’ Rugby (2015-2025) continues to raise the visibility and profile of the women’s and girls’ game in Scotland and further afield.

As the number of female teams increases, we continue to focus on developing youth competition structures to take the girls’ game to the next level by increasing opportunities to play and driving the standard of play.

Girls across Scotland played in more regular competitions this season. The continued development of cups and conferences across Scotland saw the number of competitive fixtures grow by 139% on the previous season to date, with 208 games at U15 and U18 level. This figure is set to rise as more girls’ conferences are established over the coming seasons.

Women’s rugby continues to grow across the country. Twenty four teams play regularly in competitive leagues and 18 teams compete in the National Development League in preparation for competitive rugby. After a consultation period with clubs, there was a vote cast in favour of a change in season and competition structure which will be implemented in March 2019. This will allow the sport to future-proof its competition structure as well as catering to the needs of all female rugby players.

The world of women’s university rugby witnessed further growth this year. Over 670 players participated across 19 teams within 16 universities. This marked a 27% increase in players as compared to 2016/17.

As we continue to develop the quality and quantity of female coaches in clubs, schools and in our performance programmes, we have been delighted at the success of our female mentoring programme. Both Claire Cruickshank and Louise Daleghast have successfully secured coaching positions within our new National Age Grade programmes that will see them continue to develop their technical, tactical and theoretical knowledge.

Due to the success of the programme Scottish Rugby will look to develop additional tiers in the seasons to come as well as establishing further CPD opportunities for females and those working in the women and girls’ game.

Holly Davidson continues to develop as Scottish Rugby’s first contracted female referee. As well as officiating across Rugby Europe matches and on the HSBC World Rugby Women’s Sevens Series, Holly crowned a successful season by officiating at the Gold Coast 2018 Commonwealth Games in April.

Structures for high performance female athletes are making an impact on Scotland Women and Scotland Women 7s while also preparing the next generation for the rigours of the international game.

Over 245 talented female players were directly supported by Scottish Rugby this season. The Performance Development Programme for players aged 16-20 had a successful second season and will now be developed into two National Age Grade programmes; Scottish Futures U20 and U18 as we look to build on this success.

The BT Sport Academy Early Talent Identification entered its second season as well and the development of our highest performing female athletes continued in the BT Sport Academy Stage 2 and 3 programmes and the Performance Pathway.

Scottish Rugby launched the #BeTheBestYou campaign to promote women and girls’ rugby. Phase 1, aimed at women aged 18 – 25 across the university sector, was a great success with 11 Scottish universities taking part and 379 females being introduced to rugby.

Working in conjunction with 11 Local Authorities, Active Schools, Scottish Rugby development staff and local clubs, Phase 2 of the campaign was aimed at 11-17 year olds and has already attracted over 567 girls who have taken part in initial sessions.

As part of this campaign we continue to actively use our women’s national team players as role models for women and young girls, with players having attended club and community events to raise the profile and visibility of the women and girls’ game in Scotland while supporting the delivery of our female rugby programmes in the community.

Scottish Rugby partnered with Girlguiding Scotland and launched the ‘Guides into Rugby’ programme, supported by Scottish Government funding. The programme encourages Girlguiding Scotland members aged 10 to 14, many of whom may never have played rugby before, to experience Scottish Rugby’s Tartan Touch, a fun, simplified non-contact version of the sport. Since its launch we have trained 35 leaders across four workshops to deliver to their units with the potential to impact on 1,000+ Girlguiding Scotland members.

Guides into Rugby

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Schools & Youth

The Mitsubishi Motors UK Schools & Youth Conference programme and our schools and youth cups have had another encouraging season with more boys and girls playing regular competitive rugby across Scotland.

Launched in 2015, the conferences provide a framework for clubs and schools to work together to grow the game and improve the standard of play. 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 that coaches and volunteers working with children have completed PVG checks.

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 that coaches and volunteers working with children have completed PVG checks.

In particular, thanks to the voluntary commitment of staff and volunteers across the schools and youth game.

The most successful conference season since its launch, 104 clubs, 150 state schools and 25 independent schools participated (279 institutions in total), fielding 872 teams between them. There was a 16% increase in the number of fixtures played, taking the total for the season to 2,428 fixtures.

This success has been possible due to the commitment of staff and volunteers across the schools and youth game. In particular, thanks 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.

The boys’ and girls’ schools’ and club cup competitions were well-attended events, displaying a high standard of rugby. Congratulations to all the cup and conference winners.

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 that coaches and volunteers working with children have completed PVG checks.

Our conference programme is 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 above principles.

Match Officials

The primary goal of Scottish Rugby’s Match Official department is to provide trained and qualified referees for every rugby fixture played in Scotland. The department trains and develops referees to perform in both the domestic and professional game.

There were 6,282 domestic match official appointments this season, a figure that includes referee, assistant referee, touch judge and technical sideline official appointments. The training of new referees is a key priority. 463 people completed the Level 1 course, reflecting the interest in officiating of rugby at domestic level. 65 of these officials were female, a 25% increase on last season.

The continuous professional development (CPD) of society officials is an important focus area for the department to progress referees in the development pathway. The CPD training sessions mainly focus on technical support to referees and 1,369 people attended sessions this season. In addition, 783 coaching reports were completed to provide performance reviews for individual referees.

Scottish match officials are not restricted to appointments and fixtures in Scotland and our match officials were involved in fixtures in 31 countries this season.

There were 59 referee appointments of Scottish match officials to professional fixtures this season.

Countries which Scottish referees travelled to this season:

- **World Rugby & Rugby Europe**
  - England
  - France
  - Ireland
  - Italy
- **HSBC World Rugby 7s Series**
  - Hong Kong
  - Singapore
  - London
  - Las Vegas
- **EPCR & Guinness PRO14 Tournaments**
  - Edinburgh
  - Glasgow
  - Pool match, PRO14 Semifinals
  - EX Compound
  - World Rugby Test matches.

Hollie Davidson was a late appointment to Women’s Rugby World Cup 2017 in Ireland and was subsequently appointed to the final as an Assistant Referee.

Andy McPherson and Andy Cliff were appointed by World Rugby to 11 test matches as Performance Reviewers.

Mike Adamson was appointed by World Rugby to officiate in the Nations Cup tournament in Uruguay.

Andrew McMenemy and Neil Patterson were appointed as TMOs to the PRO14 semi-final and the play-off match for European Professional Club Rugby qualification.

Two Scottish referees, Dave Sutherland and Finlay Brown, were handed their first referee test appointments in the Rugby Europe Trophy competition.

Sam Grove-White and Hollie Davidson were selected to referee in the Sevens’ tournaments at the Gold Coast 2018 Commonwealth Games and the Rugby World Cup Sevens in San Francisco.

These achievements demonstrate the progress made by Scottish match officials on the world stage.

Referee of the Season

Finlay Brown was awarded Referee of the Season for his work rate and commitment toward his development, his competence levels at BT Premiership rugby and high level exchange games in England, as well as being selected to referee the finals of the Hong Kong 10s tournament.

Referee Coach Manager & High Performance

Keith Allen
Scottish Rugby Referee

“Being appointed to review World Rugby Test matches and U20 Championship games over the last couple of years has allowed me to spend time with the world’s leading referees and referee managers to improve my understanding of refereeing at the highest level. I have used this insight to drive the Elite Referee Coaching for our top referees. There is a real buzz amongst our referees at the moment as they become heavily involved in refereeing men’s and women’s matches and tournaments across the world.”

Andrew McPherson
National Referee Development Manager & High Performance Referee Coach

Scottish Rugby Referee International & Regional Appointments

<table>
<thead>
<tr>
<th>Country/League</th>
<th>2017/18</th>
<th>2016/17</th>
<th>2015/16</th>
<th>2014/15</th>
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<tbody>
<tr>
<td>Belgium</td>
<td>26</td>
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<td>Ireland</td>
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<td>Italy</td>
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<td>New Zealand</td>
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<td>South Africa</td>
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<td>8</td>
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<tr>
<td>USA</td>
<td>18</td>
<td>15</td>
<td>10</td>
<td>5</td>
</tr>
</tbody>
</table>

Scottish Rugby Referee International & Regional Appointments

<table>
<thead>
<tr>
<th>District</th>
<th>Male Officials</th>
<th>Female Officials</th>
<th>Total</th>
</tr>
</thead>
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<tr>
<td>Borders</td>
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<td>1</td>
<td>38</td>
</tr>
<tr>
<td>Edinburgh</td>
<td>111</td>
<td>10</td>
<td>121</td>
</tr>
<tr>
<td>Caledonia</td>
<td>92</td>
<td>25</td>
<td>117</td>
</tr>
<tr>
<td>West</td>
<td>158</td>
<td>20</td>
<td>178</td>
</tr>
<tr>
<td>Sub Total</td>
<td>398</td>
<td>65</td>
<td>463</td>
</tr>
</tbody>
</table>

Qualifying Match Officials by Region

- **District**
  - Edinburgh
  - Caledonia
  - Borders
  - West

Referee Coach Manager & High Performance Referee Coach

Lloyd Linton
Scottish Rugby Referee

“As a contracted Scottish referee and medical doctor I find both roles have transferable skills, such as team work, communication, and decision making under pressure. It has been a huge honour to travel all over the world representing Scottish Rugby, and officiate at some of the world’s greatest stadiums such as Twickenham in England, the Principality in Wales and Newlands in South Africa.”

