

Charity Registration Number: SC047400

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

FINANCIAL STATEMENTS

For the year to 31 May 2020

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(Scottish Charitable Incorporated Organisation)**

FINANCIAL STATEMENTS

For the year to 31 May 2020

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

TRUSTEES' ANNUAL REPORT

For the year to 31 May 2020

The Trustees present their report and financial statements of the charity for the year to 31 May 2020.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	Highland Rugby Football Club
Charity registration number	SC022504
Principal address	Canal Park Bught Lane Inverness IV3 5SS
Trustees	Geoff Begg, Fixtures Secretary Kevin Brown (appointed 11 June 2019) Roy Dinnes (appointed 11 June 2019) Graham Findlater, President Shona Fraser Karen Latif Gavin MacDonald (appointed 11 June 2019) Angus Macpherson Alastair McKenzie Alan Milton, Head of sponsorship Andrew Russell, Secretary Andrew Ward, Treasurer Caroline Durrant (appointed 13 June 2018 and resigned 11 June 2019) Ronald Kelly (resigned 11 June 2019)
Bank	Bank of Scotland PO Box 1000 BX2 1LB
Independent Examiner	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 2020

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, both on and off the pitch, saw great success across all the age ranges. Highland Rugby Club will build on this success by creating exposure of the brand across the local community
- our two Club Development Officers and six Community Coaches delivered in excess of 500 hours of rugby to our local schools. The introduction of school leagues continues to be a priority for the club. This approach is proving 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 3rd 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's trading company's third year of operation to 31 May 2020 achieved turnover of £196,206 (2019 - £197,182) and a profit of £23,378 (2019 - £27,308) after a donation of £29,348 (2019 -£30,296) from Canal Park Sports Club 2017 Ltd 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 capability 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 2020

FINANCE

Financial review

During the year the charity generated a surplus of £23,378 (2019 - £27,308). Income from charitable activities, grants, donations and fundraising totalled £196,206 (2019 - £197,182) while expenditure totalled £172,828 (2019 - £169,874). Included in this year's income is a donation from the Club's trading company of £29,348 (2019 - £30,296). Reserves at 31 May 2020 totalled £132,326 (2019 - £108,948).

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 £86,414 while reserves at 31 May 2020 stood at £132,326 (2019 - £108,948).

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, Finance, 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 2020

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:

Graham Findlater
Trustee



23/1/21

**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 2020 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.

Eunice McAdam

Eunice McAdam, Chartered Accountant
6 Meadowfield Park
Inverness
IV2 5HW

Date 23/1/2021

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

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

For the year to 31 May 2020

	Note	2020 Total Funds £	2019 Total Funds £
Income			
Grants and donations	4	96,777	101,471
Charitable activities	5	94,270	87,860
Other trading activities	6	5,159	7,851
Total income		<u>196,206</u>	<u>197,182</u>
Expenditure			
Expenditure on charitable activities	7	172,828	169,874
Total expenditure		<u>172,828</u>	<u>169,874</u>
Net income/movement in funds		23,378	27,308
Reconciliation of funds			
Total funds brought forward		108,948	81,640
Total funds carried forward		<u>132,326</u>	<u>108,948</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 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	9	<u>1</u>	<u>1</u>
		1	1
Current assets			
Debtors	10	2,140	164
Accrued income	11	29,348	30,296
Cash at bank		<u>105,152</u>	<u>83,695</u>
		<u>136,640</u>	<u>114,155</u>
Creditors : due within one year			
Trade and other creditors	12	<u>4,315</u>	<u>5,208</u>
		4,315	5,208
Net current assets		132,325	108,947
Net assets		<u>132,326</u>	<u>108,948</u>
Funds of the Charity			
Unrestricted funds		132,326	108,948
Total charity funds		<u>132,326</u>	<u>108,948</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 23/1/20 and are signed on behalf of the Board by:

Graham Findlater

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 2020

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 2020

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.

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

	2020	2019
	£	£
Donations		
Gift aid from Canal Park Sports Club 2017 Ltd	29,348	30,296
Grants		
Scottish Rugby Union - travel, referee costs etc	32,887	37,118
Scottish Rugby Union - community rugby development	14,500	19,603
Highland Council - community rugby development	-	-
Coronavirus job retention scheme grant income	6,241	-
Other donations and legacies		
Other donations	13,801	14,454
	<u>96,777</u>	<u>101,471</u>

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year to 31 May 2020

5. Charitable activities

	2020	2019
	£	£
Subscriptions	40,509	36,987
Sponsorship	36,934	29,500
Gate entry/programme sales/raffle money	9,756	11,798
Match fees	6,591	7,063
Skilzone/Northern Highlanders	480	2,512
	<u>94,270</u>	<u>87,860</u>

6. Other trading activities - fundraising

	2020	2019
	£	£
Mini fundraising	0	4,000
Commission on sale of international tickets	239	1,332
Club dinner/SRU and junior awards nights	-	1,460
Ladies day	2,429	-
Sundry income	2,491	1,059
	<u>5,159</u>	<u>7,851</u>

7. Expenditure on Charitable Activities

	2020	2019
	£	£
Rugby development officers and club manager- gross salary	56,568	36,865
- NIC and pension	2,472	940
Other community rugby development costs	4,281	3,553
Travel	38,235	43,361
Sponsorship/programme costs	9,530	9,807
Trips and tours	-	1,675
Insurance	3,117	3,579
Physiotherapy	13,804	17,832
Coaching expenses	1,080	956
Coaches and team kit, net of player contribution	13,479	9,420
Equipment, trophies and sundry items	2,898	10,954
External catering	14,889	20,124
Cleaning charges	2,500	2,500
Rent, rates and electricity	70	-
Pitch sinking fund	6,000	6,000
Pitch seed	490	-
Bank charges	475	441
Website, media cover and IT costs	1,988	440
Miscellaneous costs	952	1,427
	<u>172,828</u>	<u>169,874</u>

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 May 2020

8. Staff costs and key management personnel remuneration

The average number of employees during the year is 2 (2019 - 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. 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.

10. Debtors

Debtors at 31 May 2019 comprised a balance due from Canal Park Sports Club 2017 Limited of £164 which was repaid during the year. Debtors at 31 May 2020 comprise Coronavirus Job retention scheme grant income received after the year end of £2,140.

11. Accrued income

Accrued income relates to a donation of £29,348 (2019 - £30,296) due from Canal Park Sports Club 2017 Ltd for the year to 31 May 2020.

12. Trade and other creditors

	2020	2019
	£	£
PAYE/NIC and pension liability	1,745	1,200
Cleaning charges	2,500	2,500
Refund due to Craig Dunain and RSRFC	-	1,508
Electricity	70	-
	<u>4,315</u>	<u>5,208</u>

13. 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 all rugby games ceasing and the Clubhouse being closed. As a result, trading in Canal Park Sports Club 2017 Limited also ceased which will restrict future 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.