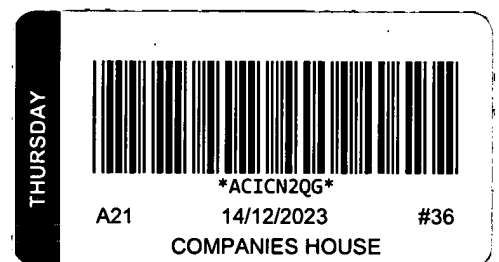




**SCOTTISH RUGBY LIMITED (Formerly known as Scottish
Rugby Union Limited)**

Financial Statements

for the year ended 31 May 2023



SC132061

SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited)

**Financial Statements
for the year ended 31 May 2023**

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SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited)– STRATEGIC REPORT

The Directors present their Strategic Report for the year ended 31 May 2023.

During the year and following on from the recommendations of the Crerar Report on Governance, the corporate structures within Scottish Rugby changed. With effect from 1 November 2022, the company's former parent entity, the unincorporated association known as Scottish Rugby Union was dissolved. Its assets including the entire issued share capital in the Company held by the Trustees of the Scottish Rugby Union Trust, were transferred to a new company limited by guarantee, called Scottish Rugby Union, which is now the Company's parent. As part of this restructuring process the company's name was changed to Scottish Rugby Limited (formerly known as Scottish Rugby Union Limited) ("SRL").

Principal Activities

The principal activity of Scottish Rugby Limited (formerly known as Scottish Rugby Union Limited), is to act as the main trading and operating arm of Scottish Rugby Union whose principal activity is to promote the game of Rugby throughout Scotland. Scottish Rugby Limited (formerly known as Scottish Rugby Union Limited) is a wholly owned subsidiary of Scottish Rugby Union.

Business Review

Much has happened this last financial year, with the Group focusing on:

1. Performing on the pitch;
2. Delivering the 2021 – 2024 Strategic Plan;
3. Doing the groundwork to secure a major new sponsor;
4. Starting to build Murrayfield as a non-rugby venue; and
5. Rebuilding and restructuring the business in a once in a generational hyper-inflationary environment.

As was introduced last year, to simplify financial reporting and in support of our financial strategy we have split the business into two parts: –

Core Business	Strategic Investments
This is the largest part of Scottish Rugby operations and is concentrated on maintaining the sport of rugby in Scotland in perpetuity. It should look to generate a small surplus each financial year (sufficient to maintain the estate). The key focus areas for the last financial year were performance on the pitch, securing new sponsorship and on restructuring and rebuilding the business to cope in a hyper-inflationary environment	Focussed on ensuring the investment funds received from private equity transactions are invested wisely in areas that benefit the game of rugby in Scotland for the future

For simplicity and clarity of messaging, in line with last year's Financial Report, reporting on these two parts of the business has been separated in the business commentary below.

Core Business vs Strategic Investments

Overall, the Group has delivered a loss of £10.1m (2022: profit of £29.0m). We continue to use EBITDA (earnings before interest, tax, depreciation and amortisation), a measure commonly used in business as an indicator for profitability. Income from investments, provision for impairments are not considered as part of the EBITDA calculation.

SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited) – STRATEGIC REPORT (cont.)

	FY23				FY22		
	Core Business	Strategic Investments	Exceptional Restructuring	Total	Core Business	Strategic Investments	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
EBITDA	231	(7,300)	-	(7,069)	(3,122)	-	(3,122)
Interest	(197)	429	-	(232)	(213)	-	(213)
Depreciation and amortisation	(2,236)	-	-	(2,236)	(2,406)	-	(2,406)
Exceptional item	-	-	(1,036)	(1,036)	-	-	-
Income from investments	-	-	-	-	-	34,178	34,178
Write down of investment	-	-	-	-	-	(881)	(881)
Tax credit / (charge)	-	-	-	-	437	1,054	1,491
(Deficit) / Surplus after tax	(2,202)	(6,871)	(1,036)	(10,109)	(5,304)	34,351	29,047