Domestic Match Official Appointments by Region 2017/18

<table>
<thead>
<tr>
<th>District</th>
<th>Domestic Match Official Appointments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borders</td>
<td>422</td>
</tr>
<tr>
<td>Caledonia</td>
<td>1182</td>
</tr>
<tr>
<td>Edinburgh</td>
<td>887</td>
</tr>
<tr>
<td>West</td>
<td>6282</td>
</tr>
</tbody>
</table>


2017-18 Annual Report

Referee Coach Manager & High Performance Referee Coach

Lloyd Linton
Scottish Rugby Referee

“On the field, I had the opportunity to referee an exchange in France, Ireland and Japan. The chance to experience new cultures, referee a range of styles of rugby, use a Television Match Official (TMO) and make many new friends has been a highlight of my year. I was honoured to be selected to referee the recent BT Premiership final, officiate two games in the EPCR continental shield and earn a place on the Pro 14 development squad. I appreciated Scottish Rugby’s offer to train and certify me as a pitch-side doctor, where I have enjoyed the chance to watch the game as a medic, as opposed to with whistle in hand.”

Keith Allen
Scottish Rugby Referee

“‘As a contracted Scottish referee and medical doctor I find both roles have transferable skills, such as team work, communication, and decision making under pressure. It has been a huge honour to travel all over the world representing Scottish Rugby, and officiate at some of the world’s greatest stadiums such as Twickenham in England, the Principality in Wales and Newlands in South Africa.”

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Looking After Our People & Players

Scottish Rugby’s greatest asset is our people. Our HR operation is aligned to support our organisation and ensure Scottish Rugby can successfully perform within a continuously changing environment through competent, motivated people and strong leadership.

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, performance, career, leadership, reward and benefits, and our business.

Where we work:

- Scottish Rugby
- Glasgow Warriors
- BT Murrayfield
- Rugby for Life

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Rugby for Life

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

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

Numerous staff have been trained in Mental Health First Aid to enable them to be proactive at critical times.

In addition, employees may access an Employee Assistance Programme which provides a variety of comprehensive support, this forms part of a review of the benefits package available to staff.

Health & Safety

- A Health and Safety Management E-learning system was rolled out to all Scottish Rugby staff. Topics covered included display screen equipment and fire safety.
- Training on the use of the defibrillators positioned around the stadium was given to staff. There are now 12 first aiders and five defibrillators at BT Murrayfield.
- 20 members of staff received manual handling training from the Royal Society for the Prevention of Accidents.
- Scottish Rugby was recognised by Cycling Scotland for achieving the status of a Cycle Friendly Venue at BT Murrayfield.
- As part of our commitment to health and wellbeing, staff now have access to the gym at BT Murrayfield and weekly yoga classes were available.
- There are additional measures in place to enhance the safety and security of both staff and visitors at Scottish rugby venues.
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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.

Child Protection

Child Protection and wellbeing is of paramount importance to Scottish Rugby. 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 driving to ensure the safety of children in our sport. Over the past year, with our training partner NSPCC Scotland, we have created three levels of training. Through RugbyRight we have delivered child protection training to 4,830 club coaches.

Every club with a youth section must have a dedicated Child Protection Officer (CPO) and this season 131 CPOs have gone through our Intermediate level workshop. Additionally, our key staff who work with young people have gone through an Advanced level course.

PVG compliance remains a focus with players at whatever age, or stage, of their career.

This season 116 people attended two courses.

In addition, a Level 2 course was attended by 18 candidates from National Level 1 and below.

Medical staff working in professional international, age-grade, BT Premiership teams are Level 3 certified.

RugbyRight

RugbyRight is the minimum standard online training course for all coaches and match officials operating within Scotland.

World Rugby First Aid Level 1 course

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. 22 courses took place with a total of 179 attendees.

Anti-Doping

Scottish Rugby took part in six player welfare roadshows across the country and 164 people attended in total. The roadshows covered anti-doping and other topics such as child protection.

We ran the first-ever Scotland-based UKAD (UK Anti-Doping) education course. This has increased the Scottish Rugby anti-doping education workforce by four (a 200% increase) and gives us a much better chance of delivering high quality education to more people.

Investing in Research

Aberdeen University

Supported ground-breaking research on nerve injuries since 2014

Edinburgh Napier University

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

University of Strathclyde

Part-funding business school PhD in data and information management using player data for injury prediction modelling

University of the West of Scotland

Involved in a post-graduate research project in women’s menstrual cycle and impact on performance

University of Hartford

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

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Going forward, our recommendation is that each club has at least one anti-doping advisor and training is available via an online course.
Scottish Rugby is proud to work with our charity partners, clubs and schools to support initiatives which benefit the wider community.

The most poignant moment of the past year occurred around our Autumn Test match against New Zealand at BT Murrayfield when former Scotland and Lions lock forward Doddie Weir delivered the match ball accompanied by his three sons.

Dodie had announced earlier in the season that he had been diagnosed with the incurable condition Motor Neurone Disease and that he was applying his considerable energies to finding a cure and to assist all those suffering from MND.

Scottish Rugby works closely with Doddie’s charity, the My Name’5 Doddie Foundation, and has been heartened by the level of support from our charity partners, clubs and schools to support initiatives which benefit the wider community.

Our charity ambassadors continued their community energised the audience.

Scottish Rugby was proud to work with the families of former international players Eric Mervin (Scotland) and Marcel Burgun (France) to unveil a new trophy to mark the centenary of the ending of the First World War.

Scottish Rugby continues to work closely with politicians from across the spectrum and liaises with our neighbours whether at BT Murrayfield, Scotstoun, or other venues over the staging of matches and other events.

As part of our determination to share our rich heritage and to inspire the next generation, the Calcutta Cup, won by Scotland 25-13 against England at BT Murrayfield in February, was made available to tour the country and liaises with our neighbours whether at BT Murrayfield, Scotstoun, or other venues over the staging of matches and other events.

Minister of Sport and Public Health Aileen McLeod unveiled the Auld Alliance Trophy, to mark the centenary of the ending of the First World War.

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World Rugby
World Rugby, formerly the IRB, is the world governing body for rugby union. Based in Dublin, it oversees the laws of the game and seeks to promote the development of rugby union across the world. The Rugby World Cup is its flagship tournament.

John Jeffrey
World Rugby Council, Executive Committee & Chair of Rugby Committee

Mark Dodson
World Rugby Council and Audit & Risk Committee

Lesley Thomson QC
World Rugby Council

European Professional Club Rugby
Based in Neuchatel, Switzerland, EPCR is the organiser of the European Rugby Challenge Cup and European Rugby Challenge Cup tournaments for teams which have qualified from their respective domestic leagues, the Amlin Challenge Cup, the Top 14 and the Guinness PRO14. As well as from the Challenge Cup Qualifying Competition. Mark Dodson EPCR Board Director

Robert Howat
EPCR Board Director

Dominic McKay
Celtic Rugby Board Director

Rugby Europe
The European governing body for rugby through all its members in collaboration with World Rugby, within a global framework of regional areas. Dee Bradbury Scottish Rugby representative

Dominic McKay
Rugby Europe Board Director and Executive Committee Chair of Commercial & Marketing Committee

British & Irish Lions
A rugby team selected from the home unions – Scotland, England, Ireland, Wales – which tours every four years to the southern hemisphere. The British & Irish Lions tied the 2017 series in New Zealand, following their 2013 test series win over South Africa. Mark Dodson Board Director

Andy Irvine
Board Director
Season 2017/18

BT Club  Hamilton
BT Women’s Club  Oban Lorne
Coaching System  Stirling County
Spirit of Rugby  Jack Todd  (Kelso Harlequins)
BT Volunteer  Angela and Craig Marshall  (Greenock Wanderers)
Referee  Finlay Brown
Brigadier Frank Coutts Memorial (BT) Try  (Currie Chieftains)

Player of the Season

BT Premiership  Craig Jackson  (Melrose)
BT National 1  Darren Gillespie  (Jed-Forest)
BT National 2  Tarl McCaughlin  (Hamilton)
BT National 3  Ryan Sweeney  (Glasgow Academicals)
BT Caledonia  Kris Hamilton  (Callithness)
BT East Region  Gavin Douglas  (Hawick Harlequins)
BT West Region  Ewan Mackay  (Shanterick"
BT Women’s Premier  Bryony Nelson  (Watsonians)
BT Women’s National 1  Amy McIlraith  (Watsonians)
BT Women’s National 2  Lucy Stewart  (Oban Lorne)
BT Women’s North  Isla Jack  (Banff)

Spirit of Rugby award winner, Jack Todd of Kelso Harlequins

Sprint of Rugby award winner, Jack Todd of Kelso Harlequins

Glen Faulds of Currie Chieftains receives the BT Try of the Season award

Peter Laverie (left) hands the award over to BT Premiership Player of the Season 2017-2018 award winner Craig Jackson of Melrose.

