

**Highland Rugby Football Club  
(Scottish Charitable Incorporated Organisation)**

**FINANCIAL STATEMENTS**

For the year to 31 May 2021

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**Highland Rugby Football Club  
(Scottish Charitable Incorporated Organisation)**

**FINANCIAL STATEMENTS**

**For the year to 31 May 2021**

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**Highland Rugby Football Club  
(Scottish Charitable Incorporated Organisation)**

**TRUSTEES' ANNUAL REPORT**

**For the year to 31 May 2021**

The Trustees present their report and financial statements of the charity for the year to 31 May 2021.

**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Registered charity name</b>	Highland Rugby Football Club
<b>Charity registration number</b>	SC022504
<b>Principal address</b>	Canal Park Bught Lane Inverness IV3 5SS
<b>Trustees</b>	Geoff Begg, Fixtures Secretary Kevin Brown Roy Dinnes Graham Findlater, President Shona Fraser Karen Latif Gavin MacDonald Angus Macpherson Alastair McKenzie Alan Milton, Head of sponsorship Andrew Russell, Secretary Andrew Ward, Treasurer
<b>Bank</b>	Bank of Scotland PO Box 1000 BX2 1LB
<b>Independent Examiner</b>	Eunice McAdam 6 Meadowfield Park Inverness IV2 5HW

## Highland Rugby Football Club (Scottish Charitable Incorporated Organisation)

### TRUSTEES' ANNUAL REPORT (continued)

For the year to 31 May 2021

#### OBJECTIVES AND ACTIVITIES

##### Objectives and aims

Highland Rugby Football Club is a Scottish Charitable Incorporated Organisation which was formed on 10 May 2017. The Charity was previously an unincorporated association but changed its legal form to a SCIO. The assets of the unincorporated association were transferred to the SCIO on 30 June 2017.

The charitable objectives and aims of Highland Rugby Football Club are:

- to advance public participation in the sport of Rugby Union Football and other sports to improve the health and wellbeing of a wide range of participants
- to provide, develop, manage and promote recreational facilities and related recreational activities available to the public generally with the object of improving the conditions of life for the persons whom the facilities or activities are primarily intended; and
- to advance education with the provision of coaching and training throughout life-long learning in relation to sport, fitness, first aid and related skills to broaden the development of individual capabilities of children, youths, young adults and adults.

##### Significant activities

During the year:

- Due to Covid restrictions, no competitive games were played in the 2020/21 season. In the 2021/22 season however Highland Rugby Club intend to build on the success of earlier years by creating exposure of the brand across the local community
- Again due to Covid restrictions, our two Club Development Officers and six Community Coaches were unable to provide rugby to our local schools. The introduction of school leagues will continue to be a priority for the club however going forward. This approach has in the past been successful in introducing new players to the game, both at a school level and at club age grade level.
- The club is committed to exploring how we can involve children and young people from disadvantaged backgrounds and from recognised areas of deprivation, to experience playing rugby and benefit from the wider social aspects of the club environment
- On average across all the different age groups, both male and female, the club has experienced a 30% increase in people playing the game of rugby, with the biggest increase being at the mini/micro level
- In addition to the existing ten senior and junior sides, the club has introduced a senior 3<sup>rd</sup> XV. This is the result of increased numbers playing the game and the side has been accepted to play in Division Four of the Caley North League
- the Club trading company's third year of operation to 31 May 2021 achieved turnover of £14,192 (2020 - £101,042) and Covid grant funding of £38,267 (2020 - £nil) and a surplus of £31,818 (2020 - £27,808) before a donation of £33,046 (2020 -£29,348) from the trading company to the Charity

##### Plans for future periods

In the coming year, the charity's aims are:

- the club intends to purchase floodlights for one of the grass pitches, when funding becomes available. This additional facility will allow the club to have more players training, for longer periods, especially during the winter months. It is also hoped that, as a result of continued sponsorship, that a small stand may be built, allowing for a greater spectator experience
- the club will be erecting a small building outside the main building, which will be used for the sale of club merchandise and an entry point for spectators to the facility. The sale of merchandise is another significant area, where the club has surpassed all expectations
- to continue and enhance the work we do with our key partners, including the Scottish Rugby Union, Highlife Highland and The University of the Highlands and Islands. Our recently signed strategic partnership with the UHI continues to deliver opportunities for work experience, volunteering, player welfare, sports psychology, media training, marketing, nutrition, sports therapy and strength and conditioning. These are many cross over opportunities, which will add to the experience of both rugby players and students alike
- to grow the game of rugby in Inverness and the surrounding area. Our expansive community rugby programme continues to target areas where rugby has the potential to grow. An absolute priority is to see a significant expansion of the girls/ladies rugby
- to continue to raise the profile of the Club within the community and engage with other local communities to effectively utilise the Club's facilities
- to build on the Club's firm financial footing by developing new income streams by increasing commercial sponsorship and increased membership
- to be consistently competitive at all junior and adult levels in order to ensure an ongoing supply of talent capable of contributing to the Club's on-pitch success by having a coaching and player development programme.

