

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

FINANCIAL STATEMENTS

For the year to 31 May 2022

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FINANCIAL STATEMENTS

For the year to 31 May 2022

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

TRUSTEES' ANNUAL REPORT

For the year to 31 May 2022

The Trustees present their report and financial statements of the charity for the year to 31 May 2022.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	Highland Rugby Football Club
Charity registration number	SC047400
Principal address	Canal Park Bught Lane Inverness IV3 5SS
Trustees	Geoff Begg Kevin Brown Roy Dinnes Graham Findlater, President Shona Fraser Karen Latif Gavin MacDonald Angus Macpherson Alan Milton Andrew Ward, Treasurer Owen Cochrane, Secretary (appointed 23/7/21) Craig Findlater (appointed 23/7/21) Alastair McKenzie (resigned 23/7/21) Andrew Russell (resigned 23/7/21)
Bank	Bank of Scotland PO Box 1000 BX2 1LB
Independent Examiner	Eunice McAdam 49 Old Edinburgh Road Inverness IV2 3PG

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

TRUSTEES' ANNUAL REPORT (continued)

For the year to 31 May 2022

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:

- The club has bounced back post covid with competitive rugby being played at all levels. It is testament to the hard work of the Development Officers that numbers are again strong through our junior, mini and micros rugby
- At a senior level the club now puts out 3 mens teams competing in National 1 (1st XV) and the Caledonia Leagues; this means that on any given Saturday between 60 and 70 players can be representing the club at senior level
- Initially girls rugby appeared to suffer from drop off in numbers post covid but the club increased numbers from 5 to over 30 in a relatively short time. The development of ladies and girls rugby continues to be a main focus for the club
- Schools of rugby are well established in 5 secondary schools; this is part of the school curriculum with an emphasis not just on rugby but physical health and well being
- The club continues to look at opportunities to actively involve members from all age groups; with this in mind walking rugby was introduced on a Saturday morning and is proving to be very popular
- The club is engaged with the George Barrie Foundation; this, amongst other things, aims to advance public participation in sport, especially youth rugby with a dedicated focus on involvement and inclusion
- the club erected a small cabin outside the main building, which has been 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
- the Club trading company, Canal Park Sports Club 2017 Limited, achieved turnover of £121,179 (2021 - £14,192) and Covid grant funding of £6,950 (2021 - £37,800) and a surplus of £29,722 (2021 - £32,052) before a donation of £27,708 (2021 -£33,046) from the trading company to the Charity

Plans for future periods

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

- The Club's centenary year is 2022 and straddles this reporting period. Much of the past year has been dedicated to planning and delivering Centenary events such as the Highland Beer, Gin and Whisky Festival, Inverness City 7s, a Centenary Dinner, Civic reception, pro match rugby, Museum exhibition, Centenary whisky, Centenary tartan and many other events which incorporate all age groups across the club. This continues to be a focus for the rest of this year and there are a number of legacy benefits from these activities. It is undoubtedly raising the profile of the club both locally and nationally.
- The club will look at all opportunities to exploit the increased profile and standing it has in the community as a result of the added exposure from the Centenary year celebrations.
- 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.
- To continue and enhance the work we do with our key partners, including Scottish Rugby Union, Highlife Highland and The University of the Highlands and Islands. Our 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.
- The club appointed a Business Operations Manager in June 2022 with the assistance of funding from SRU. This is a significant development and investment for the club. Responsibilities include:
 - the day to day operations of the club including health and safety, customer care, financial procedures, leading and managing the bar team and liaising with our catering partners and landlords. Also growing community engagement through marketing and brand development and assisting with strategic fundraising and grant applications, as well as hospitality and sponsorship. This role has the potential to take the club to the next level commercially and will help raise the profile of the club in the community.

**Highland Rugby Football Club
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TRUSTEES' ANNUAL REPORT (continued)

For the year to 31 May 2022

OBJECTIVES AND ACTIVITIES (continued)

Plans for future periods continued)

- Again a main priority is to grow the game of rugby in Inverness and the surrounding area; we will continue to place an emphasis on the ladies and girls game and targeting hard to reach areas. Additionally increased emphasis is being placed on mental health and well being. The club has 2 mental health volunteers and is to appoint a Club Padre in the near future.
- despite geographical challenges we will continue to give to our players, both male and female, the opportunity to play at the highest level. Our approach is two-fold: to develop the game of rugby in the local area and to give talented athletes the opportunity to thrive at a local, regional and national level.
- during the forthcoming year the club's development plan will be reviewed and updated. Volunteer development and recognition will be high in the priorities.

FINANCE

Financial review

During the year the charity generated a surplus of £26,999 (2021 - £78,018). Income from charitable activities, grants, donations and fundraising totalled £238,514 (2021 - £155,483) while expenditure totalled £211,515 (2021 - £77,465). Included in this year's income is a donation from the Club's trading company of £27,708 (2021 - £33,046). Reserves at 31 May 2022 totalled £237,343 (2021 - £210,344).

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 £105,757 while Bank reserves at 31 May 2022 stood at £184,434 (2021 - £175,678).

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
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TRUSTEES' ANNUAL REPORT (continued)

For the year to 31 May 2022

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 10 Decemer 2022 and signed on behalf of the Board of Trustees by:

Roy Dinnes
Trustee

**Highland Rugby Football Club
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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 2022 which are set out on page 8 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.