Scottish Rugby Club Awards

Scottish Rugby Club Results

BT Premiership  Melrose
BT Women’s Premier  Hillhead Jordanhill
BT National 1  Edinburgh Academical
BT National 2  Kirkcaldy
BT National 3  Highland
BT National League Cup  Dumfries Saints
BT Women’s National 1  Annan
BT Women’s National 2  Oban Lorne
BT Caledonia 1  Callithness
BT Col 2 Midlands  Hilfoots
BT Col 2 North  Garloch
BT Col 3 Midlands  Dundee University Medics
BT Col 3 North  North Police Scotland
BT Women’s North  Orkney
BT East 1  Hawick Harlequins
BT East 2  Banter
BT West 1  Carluke
BT West 2  Strathtrennick
BT West 3  Wigtownshire
BT National Reserve 1  Melrose Storm
BT National Reserve 2  Hawick Force
BT East Reserve 1  Kelso A
BT East Reserve 2  Linlithgow 2nd XV
BT West Reserve 1  Carluke Queens Park 2nd XV
BT West Reserve 2  Alton Glen 2nd XV
BT West Reserve 3  Uddingston 2nd XV
BT Border Shield  Hawick Harlequins
BT Caledonian Shield  Ayr
BT Edinburgh Shield  Ayr
BT West Shield  Carluke
BT East Bowl  Queenesty
BT Midlands Bowl  Panmure
BT North Bowl  Ross Sutherland
BT West Bowl  Wigtownshire
BT McLaren Shield  Ayr

BT Cup Finals Day Winners

BT Cup  Melrose
BT Shield  Carrick
BT Bowl  Ross Sutherland
Sarah Beane Cup  Hillhead Jordanhill
BT Women’s Plate  Glasgow University
BT Women’s Bowl  Oban Lorne

Schools & Youth Conferences Winners

Colt  George Watson’s College
L600  George Watson’s College
Eclipse  Fettes College
Barbarian  Mair College
Grands  George Watson’s College
Outlander  Dunbar Grammar School
Evolution  Hawick Rugby
Shogun  Strathclyde
Mirage Girls’  Strathclyde
Lancer  Gordonstoun School
Gidant  Dunfermline
Wantor ‘Borders Town’  Hawick

Schools & Youth Cups Winners

U18 Schools’ Cup  Strathallan School
U18 Boys’ Shield  Hutchison’s Grammar School
U18 Boys’ Plate  Lomond/Heidenburgh Schools
U18 Schools’ Bowl  Ross High School
U16 Schools’ Cup  George Watson’s College
U16 Schools’ Shield  Earlston High School
U16 Schools’ Plate  Hawick High School
U16 Schools’ Bowl  Auchinleck Academy
U18 Girls’ Schools’ Cup  Community School of Auchtermuchty
U18 Girls’ School’s Cup  Lady Mabel College
U16 Youth Cup  Strathallan School
U16 Youth Cup  Strathallan School
U16 Boys’ Club Cup  Carluke Queens Park
U16 Girls’ Club Shield  Strathallan School
U15 Girls’ Club Cup  Strathallan School
U15 Girls’ Club Shield  Strathallan School

Leadership  Engagement  Achievement  Enjoyment  Respect

Annual Report 2017-18

Scottish Rugby
Strategic Report
The Directors present their Strategic Report for the year ended 31 May 2018.

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.

Business Review
The Union continues to work towards the objectives outlined in its Policy initiatives, specifically in the areas of academies, coaching, the women’s game, schools, clubs, and refereeing. The implementation of these initiatives has continued in the course of the year. Further detail is also outlined in the Business Strategy section of the Annual Report.

The Union has achieved a £1.8m surplus for the year (2017: £1.7m). Turnover increased from £51.4m to £57.2m largely as a result of an increase in Broadcast revenues relating to the NatWest 6 Nations, an increase in Other operating income in relation to the increased commercialisation of the Guinness PRO14 league, higher match day hospitality and other game day related sales values at BT Murrayfield, additional events on non-match days, and income from the British & Irish Lions. In spite of having one less game in the 6 Nations Championship this season, Ticket income dropped only £0.3m, mainly as a result of a higher average per game attendances. Commercial income dropped £2.0m from £11.0m to £10.8m, reflecting a slightly tougher sponsorship environment.

Within the expenditure categories, the increase in International and Professional Rugby of £3.9m is due to increased reward to national team players and coaches as a result of improving performance and results, and increased professional game costs, mainly covered by specific professional game income increases, in which the introduction of South African teams to the Guinness PRO14 has been a main factor. Domestic and Performance rugby investment is higher by £1.1m, with performance and results, and increased professional game costs, mainly covered by specific professional game income increases, in which the introduction of South African teams to the Guinness PRO14 has been a main factor. Domestic and Performance rugby investment is higher by £1.1m, with respect to the higher level of award from the Club Sustainability Fund, the increase in Club Support relates mainly to the number of matches and events at BT Murrayfield, additional events on non-match days, and income from the British & Irish Lions. In spite of having one less game in the 6 Nations Championship this season, Ticket income dropped only £0.3m, mainly as a result of a higher average per game attendances. Commercial income dropped £2.0m from £11.0m to £10.8m, reflecting a slightly tougher sponsorship environment.

Average bank borrowings over the year amounted to £2.4m, which is £2.8m below the prior year, generally as a result of the operating performance and the timing of cash flows related to ticket income. Net bank borrowings at 31 May 2018 of £1.5m were £1.5m below the previous year level, principally as a result of working capital movements just prior to the year end. In particular receipts from Scotland Season Tickets Sales for 2018/19. Interest charges fell to £0.2m, mainly through the lower average debt balance throughout the year.

The Directors continue to monitor borrowing levels, income and expenditure against budget on a monthly basis. They also monitor their key business issues 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 52-74, the Directors present their report and audited consolidated financial statements for the year ended 31 May 2018. The financial statements comprise the consolidated financial statements of the Union and its subsidiary.

Financial Risk Management
The risk management framework of the Union is well established with the ongoing identification, evaluation and status of business risks being presented to the Audit Committee, Board and Council, periodically.

Financial instruments
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, 19 July 2018

Scottish Rugby Council 2017/18
Rob Flockhart chaired the Council with the Vice-President Dee Bradbury, acting as the Vice-Chair. The Council met nine 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 took place throughout the year, including season structure and governance reviews. Council members support the various age grade and women’s national teams in an ambassadorial capacity.

Patron
Her Royal Highness, The Princess Royal

President
Rob Flockhart

Having served as Vice-President in 2015/2016, Rob was elected as President of Scottish Rugby at the AGM in 2016. On his election as President, he also became a non-executive Director on the Scottish Rugby Board for the period of his Presidency. Rob served as Team Manager of Edinburgh U21, Scotland U21, senior Edinburgh and Scotland A teams, and for a period acted as a Selector of the Scotland team. Rob is an experienced international Citing Commissioner and has served on disciplinary panels for Scottish Rugby, PRO12 (as it then was), ERC, Six Nations and World Rugby.

Vice-President
Dee Bradbury

Dee is the current Vice-President of Scottish Rugby. A founding member of the women’s section at Oban Lone RFC, Dee went on to occupy several committee roles within the club and is now Honorary President of Oban Lone RFC. She was a Police Officer with Strathclyde Police and latterly Police Scotland and is now retired. Dee currently sits as Scottish Rugby’s representative to Rugby Europe and is also on the Women’s Committee for Rugby Europe. She has previously managed Scotland Women U18. An accomplished athlete, she has represented Scotland and GB in athletics at Junior and Masters level. Married with two sons, one playing professionally for Edinburgh Rugby and the other currently enjoying university rugby, having previously represented Scotland at U20 level.
Alan Brown Scottish Borders Regional Rep
A keen rugby player, the Chartered Accountant has worked in the social housing sector for the past 37 years and is currently the Director of Finance and Corporate Services for Elgin Housing Association Ltd. He has served on the committee of: Royal High RFC, Gala Star RFC and Gala Wanderers RFC, as well as serving as Treasurer of the Gala Junior Rugby Council and Secretary/Treasurer of the Border Semi-Junior League. He is also a trustee of the Murrayfield Injured Players Foundation.

Graham Kerr Midlands Regional Rep
Graham has been a member of Alloa RFC for many years, serving the club as a player, coach, Secretary and Vice President. As a rugby administrator, Graham was employed as Caledonia Rugby Administration Executive between 1997 and 2006. Since 2006 he has served on the Caledonia Competitions Committee and is currently Caledonia Midlands Age Grade Convenor.