## Highland Rugby Football Club (Scottish Charitable Incorporated Organisation)

### TRUSTEES' ANNUAL REPORT (continued)

For the year to 31 May 2021

#### FINANCE

##### Financial review

During the year the charity generated a surplus of £78,018 (2020 - £23,378). Income from charitable activities, grants, donations and fundraising totalled £155,483 (2020 - £196,206) while expenditure totalled £77,465 (2020 - £172,828). Included in this year's income is a donation from the Club's trading company of £33,046 (2020 - £29,348). Reserves at 31 May 2021 totalled £210,344 (2020 - £132,326).

##### Reserves policy

The Trustees have examined the charity's requirements for reserves in light of the main risks to the charity and aims to build reserves to allow the charity to continue to operate for six months. The target is reserves of £39,009 while reserves at 31 May 2021 stood at £210,344 (2020 - £132,326).

##### Principal funding sources

The charity is dependent on funding from Scottish Rugby Union and from its ongoing activities through subscriptions and sponsorship. The charity also has a trading company with all profits generated being gifted back to the charity where possible. This will enable the charity to support its charitable aims. The trading subsidiary derived its income during the year from the operation of the bar and selling merchandise for Highland Rugby Football Club.

##### Principal risks and uncertainties

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The trustees maintain a risk register to identify and review the major financial, strategic and operational risks to which the charity is exposed and are satisfied that measures are in place to mitigate exposure to these risks.

Non-financial risks arise from operational activities and compliance issues relating to licensing and obligations to staff. Operational risks are managed by ensuring that regular management meetings are held to monitor service delivery with close control maintained on costs. Compliance risks are mitigated by having robust policies and procedures in place with up to date staff training and ensuring that all licences and accreditations are kept up to date with regular reviews of procedures and documentation.

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Governing Document

The Charity is a Scottish Charitable Incorporated Organisation (a SCIO). It was registered in its current legal form on 10 May 2017. The Charity was previously an unincorporated association but changed its legal form to a SCIO. The assets of the unincorporated association were transferred to the SCIO on 30 June 2017. The trustees are members of the charity.

##### Organisational structure

The structure of the organisation consists of:

- The members - who have the right to attend members' meetings (including any annual general meeting) and have important powers under the constitution; in particular, the members appoint people to serve on the board and take decisions on changes to the constitution itself, and
- The board - who hold regular meetings and generally control the activities of the organisation, for example, the board is responsible for monitoring and controlling the financial position of the organisation.
- The people serving on the board are referred to as Charity Trustees.
- There are 5 sub-committees made up of the Charity's Trustees, covering Club Rugby, Community rugby, Marketing and sponsorship, Finance and governance and Canal Park Sports Club 2017 Limited, who report to the main board.

## Highland Rugby Football Club (Scottish Charitable Incorporated Organisation)

### TRUSTEES' ANNUAL REPORT (continued)

For the year to 31 May 2021

### STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

#### Appointment of trustees

- At each AGM, the members may elect any member to be a charity trustee
- The board may at any time appoint any member to be a charity trustee
- At each AGM, all of the charity trustees must retire from office - but may then be re-elected
- The maximum number of charity trustees is 12 while the minimum is 8

#### Trustees' Responsibilities Statement

The Trustees are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and the incoming resources, including the income and expenditure for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principals in the applicable charities SORP 2015 (FRS102)
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any point in time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees' annual report was approved on and signed on behalf of the Board of Trustees by:

Trustee

**Highland Rugby Football Club  
(Scottish Charitable Incorporated Organisation)**

**INDEPENDENT EXAMINERS REPORT**

**Independent Examiner's Report to the Trustees of Highland Rugby Football Club**

I report on the financial statements of the Charity for the year to 31 May 2021 which are set out on page 3 to 13.

**Respective responsibilities of trustees and examiner**

The Charity's Trustees are responsible for the preparation of the financial statements in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The Charity Trustees consider that the audit requirement of Regulation 10(1) (a) to (c) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

**Basis of independent examiner's statement**

My examination is carried out in accordance with Regulation 11 of the 2006 Accounts Regulations. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the financial statements.