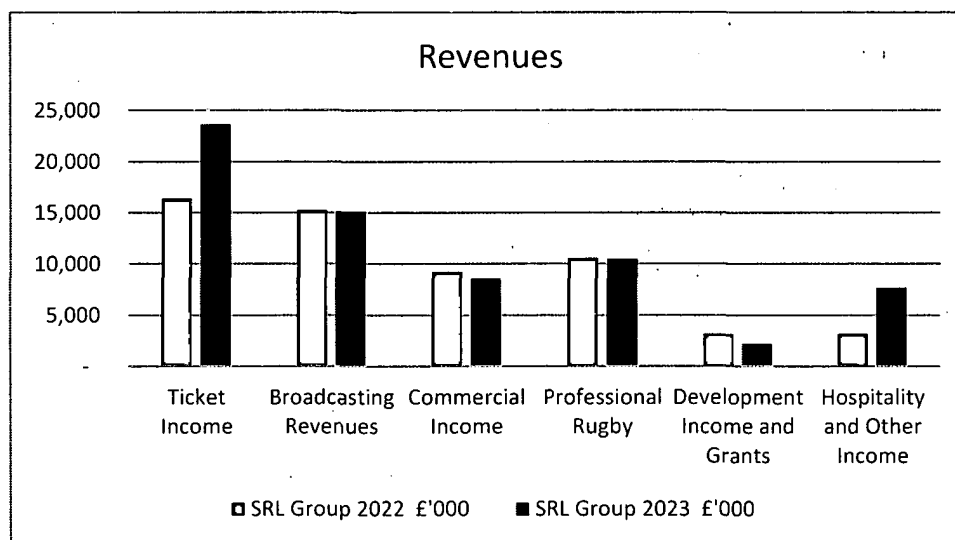
Core Business

RESPOND, RESET, RECOVER, REBUILD

The core business has produced a small surplus at EBITDA for the year. Revenues have hit their highest level ever but at the same time inflationary pressures and continued investment have soaked up a considerable amount of those additional revenues, but the trend to positive is encouraging.

Revenues £68.3m (21/22 £57.9m)

The core business continued its bounce-back from Covid with revenues finishing at £68.3m, the highest revenue Scottish Rugby has ever delivered, and significantly higher than its pre-Covid turnover.



SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited) – STRATEGIC REPORT (cont.)

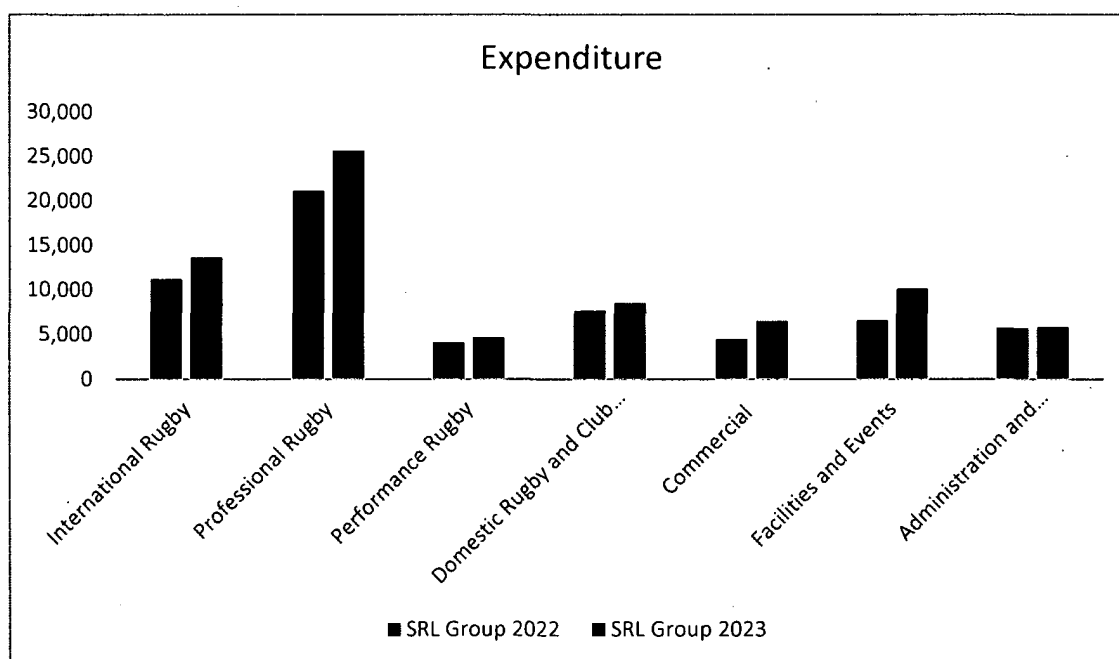
The key drivers of revenues are as follows:

- **Ticketing** revenues been buoyed by performance on the pitch; all home 6 Nations games sold out and a rare visit from New Zealand helped drive performance in the Autumn Tests. Ticketing income has increased on 2019 base (which included 3 home 6 Nations games) due to a better pricing profile for the main bowl and better performance on the pitch driving volume as well as yield.
- **Six Nations (6Ns)** income was buoyed by the best ever performance of the Men's National Team in the 6Ns, which attracts increased payments dependent on placing within the tournament; however settlement of Covid-related debt to 6Ns offset this.
- **Commercial income** has reduced slightly but reflects timing of recognition of income from sponsorship deals.
- **Professional Teams**- an apparent reduction in revenues since 2019 in relation to the Professional Teams is due to a reduced income stream from the URC competition as a result of the disposal of a share of our investment in that business in the last financial year. In fact, our Pro Teams revenues generated directly by Glasgow Warriors and Edinburgh Rugby have grown 20% on the 2019 base, driven largely by increased capacity created at the Hive Stadium for Edinburgh and on-field performance for Glasgow.
- **Hospitality and other income** benefited from the highly successful May events calendar which saw Beyonce, Harry Styles and Bruce Springsteen play 4 nights over 2 weeks at Murrayfield. Note that revenues include £1.1m of recharges to the concert organisers for costs that are a pass-through in the accounts.