Peter Lavertie Premier Division Rep
Peter has been involved in coaching club rugby at national and premiership levels for over 20 years. During that time he has also coached age grade rugby at district and international level and with the Club XV side. He has been involved in coaching education as well as chairing the Premiership Forum for four years. Peter is a Senior Lecturer and Teaching Fellow at Glasgow Clyde College.

Jim Littelfair Edinburgh Regional Rep
Jim was elected by the Edinburgh region clubs to represent them in 2012. He served as President of North Berwick RFC from 2009-12, during which time he led a major refurbishment of the club’s facilities. Having been educated at Daniel Stewart’s College, he played for Stewart’s Inverleith RFC from 1972-84. He is a director of the Hearts and Hibs Charitable Trust and as a Regional Council Member is a Trustee of the Murrayfield Injured Players Foundation.

Mike Monro North Regional Rep
A member of Aberdeenshire RFC since 1971, Mike has served as Club Secretary and President. He referred for a number of years after retiring from playing. A former pupil of Robert Gordon’s College, Mike thereafter attended Aberdeen University obtaining a degree in Law in 1974. He also serves as a Trustee on the Murrayfield Injured Players Foundation.

Graeme Scott National Division 2 Rep
Graeme 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 has also been President, Captain and Director of Rugby. He is also Company Secretary of Whitecraigs Rugby Club Ltd.

Colin Rugby National Division 1 Rep
Colin 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 has served as Chairman of Stewart’s Melville RFC since 2014 and is a Director of Stewart’s Melville RFC Ltd. Prior to this he was Club President for three years and has held various other roles within the club. A former ERG referee Colin has also been involved in the set up and creation of Stewart’s Melville Rugby Academy and the junior section. In December 2017 Colin joined the Council Standing Committee on Governance. 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 FSCAL Technologies.

Andrew Little National Division 3 Rep
Andrew played rugby at junior and senior level in his home town of Galashiels. Andy joined Highland RFC in 1974 and played for 13 years. He was Head Coach from 1987 to 1993. Club President from 2000 to 2002 and Director of Rugby from 2003 to 2008 before taking on his present role as Club Chairman. In this role he has been leading a sub-committee to work with Highland Council, Scottish Rugby, sportscotland and Highland Heritage to deliver a major redevelopment of facilities at Canal Park which were completed in 2017. Andy is a former member of the Caledonia Rugby Board and former North District Committee Member.

Adam Gray Glasgow South Regional Rep
Adam is a past Captain of Stewart’s RFC, whom he also coached from 1992-2005, 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.

Rosy Hume Women’s Rugby Forum Rep
Rosy has been a member of Murrayfield Wanderers RFC for almost 20 years, having started her playing career at Heriot Watt University. 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 Scottish Rugby. She also serves as the Council Ambassador with Scotland Women.

Kenneth Knott Scottish Rugby Referees Association Rep
Kenneth was an active member, secretary then president of the Highland Rugby Referee Society until being elected to the SRU 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, Seaberg 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.

William Gardner Glasgow North Regional Rep
Past President and Life Member of Lanark Rugby Football Club, William is the Glasgow North Clubs’ Representative on the West Region Championship Committee. He is also the Council Representative on the Advisory Group to the West Regional Academy Group and a member of the Player Retention Group. William is a Trustee of the Murrayfield Injured Players Foundation.

Ian Rankin Co-opted member (PRO14 representative)
Ian served as President of Scottish Rugby in 2014/2015 and was appointed to the Celtic Rugby Board in 2014 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 U20 before holding the Director of Rugby position at Dundee HSP. Ian is also the Chair of Murrayfield Injured Players Foundation.

John Jeffrey Co-opted member (World Rugby & Six Nations)
John won 40 caps for Scotland and was a member of the Grand Slam team of 1990. He was also a British & Irish 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. He is also Vice-Chairman of the Six Nations Council.
Goverance

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, comprising four independent non-executive Directors, four non-executive Directors nominated by the Scottish Rugby Council (one of the four being the President in his capacity as Chairman 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.

Executive Directors serve under the terms of their employment or service contracts. The independent non-executive Directors are appointed for terms of three years and would normally be expected to serve for a minimum of two years. Appointment of the independent non-executive Directors is by the Board, on the recommendation of the Nominations Committee.

The Council nominated non-executive Directors are appointed, or reappointed as the case may be, by the Council after the AGM, when vacancies arise. Their terms in office vary. Rob Flockhart, the current President, will serve on the Board until the 2018 AGM. When his Presidency comes to an end, he will be succeeded by Dee Bradbury, who will join the Board as a non-executive Director when she succeeds as President. The Vice-President is elected at the 2018 AGM and is subject to the Bye-Laws. He will take up the post for two years, before becoming President. Graeme Scott was elected to the Board as a Council nominated non-executive Director in January 2018 for a three-year term.

The Council nominated non-executive Directors may serve for up to three years at a time, subject to remaining a member of Council. Eligibility for re-election to the Board depends on remaining a member of Council and the application of the Bye-Laws. 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 ten times during the year, including by conference call, a separate strategy session and joint briefing session with the Council. There is an annual evaluation of the performance of the Board with the outcomes communicated to the Board and procedures adjusted as appropriate following that appraisal. There are separate non-executive Director meetings throughout the year.

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:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Appointed/Re-appointed</th>
<th>Term(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colin Grassie</td>
<td>President</td>
<td>1 January 2018</td>
<td>3 years</td>
</tr>
<tr>
<td>Mark Dodson</td>
<td>Executive Director, CEO</td>
<td>19 September 2011</td>
<td>25-year career in media</td>
</tr>
<tr>
<td>Rob Flockhart</td>
<td>Council nominated non-executive Director, President</td>
<td>1 July 2012</td>
<td>2 years</td>
</tr>
<tr>
<td>Ian McLauchlan</td>
<td>Council nominated non-executive Director</td>
<td>1 July 2012</td>
<td>2 years</td>
</tr>
<tr>
<td>Robert Howat</td>
<td>Council nominated non-executive Director</td>
<td>22 August 2013</td>
<td>2 years</td>
</tr>
<tr>
<td>David McMillan</td>
<td>Council nominated non-executive Director</td>
<td>23 August 2013</td>
<td>1 year</td>
</tr>
<tr>
<td>Andrew Healy</td>
<td>Executive Director, Finance Director</td>
<td>22 August 2013</td>
<td>2 years</td>
</tr>
<tr>
<td>Dominic McKay</td>
<td>Council nominated non-executive Director</td>
<td>26 September 2013</td>
<td>3 years</td>
</tr>
<tr>
<td>Graeme Scott</td>
<td>Independent non-executive Director</td>
<td>1 July 2012</td>
<td>2 years</td>
</tr>
<tr>
<td>Lesley Thomson</td>
<td>Independent non-executive Director</td>
<td>1 July 2012</td>
<td>2 years</td>
</tr>
</tbody>
</table>

Rob Flockhart was elected as President in 2015/2016. Having served as Vice-President in 2014/2015, he also became a non-executive Director of Scottish Rugby Board for the period of his Presidency. Rob served as Team Manager of the Edinburgh U21, Scotland U21, senior Edinburgh and Scotland A teams, and for a period acted as a selector of the Scotland team. Rob is an experienced international citing commissioner and has served on disciplinary panels for Scottish Rugby, PRD12, ERC, Six Nations and World Rugby.

Andrew Healy was elected as President in January 2013. A chartered accountant and former Director and Shareholder at Avica plc, he is also a former President of the RIAS. Andrew was appointed to the Board as Finance Director in 2013. He has been actively involved in the development of Scottish Rugby. He is a member of the Audit & Risk, Remuneration and SWI Committees.

Ian McLauchlan was appointed as Executive Director, Finance Director in 2013. He has been actively involved in the development of Scottish Rugby. He is a member of the Audit & Risk, Remuneration and SWI Committees.

Robert Howat was elected to the Board as Finance Director in 2013. He has been actively involved in the development of Scottish Rugby. He is a member of the Audit & Risk, Remuneration and SWI Committees.

David McMillan was appointed as Executive Director, CEO in 2013. He has been actively involved in the development of Scottish Rugby. He is a member of the Audit & Risk, Remuneration and SWI Committees.

Lesley Thomson was appointed as Executive Director, Finance Director in 2013. She has been actively involved in the development of Scottish Rugby. She is a member of the Audit & Risk, Remuneration and SWI Committees.

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Lesley Thomson was appointed as Executive Director, Finance Director in 2013. She has been actively involved in the development of Scottish Rugby. She is a member of the Audit & Risk, Remuneration and SWI Committees.
Governance

Board Committees

During the period, the Board also operated three sub-committees as well as the addition of the Safeguarding, Wellbeing & Inclusion Committee formed in the Spring of 2018. Membership of Board committees is restricted to non-executive Directors and at least one Council nominated non-executive director serves on each committee. Executive Directors and other members of staff and external advisers attend meetings regularly as required. Each Committee has detailed terms of reference approved by the Board and the Council.