Eunice McAdam, Chartered Accountant
49 Old Edinburgh Road
Inverness
IV2 3PG

30 November 2022

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

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

For the year to 31 May 2022

	Note	2022 Total Funds £	2021 Total Funds £
Income			
Grants and donations	4	95,912	95,722
Charitable activities	5	132,129	56,910
Other trading activities	6	10,473	2,851
Total income		<u>238,514</u>	<u>155,483</u>
Expenditure			
Expenditure on charitable activities	7	211,515	77,465
Total expenditure		<u>211,515</u>	<u>77,465</u>
Net income/movement in funds		26,999	78,018
Reconciliation of funds			
Total funds brought forward		210,344	132,326
Total funds carried forward		<u>237,343</u>	<u>210,344</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
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STATEMENT OF FINANCIAL POSITION

As at 31 May 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	9	15,388	10,320
Investments	10	<u>1</u>	<u>1</u>
		<u>15,389</u>	<u>10,321</u>
Current assets			
Debtors	11	6,184	2,531
Accrued income	12	27,708	33,046
Prepaid Centenary and City 7s costs for future events carried forward		23,571	-
Current bank account		54,421	45,677
Deposit bank account		<u>130,013</u>	<u>130,001</u>
		<u>241,897</u>	<u>211,255</u>
Creditors : due within one year			
Trade and other creditors	13	4,770	11,232
Prepaid Centenary and City 7s income carried forward		<u>15,173</u>	<u>-</u>
		<u>19,943</u>	<u>11,232</u>
Net current assets		221,954	200,023
Net assets		<u>237,343</u>	<u>210,344</u>
Funds of the Charity			
Unrestricted funds		237,343	210,344
Total charity funds		<u>237,343</u>	<u>210,344</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 10 December 2022 and are signed on behalf of the Board by:

Roy Dinnes
Trustee

Charity registration number: SC047400

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

**Highland Rugby Football Club
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NOTES TO THE FINANCIAL STATEMENTS

For the year to 31 May 2022

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
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NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year to 31 May 2022

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 VAT which is not recoverable 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 - 5 years straight line

Internet connection, website and platform for match analysis - 3 years 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

	2022	2021
	£	£
Donations		
Gift aid from Canal Park Sports Club 2017 Ltd	27,708	33,046
Grants		
Scottish Rugby Union - travel, referee costs etc	12,450	-
Scottish Rugby Union - community rugby development/Covid support	49,850	29,951
Coronavirus job retention scheme grant income	470	19,825
Other donations and legacies		
Other donations	5,434	12,900
	<u>95,912</u>	<u>95,722</u>

**Highland Rugby Football Club
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NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year to 31 May 2022

5. Charitable activities

	2022	2021
	£	£
Subscriptions	44,629	25,286
Player sponsorship	6,600	-
Sponsorship	57,884	22,080
Gate entry/programme sales/raffle money	11,159	-
Match fees	2,849	-
Lotto	7,071	6,872
Easter/summer camp	383	2,672
Trips and tours	1,554	-
	<u>132,129</u>	<u>56,910</u>

6. Other trading activities - fundraising

	2022	2021
	£	£
Junior/Mini fundraising	5,519	43
Commission on sale of international tickets	1,233	93
Ladies day	2,864	-
Sundry income	5	214
Gym rental	840	-
Insurance claim	-	2,500
Bank interest received	12	1
	<u>10,473</u>	<u>2,851</u>

7. Expenditure on Charitable Activities

	2022	2021
	£	£
Rugby development officers and club manager		
- Gross salary	52,021	40,613
- NIC and pension	5,026	3,805
Other community rugby development costs	7,408	4,891
Travel	42,192	-
Sponsorship/programme costs	10,298	1,510
Easter/summer camp - gross salary	5,160	-
- costs	652	-
Insurance	4,661	3,577
Physiotherapy	18,307	130
Coaches and team kit, net of player contribution	31,263	9,644
Laundry	1,056	-
Equipment, trophies and sundry items	668	1,175
External catering	15,014	322
Cleaning charges	-2,500	-
Electricity	-	-70
Pitch sinking fund	6,000	6,000
Grass seed/grass cutting/fencing	3,498	1,600
Bank charges	301	119
Website, media cover and IT costs	4,067	2,550
Miscellaneous costs	573	862
Depreciation	5,850	737
	<u>211,515</u>	<u>77,465</u>

**Highland Rugby Football Club
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NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 May 2022

8. Staff costs and key management personnel remuneration

The average number of employees during the year is 3 (2021 - 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 £	Internet connection £	Platform for Website £	match analysis £	Total £
COST					
At 1 June 2021	11,057				11,057
Additions		4,498	5,220	1,200	10,918
At 31 May 2022	11,057	4,498	5,220	1,200	21,975
DEPRECIATION					
At 1 June 2021	737				737
Charge for year	2,211	1,499	1,740	400	5,850
At 31 May 2022	2,948	1,499	1,740	400	6,587
NET BOOK VALUE					
At 31 May 2022	8,109	2,999	3,480	800	15,388
At 1 June 2021	10,320	0	0	0	10,320

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 2022 comprise £3,000 received after the year end from SRU towards travel, £1,164 due from Canal Park Sports Club 2017 Limited for costs to be refunded and £2,020 due back from a supplier (2021 - Coronavirus Job retention scheme grant income £2,531).

12. Accrued income

Accrued income relates to a donation of £27,708 (2021 - £33,046) due from Canal Park Sports Club 2017 Ltd for the year to 31 May 2022.

13. Trade and other creditors

	2022 £	2021 £
Wages, PAYE/NIC and pension liability	916	2,800
Cleaning charges	0	2,500
La Baule costs	2,485	3,770
Balance due to CPSC	0	562
Highland Council - grass cutting	0	1,600
Development officer, community coaches and strength/conditioning costs	1,369	0
	<u>4,770</u>	<u>11,232</u>

14. Events after the end of the reporting period

The club has committed a donation to the George Barrie Foundation of £5,000 which will be paid in the year to 31 May 2023.