**Independent examiner's statement**

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in any material respect the requirements:
  - to keep accounting records in accordance with Section 44 (1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations; and
  - to prepare financial statements which accord with the accounting records and comply with Regulation 8 of the 2006 Accounts Regulations:have not been met: or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

**Highland Rugby Football Club  
(Scottish Charitable Incorporated Organisation)**

**STATEMENT OF FINANCIAL ACTIVITIES  
(including income and expenditure account)**

For the year to 31 May 2021

	Note	2021 Total Funds £	2020 Total Funds £
<b>Income</b>			
Grants and donations	4	95,722	96,777
Charitable activities	5	56,910	94,270
Other trading activities	6	2,851	5,159
<b>Total income</b>		<u>155,483</u>	<u>196,206</u>
<b>Expenditure</b>			
Expenditure on charitable activities	7	77,465	172,828
<b>Total expenditure</b>		<u>77,465</u>	<u>172,828</u>
<b>Net income/movement in funds</b>		78,018	23,378
<b>Reconciliation of funds</b>			
Total funds brought forward		132,326	108,948
Total funds carried forward		<u>210,344</u>	<u>132,326</u>

The Statement of Financial Activities includes all gains and losses recognised in the period.

All income and expenditure is derived from continuing activities.

All funds of the Charity are unrestricted.

The notes on pages 10 to 13 form part of these financial statements.



**Highland Rugby Football Club  
(Scottish Charitable Incorporated Organisation)**

**STATEMENT OF FINANCIAL POSITION**

**As at 31 May 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	9	10,320	0
Investments	10	<u>1</u>	<u>1</u>
		<u>10,321</u>	<u>1</u>
<b>Current assets</b>			
Debtors	11	2,531	2,140
Accrued income	12	33,046	29,348
Current bank account		45,677	105,152
Deposit bank account		<u>130,001</u>	-
		<u>211,255</u>	<u>136,640</u>
<b>Creditors : due within one year</b>			
Trade and other creditors	13	<u>11,232</u>	<u>4,315</u>
		<u>11,232</u>	<u>4,315</u>
<b>Net current assets</b>		200,023	132,325
<b>Net assets</b>		<u>210,344</u>	<u>132,326</u>
<b>Funds of the Charity</b>			
Unrestricted funds		210,344	132,326
<b>Total charity funds</b>		<u>210,344</u>	<u>132,326</u>

The financial statements were approved by the Board of Trustees and authorised for issue on signed on behalf of the Board by: and are

Trustee

Charity registration number: SC047400

The notes on pages 10 to 13 form part of these financial statements.

## **Highland Rugby Football Club (Scottish Charitable Incorporated Organisation)**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year to 31 May 2021**

#### **1. General information**

The Charity is a Scottish Charitable Incorporated Organisation. The principal contact address is Canal Park, Bught Lane, Inverness, IV3 5SS.

#### **2. Statement of Compliance**

These financial statements have been prepared in compliance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting standard applicable to UK and Republic of Ireland (FRS 102) Charities SORP (FRS 102) and the Charities and Trustee Investment (Scotland) Act 2005 and the Charity Accounts (Scotland) Regulations 2006 (as amended).

#### **3. Accounting policies**

##### **Going concern**

The financial statements have been prepared on a going concern basis. The Trustees have assessed the ability of the charity to continue as a going concern and have reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

##### **Basis of preparation**

The financial statements have been prepared on the historical cost basis. The Trustees have taken advantage of S6(1) of the Charities Accounts (Scotland) Regulations 2006 (amended) and chosen not to consolidate the results of the Charity's trading subsidiary.

##### **Fund accounting**

Unrestricted funds are available for use at the discretion of the Trustees to further any of the Charity's purposes.

##### **Income**

All income is included in the Statement of Financial Activities when the charity is entitled to the income, the amount can be quantified with reasonable accuracy, and receipt is probable. The following specific policies are applied to particular categories of income.

##### **Subscriptions and sponsorship income**

Income from subscriptions and sponsorship is recognised over the period to which they relate. Amounts relating to subscription or sponsorship periods falling after the year end are deferred into the next accounting period.

##### **Donations and grants**

Donations are recognised when the Charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that those conditions will be fulfilled in the reporting period.

Grants received are reflected in the Statement of Financial Activities when relevant conditions for entitlement have been met, it is probable they will be received, and the amounts can be quantified with sufficient reliability. Grants of a revenue nature are credited to the Statement of Financial Activities in the period to which they relate. Grant income with specific restrictions on utilisation in terms of timing or service provision are deferred in accordance with the terms provided by the grantor as appropriate.

## Highland Rugby Football Club (Scottish Charitable Incorporated Organisation)

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year to 31 May 2021

#### 3. Accounting policies (continued)

##### Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure includes any VAT which cannot be fully recovered and is reported as part of the expenditure to which it relates.

##### Charitable expenditure

Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. The Charity has chosen not to report its costs under the activity basis.

##### Tangible assets

Tangible assets are depreciated over the life of the assets as follows:

Gym equipment - 20% straight line

##### Debtors

Debtors and accrued income is recognised at the settlement amount rate.

##### Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

##### Taxation

The Charity is exempt from corporation tax on its charitable activities.

##### Investment in subsidiary

Investment in the subsidiary company is recorded at cost less any accumulated impairment losses.

#### 4. Grants and donations

	2021	2020
	£	£
<b>Donations</b>		
Gift aid from Canal Park Sports Club 2017 Ltd	33,046	29,348
<b>Grants</b>		
Scottish Rugby Union - travel, referee costs etc	0	32,887
Scottish Rugby Union - community rugby development/Covid support	29,951	14,500
Coronavirus job retention scheme grant income	19,825	6,241
<b>Other donations and legacies</b>		
Other donations	12,900	13,801
	<u>95,722</u>	<u>96,777</u>

**Highland Rugby Football Club  
(Scottish Charitable Incorporated Organisation)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the year to 31 May 2021**

**5. Charitable activities**

	2021	2020
	£	£
Subscriptions	25,286	40,509
Sponsorship	22,080	36,934
Gate entry/programme sales/raffle money	-	9,756
Match fees	-	6,591
Skillzone/Northern Highlanders	-	480
Lotto	6,872	-
Easter camp	2,672	-
	<u>56,910</u>	<u>94,270</u>

**6. Other trading activities - fundraising**

	2021	2020
	£	£
Mini fundraising	43	-
Commission on sale of international tickets	93	239
Ladies day	-	2,429
Sundry income	214	2,491
Insurance claim	2,500	-
Bank interest received	1	-
	<u>2,851</u>	<u>5,159</u>

**7. Expenditure on Charitable Activities**

	2021	2020
	£	£
Rugby development officers and club manager- gross salary		
- Gross salary	40,613	56,568
- NIC and pension	3,805	2,472
Other community rugby development costs	4,891	4,281
Travel	-	38,235
Sponsorship/programme costs	1,510	9,530
Trips and tours	-	-
Insurance	3,577	3,117
Physiotherapy	130	13,804
Coaching expenses	-	1,080
Coaches and team kit, net of player contribution	9,644	13,479
Equipment, trophies and sundry items	1,175	2,898
External catering	322	14,889
Cleaning charges	0	2,500
Electricity	-70	70
Pitch sinking fund	6,000	6,000
Pitch seed/grass cutting	1,600	490
Bank charges	119	475
Website, media cover and IT costs	2,550	1,988
Miscellaneous costs	862	952
Depreciation	737	0
	<u>77,465</u>	<u>172,828</u>

**Highland Rugby Football Club  
(Scottish Charitable Incorporated Organisation)**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 31 May 2021

**8. Staff costs and key management personnel remuneration**

The average number of employees during the year is 2 (2020 - 2).

The key management personnel are the Trustees. No remuneration, other benefits or expenses were paid to the Trustees during the year.

Details of staff costs are included at note 7.

**9. Tangible assets**

	Gym Equipment
COST	
At 1 June 2020	-
Additions	<u>11,057</u>
At 31 May 2021	<u>11,057</u>
DEPRECIATION	
At 1 June 2020	-
Charge for year	<u>737</u>
At 31 May 2021	<u>737</u>
NET BOOK VALUE	
At 31 May 2021	<u>10,320</u>
At 1 June 2020	<u>-</u>

**10. Investments**

The Charity holds one £1 ordinary share in Canal Park Sports Club 2017 Limited, a company registered in Scotland with the registered office at Canal Park, Bught Lane, Inverness, IV3 5SS. The shareholding equates to 100% of the shares in the company.

**11. Debtors**

Debtors at 31 May 2021 comprise Coronavirus Job retention scheme grant income received after the year end of £2,531 (2020 - £2,140).

**12. Accrued income**

Accrued income relates to a donation of £33,046 (2020 - £29,348) due from Canal Park Sports Club 2017 Ltd for the year to 31 May 2021.

**13. Trade and other creditors**

	2021	2020
	£	£
Wages, PAYE/NIC and pension liability	2,800	1,745
Cleaning charges	2,500	2,500
Electricity	-	70
La Baule income carried forward	3,770	-
Balance due to CPSC	562	
Highland Council - grass cutting	1,600	
	<u>11,232</u>	<u>4,315</u>

**14. Events after the end of the reporting period**

In March 2020 the United Kingdom entered a public health crisis in the form of COVID-19. This resulted in there being no rugby games being played in the year and the Clubhouse only being open on certain days for televised matches. As a result, trading in Canal Park Sports Club 2017 Limited was limited in the year to 31 May 2021 which will restrict donations from this company. At the time of signing the full impact of COVID-19 is unknown however the trustees believe, at this point in time, the financial statements should be prepared on a going concern basis. The trustees have reasonable expectations that the charity will have adequate resources to meet its liabilities for the period of at least 12 months from the date of approval of these financial statements.