The Chair of each Committee presents a report to the Board on that Committee’s work at the next Board meeting.

Audit & Risk Committee
(Chair: Lesley Thomson QC)

Mike Monro, Peter Laverie (to 31 December 2017), Graeme Scott, Jim Littlefair 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 four times during the financial year. Committee meetings are attended routinely by the Financial Director, Financial Controller, Company Secretary and representatives from the Union’s auditors.

Safeguarding, Wellbeing & Inclusion Committee
(Chair: Lesley Thomson QC)

Graeme Scott, Lesley Thomson, David McMillan and Mike Monro were selected to serve on this new Committee which was formed in the Spring of 2018. The Committee, which had its first official meeting on 19 April 2018 is responsible for people welfare, equality and diversity, safeguarding and environmental issues. The Committee will continue to meet throughout the financial year. The Company Secretary also attends the Committee’s meetings.

Nomination Committee
(Chair: Colin Grasie)

Jim Littlefair, Rob Rockhart, Ian McLauchlan and Colin Grasie all served on this Committee during the financial year. The Chief Executive and Company Secretary also attend the Committee’s meetings. This Committee is responsible for making recommendations, within agreed terms of reference, on remuneration policies, monitoring and approving executive directors’ and certain senior executive remuneration packages, setting and monitoring key performance targets and reviewing succession planning. Approval of the remuneration of senior coaches and higher-earning players also falls within the Committee’s remit.

The Committee met seven times during the financial year. The Company Secretary attends meetings, with the Chief Executive attending as required. The Committee engaged with external consultants, Willis Towers Watson, in relation to the remuneration and extension of the Chief Executive’s contract which was extended to 2023.

Remuneration Committee
(Chair: Ian McLauchlan)

Ian McLauchlan, Mike Monro, Lesley Thomson, David McMillan and Rob Rockhart (part year) all served on this Committee during the financial year. The Committee is responsible for making recommendations, within agreed terms of reference, on remuneration policies, monitoring and approving executive directors’ and certain senior executive remuneration packages, setting and monitoring key performance targets and reviewing succession planning. Approval of the remuneration of senior coaches and higher-earning players also falls within the Committee’s remit.

The Committee met four times in the period. Jim Littlefair and Lesley Thomson all served on this Committee during the financial year. The Chief Executive and Company Secretary also attend the Committee’s meetings. This Committee is responsible for making recommendations to the Board as to the terms of reference approved by the Board and the Council. The Chair of each Committee presents a report to the Board on that Committee’s work at the next Board meeting.

Audit & Risk Committee
(Chair: Lesley Thomson QC)

Mike Monro, Peter Laverie (to 31 December 2017), Graeme Scott, Jim Littlefair 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 four times during the financial year. Committee meetings are attended routinely by the Financial Director, Financial Controller, Company Secretary and representatives from the Union’s auditors.

Safeguarding, Wellbeing & Inclusion Committee
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Nomination Committee
(Chair: Colin Grasie)

Jim Littlefair, Rob Rockhart, Ian McLauchlan and Colin Grasie all served on this Committee during the financial year. The Chief Executive and Company Secretary also attend the Committee’s meetings. This Committee is responsible for making recommendations to the Board as to the membership of the Board and its Sub-committees, the identification and recruitment of new Directors when required and the identification and appraisal of international body representatives. The Committee met four times in the period.

Remuneration Committee
(Chair: Ian McLauchlan)

Ian McLauchlan, Mike Monro, Lesley Thomson, David McMillan and Rob Rockhart (part year) all served on this Committee during the financial year. The Committee is responsible for making recommendations, within agreed terms of reference, on remuneration policies, monitoring and approving executive directors’ and certain senior executive remuneration packages, setting and monitoring key performance targets and reviewing succession planning. Approval of the remuneration of senior coaches and higher-earning players also falls within the Committee’s remit.

The Committee met seven times during the financial year. The Company Secretary attends meetings, with the Chief Executive attending as required. The Committee engaged with external consultants, Willis Towers Watson, in relation to the remuneration and extension of the Chief Executive’s contract which was extended to 2023.

Governance Standards

All members of the Board and Council are required to comply with Scottish Rugby’s Code of Conduct. Under the 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

During the period the Governance Working Party created in 2014 was re-named as the Scottish Rugby Council Standing Committee on Governance and continued its work under its Interim Chair, Rob Rockhart. Its work during the period has been reported and its report can be accessed on the Union’s website.

The Council and Board remain committed to the ongoing development and improvement of governance structures. The Governance Committee will continue during the 2018/2019 financial year.

Remuneration and Benefits of Non-Executive and Council Board Representatives

Non-executive Board members, including Council representatives on the Board, are paid a fee for their services. The fees applied for the non-executive Board members serving at the financial year end are set out below, pro-rated for part years. Board members are also entitled to be reimbursed for expenses incurred wholly, exclusively and necessarily on Scottish Rugby business.

### Non-Executive Directors

- **Colin Grasie**: £35,000
- **Rob Rockhart**: £15,000
- **Peter Laverie**: £8,750
- **Jim Littlefair**: £15,000
- **Ian McLauchlan**: £15,000
- **David McMillan**: £15,000
- **Mike Monro**: £15,000
- **Graeme Scott**: £5,519
- **Lesley Thomson**: £15,000

Council members serving as international representatives for Scottish Rugby Union are also entitled to be paid a fee for their services on those bodies.

**Fees for Scottish Rugby Union bodies**:

- **CRL (Gaelic Rugby) compensation**: £7,000
- **SRU compensation**: £7,000

**Fees for non-SRU bodies**:

- **World Rugby**: £30,000
- **6N Council**: £18,000

### Notes:

1. These rates were not changed in the financial year but in future years will be increased in line with any standard inflationary increase applied in 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 (6N) and Celtic Rugby League Limited (CRL) compensate the representatives/directors serving on those bodies and the service fees paid to the Scottish Rugby representatives involved were as noted. Fees payable by those bodies during the financial year to Mark Dodson and Dominic McKay were disclaimed by the individuals and are retained by Scottish Rugby.

4. Dominic McKay served as a Director of Celtic Rugby Limited, Director of the Guinness PRO14 Board and Executive Board Director of Rugby Europe during the year. Mark Dodson and Robert Howat are Scottish Rugby’s nominated Board Members of European Professional Club Rugby. Any fees payable were disclaimed by the individuals and retained by Scottish Rugby.
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. 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, Equality 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 equality 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, Equality and Inclusion Policy and several other related policies that support the nine protected characteristics within the Equality Act.

In addition to our employment practices, Scottish Rugby has also been awarded the Preliminary Level of the Equality Standard through our efforts and commitment in preparing the financial statements. The Directors continue to budget for, and operate, the Union on a cash flow positive and earnings positive basis. 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.

Statement of Directors’ responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Union’s financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”, and applicable law). Under company law the directors must not approve the Union’s financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

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

In the case of each director in office at the date the Directors’ Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Union’s auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Union’s auditors are aware of that information.

Directors

The Directors of Scottish Rugby Union Limited who held office during the year, and up to the date of signing the financial statements, are noted in the Annual Report.

By order of the Board

Robert M Howat
Company Secretary
Edinburgh, 19 July 2018
Independent Auditors’ Report to the Members 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 2018 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, complying FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”, and applicable law).

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 in 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’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions Relating to Going Concern
We have nothing to report in respect of the following matters in relation to which ISAs (UK) required us to report to you when:
• the directors’ use of the going concern basis of accounting
• have no realistic alternative but to do so.
• have not disclosed in the financial statements
• the directors have not disclosed in the financial statements
• appropriate; or
• in the preparation of the financial statements is not
• matter related to going concern and
• the directors have not disclosed in the financial statements
• identified material uncertainties that may cast
• significant doubt about the Union’s ability to continue to
• adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

Reporting on Other Information
The other information comprises all of the information in the Annual Report other than the financial statements and our auditors’ report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or 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 52 and 53, 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 opinions, has been prepared for and only for the Union’s directors as a body to enable you to fulfil your obligation to obtain an audit of Scottish Rugby Union’s group financial statements in accordance with our engagement letter dated 17 July 2018 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 to whose hands it may come, including without limitation under any contractual obligations of the company, save where expressly agreed by our prior consent in writing.

Other Matter
We draw attention to the fact that these financial statements have not been prepared under section 394 of the Companies Act 2006 and are not the company’s statutory financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh, 19 July 2018
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 2018 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.

### Turnover

Turnover represents ticket sales, broadcasting revenue 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.

### Intangible Assets

Intangible assets comprise computer-related software. The cost of intangible fixed assets is the purchase cost, together with any incidental costs of acquisition. The level for capitalisation of intangible fixed assets has been set at £5,000. 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 Category</th>
<th>Amortisation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible Fixed Assets</td>
<td>7.50%</td>
</tr>
</tbody>
</table>

No amortisation is charged on Assets Under Construction.

### 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.

### Debtors

The costs associated with the issue of capital instruments are deferred income and amortised over the estimated useful life of the associated fixed assets or the life of the debenture, respectively.

### Deferred interest costs

The costs associated with the issue of capital instruments are deferred income and amortised over the estimated useful life of the associated fixed assets or the life of the debenture, respectively.

### 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.
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 the ownership of the asset are transferred to another party, or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

### iii) Financial liabilities

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

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

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

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

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

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

### iv) Hedging arrangements

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

The 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.

---

**Consolidated Income & Expenditure account**

**for the year ended 31 May 2018**

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018 £000</th>
<th>2017 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Turnover</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ticket Income</td>
<td>12,337</td>
<td>12,636</td>
</tr>
<tr>
<td>Broadcasting revenues</td>
<td>15,165</td>
<td>13,270</td>
</tr>
<tr>
<td>Commercial income</td>
<td>10,837</td>
<td>11,013</td>
</tr>
<tr>
<td>Other operating income</td>
<td>18,902</td>
<td>14,530</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>57,241</td>
<td>51,449</td>
</tr>
<tr>
<td><strong>Costs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International and Professional Rugby (28,974)</td>
<td>(24,967)</td>
<td></td>
</tr>
<tr>
<td>Domestic and Performance Rugby (8,731)</td>
<td>(7,629)</td>
<td></td>
</tr>
<tr>
<td>Commercial and Operational (13,252)</td>
<td>(12,460)</td>
<td></td>
</tr>
<tr>
<td>Club Support and Development (2,913)</td>
<td>(2,766)</td>
<td></td>
</tr>
<tr>
<td>Depreciation (1,281)</td>
<td>(1,231)</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(55,071)</td>
<td>(49,047)</td>
</tr>
<tr>
<td><strong>Operating Surplus</strong></td>
<td>2,170</td>
<td>2,402</td>
</tr>
<tr>
<td><strong>Deficit on disposal of Fixed Asset</strong></td>
<td>-</td>
<td>(331)</td>
</tr>
<tr>
<td>Surplus on ordinary activities before interest</td>
<td>2,170</td>
<td>2,071</td>
</tr>
<tr>
<td><strong>Net Interest</strong></td>
<td>3</td>
<td>(333)</td>
</tr>
<tr>
<td><strong>Surplus on ordinary activities before taxation</strong></td>
<td>1,837</td>
<td>1,715</td>
</tr>
<tr>
<td><strong>Tax on surplus on ordinary activities</strong></td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td><strong>Surplus for the financial year</strong></td>
<td>17</td>
<td>1,837</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 2018

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Surplus for the financial year</td>
<td>1,837</td>
<td>1,715</td>
</tr>
</tbody>
</table>

Other Comprehensive Income:

Cash Flow hedges:
- Change in value of interest rate hedging instruments | 84     | [10]   |
- Change in value of foreign exchange hedging instruments | 467    | (737)  |

Other comprehensive income / (expense) for the year | 551    | (747)  |

Total comprehensive income for the year | 2,388  | 968    |

Consolidated Balance Sheet
as at 31 May 2018

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>5</td>
<td>37,903</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>6</td>
<td>415</td>
</tr>
<tr>
<td>Investments</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>38,320</td>
<td>38,497</td>
</tr>
</tbody>
</table>

Current Assets:
- Derivative financial instruments: falling due after more than one year | 10     | 377    |
- Derivative financial instruments | 8      | 118    |
- Debtors               | 8,020  | 5,901  |
- Cash at bank          | 1,979  | 2,021  |
- Cash in hand          | 14     | 15     |
-                                                                 | 10,131 | 8,352  |

Creditors: amounts falling due within one year | 9     | (15,789) |
- Derivative financial instruments | 10     | (487)   |
- Net Current Liabilities | 6,145  | (6,867) |
- Provisions for liabilities | 11     | (151)   |

Total assets less current liabilities and provisions | 32,401 | 31,696 |

Creditors: amounts falling due after more than one year | 9      | 3,500  |
- Financial Liabilities | 10     | 524    |
- Deferred income       | 12     | 1,673  |
- Ten Year Debentures   | 13     | 1      |
- Murrayfield Debentures | 14    | 31,787 |
- Irredeemable Debentures | 15   | 97    |
-                                                                 | 37,582 | 39,265 |

Capital and Reserves:
- General reserve       | 17     | (4,445) |
- Hedging reserve       | (514)  | (1,067) |
-                                                                 | (5,119) | (5,512) |

The financial statements on pages 58 to 74 were approved by the Scottish Rugby Board and signed on its behalf on 19 July 2018 by:

Colin Gracie, Chairman

Mark Dodson, Chief Executive
### Consolidated Statement of changes in equity
for the year ended 31 May 2018

<table>
<thead>
<tr>
<th>General Reserve</th>
<th>Hedging Reserve</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td><strong>Balance as at 1 June 2016</strong></td>
<td>(8,217)</td>
<td>(320)</td>
</tr>
<tr>
<td><strong>Surplus for the year</strong></td>
<td>1,715</td>
<td>-</td>
</tr>
<tr>
<td><strong>Other comprehensive expense for the year:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair value loss on interest rate derivative financial instrument</td>
<td>-</td>
<td>(10)</td>
</tr>
<tr>
<td>Fair value loss on foreign exchange derivative financial instrument</td>
<td>-</td>
<td>(737)</td>
</tr>
<tr>
<td><strong>Total other comprehensive expense for the year</strong></td>
<td>-</td>
<td>(747)</td>
</tr>
<tr>
<td><strong>Balance as at 31 May 2017</strong></td>
<td>(6,502)</td>
<td>(1,067)</td>
</tr>
<tr>
<td><strong>Balance as at 1 June 2017</strong></td>
<td>(6,502)</td>
<td>(1,067)</td>
</tr>
<tr>
<td><strong>Surplus for the year</strong></td>
<td>1,837</td>
<td>-</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>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 income for the year</strong></td>
<td>-</td>
<td>551</td>
</tr>
<tr>
<td><strong>Balance as at 31 May 2018</strong></td>
<td>(4,665)</td>
<td>(516)</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 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net cash from operating activities</strong></td>
<td>18</td>
<td>2,587</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>(639)</td>
<td>(760)</td>
</tr>
<tr>
<td>Payments to acquire Intangible Assets</td>
<td>(222)</td>
<td>(151)</td>
</tr>
<tr>
<td>Payments to acquire Fixed Assets</td>
<td>(611)</td>
<td>(911)</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>(1,500)</td>
<td>(500)</td>
</tr>
<tr>
<td>Finance Lease</td>
<td>(4)</td>
<td>(3)</td>
</tr>
<tr>
<td>Interest paid on bank overdrafts and loans</td>
<td>(265)</td>
<td>(276)</td>
</tr>
<tr>
<td><strong>Net cash used in financing activities</strong></td>
<td>(1,769)</td>
<td>(779)</td>
</tr>
<tr>
<td><strong>Net (decrease) / increase in cash at bank and in hand</strong></td>
<td>(43)</td>
<td>2,161</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the beginning of the year</strong></td>
<td>2,036</td>
<td>(125)</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the end of the year</strong></td>
<td>1,993</td>
<td>2,036</td>
</tr>
</tbody>
</table>
Notes to the Financial Statements

1. Surplus on ordinary activities before taxation

<table>
<thead>
<tr>
<th></th>
<th>2018 £000</th>
<th>2017 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortisation of deferred income</td>
<td>125</td>
<td>135</td>
</tr>
<tr>
<td>Barter transaction sponsorship income</td>
<td>1,198</td>
<td>1,075</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,323</strong></td>
<td><strong>1,210</strong></td>
</tr>
</tbody>
</table>

And after charging:

<table>
<thead>
<tr>
<th></th>
<th>2018 £000</th>
<th>2017 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auditors’ remuneration</td>
<td>32</td>
<td>29</td>
</tr>
<tr>
<td>Auditors’ fees for non-audit services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax compliance</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>Tax advisory</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td>Other</td>
<td>10</td>
<td>22</td>
</tr>
<tr>
<td>Depreciation charge for the year:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owned fixed assets</td>
<td>1,268</td>
<td>1,215</td>
</tr>
<tr>
<td>Amortisation charge for the year:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owned intangible assets</td>
<td>13</td>
<td>16</td>
</tr>
<tr>
<td>Operating lease rentals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant &amp; Machinery</td>
<td>21</td>
<td>132</td>
</tr>
<tr>
<td>Other</td>
<td>374</td>
<td>305</td>
</tr>
<tr>
<td>Barter transaction sponsorship costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative and management expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,324</strong></td>
<td><strong>2,394</strong></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></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rugby</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional Players</td>
<td>103</td>
<td>99</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional Teams – Coaching &amp; Operations</td>
<td>31</td>
<td>27</td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Team – Coaching &amp; Operations</td>
<td>10</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elite Development Players &amp; Coaches</td>
<td>34</td>
<td>30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic &amp; Performance</td>
<td>77</td>
<td>76</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strength &amp; Conditioning</td>
<td>17</td>
<td>15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medical &amp; Physiotherapy</td>
<td>18</td>
<td>17</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>290</strong></td>
<td><strong>274</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stadium Operations</td>
<td>38</td>
<td>31</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial, marketing &amp; other corporate functions</td>
<td>59</td>
<td>53</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>387</strong></td>
<td><strong>358</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Within these figures:

- **Domestic & Performance** includes employees within the BT 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>2018 £000</th>
<th>2017 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment costs:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wages and salaries</td>
<td>24,360</td>
<td>21,849</td>
</tr>
<tr>
<td>Social security costs</td>
<td>2,887</td>
<td>2,454</td>
</tr>
<tr>
<td>Other pension costs</td>
<td>717</td>
<td>628</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>27,964</strong></td>
<td><strong>24,931</strong></td>
</tr>
</tbody>
</table>

At the year end the pension accrual was £273k (2017 - £390k).
Notes to the Financial Statements

3. Net Interest

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Interest payable on bank overdrafts</td>
<td>(251)</td>
<td>(274)</td>
</tr>
<tr>
<td>Amortisation of Debenture issue costs</td>
<td>(82)</td>
<td>(82)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>(333)</strong></td>
<td><strong>(356)</strong></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>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Current Tax: On surplus arising from non-mutual trading</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Deferred: Origination and reversal of timing differences</td>
<td>450</td>
<td>292</td>
</tr>
<tr>
<td>Movement in deferred tax unprovided</td>
<td>(450)</td>
<td>(292)</td>
</tr>
</tbody>
</table>

Factors affecting the current tax charge for the year

Surplus on ordinary activities before taxation | 1,837 | 1,715 |
Corporation Tax at 19% (2017 – 20%) | 349 | 343 |

Effects of:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net expenses not deductible for tax purposes</td>
<td>161</td>
<td>163</td>
</tr>
<tr>
<td>Crystallisation of tax losses</td>
<td>(447)</td>
<td>(573)</td>
</tr>
<tr>
<td>Non-taxable mutual profits</td>
<td>(198)</td>
<td>(150)</td>
</tr>
<tr>
<td>Depreciation in excess of capital allowances</td>
<td>102</td>
<td>103</td>
</tr>
<tr>
<td>Capital transactions</td>
<td>16</td>
<td>83</td>
</tr>
<tr>
<td>Movement in other timing differences</td>
<td>17</td>
<td>31</td>
</tr>
</tbody>
</table>

The Union has gross taxable profits arising in the year of £nil (2017 - £nil).

Notes to the Financial Statements

5. Tangible Assets

<table>
<thead>
<tr>
<th></th>
<th>Heritable Property</th>
<th>Fixtures and Fittings</th>
<th>Other Equipment</th>
<th>Assets Under Construction</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Cost</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at 1 June 2017</td>
<td>47,290</td>
<td>14,651</td>
<td>4,620</td>
<td>35</td>
<td>66,794</td>
</tr>
<tr>
<td>Additions</td>
<td>169</td>
<td>190</td>
<td>371</td>
<td>152</td>
<td>882</td>
</tr>
<tr>
<td>As at 31 May 2018</td>
<td>47,459</td>
<td>14,841</td>
<td>5,191</td>
<td>187</td>
<td>67,678</td>
</tr>
</tbody>
</table>

Accumulated Depreciation

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 1 June 2017</td>
<td>12,007</td>
<td>12,862</td>
<td>3,638</td>
<td>-</td>
<td>28,507</td>
</tr>
<tr>
<td>Charge for year</td>
<td>699</td>
<td>254</td>
<td>315</td>
<td>-</td>
<td>1,268</td>
</tr>
<tr>
<td>As at 31 May 2018</td>
<td>12,706</td>
<td>13,116</td>
<td>3,953</td>
<td>-</td>
<td>29,775</td>
</tr>
</tbody>
</table>

Net book value

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 31 May 2018</td>
<td>34,753</td>
<td>1,725</td>
<td>1,238</td>
<td>187</td>
<td>37,903</td>
</tr>
<tr>
<td>As at 31 May 2017</td>
<td>35,283</td>
<td>1,789</td>
<td>1,182</td>
<td>35</td>
<td>38,289</td>
</tr>
</tbody>
</table>

6. Intangible Assets

<table>
<thead>
<tr>
<th></th>
<th>Computer Software</th>
<th>Assets Under Construction</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Cost</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at 1 June 2017</td>
<td>203</td>
<td>162</td>
<td>365</td>
</tr>
<tr>
<td>Transfers</td>
<td>72</td>
<td>(72)</td>
<td>-</td>
</tr>
<tr>
<td>Additions</td>
<td>222</td>
<td>-</td>
<td>222</td>
</tr>
<tr>
<td>As at 31 May 2018</td>
<td>477</td>
<td>90</td>
<td>587</td>
</tr>
</tbody>
</table>

Accumulated Amortisation

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 1 June 2017</td>
<td>159</td>
<td>-</td>
<td>159</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charge for year</td>
<td>13</td>
<td>-</td>
<td>13</td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at 31 May 2018</td>
<td>172</td>
<td>-</td>
<td>172</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Net book value

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>As at 31 May 2018</td>
<td>325</td>
<td>90</td>
<td>415</td>
<td></td>
<td></td>
</tr>
<tr>
<td>As at 31 May 2017</td>
<td>44</td>
<td>162</td>
<td>206</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
7. Investments

The Union holds one €1.25 ordinary share in British & Irish Lions DAC, First Floor, Simmorscourt House, Simmorscourt Road, Ballsbridge, Dublin 4, a company incorporated in the Irish Republic. The Union’s investment represents a 20% holding in the issued share capital of the company.

The Union is the beneficial owner of 100 €1.00 ordinary shares in Celtic Rugby DAC, Millbank House, Aikle Road, Sandyford 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 Rugby and Glasgow Warriors Limited. These companies are all dormant, and their registered address is BT Murrayfield Stadium, Edinburgh EH12 5PJ.

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

8. Debtors

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts falling due within one year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade debtors</td>
<td>£6,880</td>
<td>£4,760</td>
</tr>
<tr>
<td>Other debtors</td>
<td>£286</td>
<td>£285</td>
</tr>
<tr>
<td>Prepayments</td>
<td>£854</td>
<td>£856</td>
</tr>
<tr>
<td></td>
<td>£8,020</td>
<td>£5,951</td>
</tr>
</tbody>
</table>

9. Creditors

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts falling due within one year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advance receipts</td>
<td>£5,363</td>
<td>£4,600</td>
</tr>
<tr>
<td>Trade creditors</td>
<td>£2,000</td>
<td>£1,594</td>
</tr>
<tr>
<td>Other tax and social security</td>
<td>£2,392</td>
<td>£2,538</td>
</tr>
<tr>
<td>Accruals</td>
<td>£6,034</td>
<td>£5,397</td>
</tr>
<tr>
<td></td>
<td>£15,789</td>
<td>£14,129</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts falling due more than one year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank loans</td>
<td>£3,500</td>
<td>£5,000</td>
</tr>
<tr>
<td>Other creditors</td>
<td>-</td>
<td>£47</td>
</tr>
<tr>
<td></td>
<td>£3,500</td>
<td>£5,047</td>
</tr>
</tbody>
</table>

Within Amounts falling due more than one year, bank loans of £3.5m (2017: £5m) are repayable in full by 30 June 2020. Security was granted to the Union’s bankers by way of a Bond and Floating charge over the assets of Scottish Rugby Union Limited.

10. Financial instruments

Treasur policy

Treasur policy is focused on monitoring working capital, managing interest rate risk and managing currency rate risk. Treasur policy 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>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial assets that are debit instruments measured at amortised cost:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade Debtors</td>
<td>£6,880</td>
<td>£4,760</td>
</tr>
<tr>
<td>Other debtors</td>
<td>£1,140</td>
<td>£1,141</td>
</tr>
<tr>
<td>Financial assets measured at fair value through other comprehensive income:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>£495</td>
<td>£640</td>
</tr>
<tr>
<td>Financial liabilities measured at amortised cost:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank Loans &amp; Overdraft</td>
<td>£3,500</td>
<td>£5,000</td>
</tr>
<tr>
<td>Trade creditors</td>
<td>£2,000</td>
<td>£1,594</td>
</tr>
<tr>
<td>Other creditors</td>
<td>£13,789</td>
<td>£12,582</td>
</tr>
<tr>
<td>Financial liabilities measured at fair value through other comprehensive income:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>£1,011</td>
<td>£1,707</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 in valuing the derivatives are the year end spot exchange rates. The fair value of the forward foreign exchange currency contracts at 31 May 2018 was (£472k) (2017: (£939k)).

Derivative financial instruments - Interest rate swaps

The Union has a term loan with Bank of Scotland of £3.5m (2017: £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 (2017: £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 2018 was (£44k). The fair value of the interest rate swaps in place on 31 May 2017 was (£128k).
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</td>
<td>Fund</td>
</tr>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Opening</td>
<td>-</td>
<td>50</td>
</tr>
<tr>
<td>Transfer during period</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Closing</td>
<td>-</td>
<td>52</td>
</tr>
</tbody>
</table>

Deferred tax comprises:

- Accelerated capital allowances: £1,185 (2018) and £1,231 (2017)
- Trading losses carried forward: £1,723 (2018) and £1,242 (2017)

Deferred provisions have not been recognised as it is not anticipated that they will be fully recoverable.

12. Deferred Income

<table>
<thead>
<tr>
<th>Heritage Debenture Class of Value</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Premium</td>
<td>Total</td>
<td>Total</td>
</tr>
<tr>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Opening</td>
<td>1,506</td>
<td>292</td>
</tr>
<tr>
<td>Amortisation in period</td>
<td>(20)</td>
<td>(10)</td>
</tr>
<tr>
<td>Closing</td>
<td>1,486</td>
<td>187</td>
</tr>
</tbody>
</table>

13. Ten Year Debentures

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

The 2009 Debentures are 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>Max. No. Authorised</th>
<th>No. Issued</th>
<th>No. 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>£9,000</td>
<td>500</td>
<td>188</td>
<td>1,861</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debentures issued</td>
<td></td>
<td></td>
<td>18,180</td>
<td>33,651</td>
</tr>
</tbody>
</table>

| Issue Costs:       |            |                     |            |            |
| Opening            | 1,946      | 2,028               |            |            |
| Amortisation       | (82)       | (82)                |            |            |
| Closing            | 1,864      | 1,794               |            |            |

| Net Issue Proceeds less Amortisation | 31,787 | 31,705 |

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 the 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</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land &amp; Buildings: payable in</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 year</td>
<td>374</td>
<td>374</td>
</tr>
<tr>
<td>2 to 5 years</td>
<td>912</td>
<td>1,283</td>
</tr>
<tr>
<td>Total</td>
<td>1,286</td>
<td>1,659</td>
</tr>
</tbody>
</table>

17. General Reserve

<table>
<thead>
<tr>
<th>Surplus for the year</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£600</td>
<td>£600</td>
</tr>
<tr>
<td></td>
<td>(1,237)</td>
<td>(1,715)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Closing</th>
</tr>
</thead>
<tbody>
<tr>
<td>(4,465)</td>
</tr>
</tbody>
</table>
Notes to the Financial Statements

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Operating surplus</td>
<td>2,170</td>
<td>2,402</td>
</tr>
<tr>
<td>Depreciation charge</td>
<td>1,268</td>
<td>1,215</td>
</tr>
<tr>
<td>Amortisation charge</td>
<td>13</td>
<td>16</td>
</tr>
<tr>
<td>Deferred income amortisation</td>
<td>(125)</td>
<td>(135)</td>
</tr>
<tr>
<td>Movement in other provisions</td>
<td>(10)</td>
<td>-</td>
</tr>
<tr>
<td>Tenant club residual fund</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>(Increase) / Decrease in debtors</td>
<td>(2,119)</td>
<td>575</td>
</tr>
<tr>
<td>Increase / (Decrease) in creditors</td>
<td>1,388</td>
<td>(224)</td>
</tr>
<tr>
<td></td>
<td>2,587</td>
<td>3,851</td>
</tr>
</tbody>
</table>

19. Reconciliation of net cashflow to movement in net debt

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>(Decrease) / increase in cash in the year</td>
<td>(43)</td>
<td>2,161</td>
</tr>
<tr>
<td>Amortisation of Murrayfield Debentures</td>
<td>(82)</td>
<td>(82)</td>
</tr>
<tr>
<td>Finance Lease</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Repayment of bank loan</td>
<td>1,500</td>
<td>500</td>
</tr>
<tr>
<td>Change in net debt during the year</td>
<td>1,379</td>
<td>2,582</td>
</tr>
<tr>
<td>Net debt of the beginning of the year</td>
<td>(34,767)</td>
<td>(37,349)</td>
</tr>
<tr>
<td>Net debt at the end of the year</td>
<td>(33,388)</td>
<td>(34,767)</td>
</tr>
</tbody>
</table>

20. Analysis of net debt

<table>
<thead>
<tr>
<th></th>
<th>31 May 2018</th>
<th>Cash Flows</th>
<th>Other Changes</th>
<th>31 May 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Cash in hand</td>
<td>15</td>
<td>(1)</td>
<td>-</td>
<td>14</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>2,021</td>
<td>(42)</td>
<td>-</td>
<td>1,979</td>
</tr>
<tr>
<td>Bank loans</td>
<td>(5,000)</td>
<td>1,500</td>
<td>-</td>
<td>(3,500)</td>
</tr>
<tr>
<td>Finance lease due within one year</td>
<td>-</td>
<td>4</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Irredeemable Debentures</td>
<td>(97)</td>
<td>-</td>
<td>-</td>
<td>(97)</td>
</tr>
<tr>
<td>Murrayfield Debentures</td>
<td>(31,705)</td>
<td>-</td>
<td>(82)</td>
<td>(31,787)</td>
</tr>
<tr>
<td>Ten Year Debentures</td>
<td>(1)</td>
<td></td>
<td></td>
<td>(1)</td>
</tr>
<tr>
<td></td>
<td>(34,767)</td>
<td>1,461</td>
<td>(82)</td>
<td>33,385</td>
</tr>
</tbody>
</table>

Note (1) – 2014 represents a 13 month period, ended 31 May 2014. Other columns represent one year, ending on 31 May.

Five Year Summary

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Income</td>
<td>57,241</td>
<td>51,449</td>
<td>47,434</td>
<td>44,243</td>
<td>43,730</td>
</tr>
</tbody>
</table>

Expenditure:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
<td></td>
</tr>
<tr>
<td>International and Professional Rugby</td>
<td>28,894</td>
<td>24,967</td>
</tr>
<tr>
<td>Domestic and Performance Rugby</td>
<td>8,731</td>
<td>7,623</td>
</tr>
<tr>
<td>Commercial and Operational</td>
<td>13,252</td>
<td>12,460</td>
</tr>
<tr>
<td>Club Support and Development</td>
<td>2,913</td>
<td>2,766</td>
</tr>
<tr>
<td>Total Expenditure</td>
<td>55,071</td>
<td>49,047</td>
</tr>
</tbody>
</table>

Net interest:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
<td></td>
</tr>
<tr>
<td>Operating Surplus</td>
<td>2,170</td>
<td>2,402</td>
</tr>
<tr>
<td>Deficit on disposal of Fixed Asset</td>
<td>-</td>
<td>(331)</td>
</tr>
<tr>
<td>Surplus on ordinary activities before interest</td>
<td>2,170</td>
<td>2,071</td>
</tr>
<tr>
<td>Net interest</td>
<td>(333)</td>
<td>(356)</td>
</tr>
<tr>
<td>Total Net interest</td>
<td>(366)</td>
<td>(392)</td>
</tr>
</tbody>
</table>

Surplus before taxation:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
<td></td>
</tr>
<tr>
<td>Surplus for year / period</td>
<td>1,837</td>
<td>1,715</td>
</tr>
<tr>
<td>Taxation</td>
<td>-</td>
<td>(10)</td>
</tr>
<tr>
<td>Total Surplus</td>
<td>1,827</td>
<td>1,705</td>
</tr>
</tbody>
</table>

Note (1) – 21 represents a 13 month period, ended 31 May 2014. Other columns represent one year, ending on 31 May.

21. Related Party Transactions

Three of the directors of Scottish Rugby Union Limited, Rob Flockhart, Jim Littlefair and Mike Moro were also trustees of the Murrayfield Injured Players Foundation during the year. 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 (2017: £1,560).

22. 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.
Commentary on the Financial Statements

This section provides a general commentary on the income and expenditure categories for the year ended 31 May 2018.

Turnover

Scottish Rugby’s turnover comes from a number of areas. National team match ticket sales, including the NatWest 6 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 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 outgoings such as advertising, turnstile 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 domestic rugby team, which is supported by sportscotland, together with associated programme costs, including travel, training 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 BT Sport 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 these 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 online 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

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 Participation Monies, 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.

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 spectra of print, broadcast, web and other social media are part of this category.

Depreciation

Depreciation is the annual charge in respect of Scottish Rugby’s fixed assets, primarily the redevelopment costs of BT Murrayfield Stadium.

Club Support and Development

Scottish Rugby’s turnover comes from a number of areas. National team match ticket sales, including the NatWest 6 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.