Expenditure £75.4m (21/22 £61.0m)

Expenditure in total was £75.4m, of which £7.3m was utilisation of strategic funds previously received from private equity deals. Core business expenditure totalled £67.6m. Of the £7.3m, £2.5m was invested into Womens and Girls Rugby, £2.5m into the Professional Teams and £2.3m used to compensate the Professional Teams for the loss of revenue from URC.

Where revenues increased costs increased too. This is primarily due a) additional investment required to re-start activities stopped during Covid including investment in age grades rugby and the Mens National Team Summer Tour; b) Strategic investment into Women's and Girls rugby; c) continued support for the Professional Teams who provide a substantial part of the players who play in the National Team; d) response to the hyper-inflationary environment that we find ourselves in and; e) increased investment in Domestic Rugby and Club Support Funds.



International Rugby

Investment continues into both national teams. Investment into the Men's National Team is made directly in support of the coaching and supporting medical, strength and conditioning and analysis staff, creation of the high performance environments that they work in and indirectly through the Pro Teams to seed the players for the future.

SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited) – STRATEGIC REPORT (cont.)

Playing opportunities were increased year-on-year with the reinstatement of the Summer warm-up tour in Argentina / Chile. The remainder of the increased investment largely relates to additional reward-based payments delivered through the highest ever, 3rd place 6 Nations performance: performance attracts an additional revenue distribution from 6 Nations depending on placing that is shared with the players. £2.5m of Strategic Funds were invested into the Women's 'National Team, predominantly in establishing player contracts and into creating playing opportunities, including travel to the Rugby World Cup. Most of the additional cost in this area is investment in or reward for performance.

Professional Rugby

£2.5m of strategic funds were invested in our Professional Rugby teams during the year, with both teams securing increased player budgets. A benchmarking exercise in the prior year showed that this type of investment was necessary to secure performance in the Pro Teams and also ensure the National Team has a strong base from which to source its national players. The remainder of the increase in Professional Rugby costs has predominantly been as a result of a de-centralisation of the strength and conditioning, medical and other performance rugby costs from Performance Rugby to absorb into the Professional Rugby structures.

Performance Rugby

This is investment in our High-Performance structures including Super 6 and age grades to ensure that all levels of rugby have the support and investment in coaching, technology, medical and strength and conditioning and other development that they need to support team performance. The continued availability of strong Scottish talent for the future is a key measure of success in this area. Additional investment this year vs last represents the cost of re-establishing the Age Grades programmes stopped during Covid.

Domestic Rugby and Club Support Funds

Support for the grass roots game in Scotland is provided in several ways:

1. Domestic Rugby £4,251k (up £100k): delivered by the Rugby Development team within Scottish Rugby, led by the Director of Rugby Development. This activity supports the Club game directly.
2. Club Support Funds £4,293k (up £776k): direct support through funds that are available to clubs in the way of cash to support the individual clubs' specific needs. Funds set up or utilised in 2022/23 include the Club Sustainability Fund and the Growth and Participation Fund.
3. Through other areas within Scottish Rugby where dedicated heads or software / other technology is used to support Club Rugby directly. This cost is estimated at c£200k.
4. Through indirect support of the events, health and safety, finance, people, commercial, legal or other teams in supporting events, processing payments to suppliers, invoices, payroll, legal services and other costs incurred in the natural course of business. These costs are not charged to Club Rugby.

Whilst the new governance rules around the level of investment into the grass roots game do not come into effect until the 23/24 budget year it is useful to note that should those rules have applied (15% of the average of SRL's annual turnover as per their audited statutory accounts in the preceding four financial years) our Club and Domestic Rugby investment would have been £8,531k of spend. Actual direct spend (i.e. areas 1 and 2 above) was slightly higher at £8,544k or 15.02%.

If we include the additional costs that are directly attributable to Club Rugby, under item 3 this % increases to 15.37%.

If we were to further include an estimate of items at 4 above and pro-rate these support costs across the business, Club Rugby would be allocated an estimated additional £1.0m in costs, taking overall investment in Club Rugby under that scenario to 17.1%.

Commercial

Commercial costs are those of running ticketing operations, supporting sponsors and in our marketing and sales organisations supporting the increased revenue, investment in customer experience through the ticketing app and costs of our contribution to 6 Nations running costs and the revenue share to private equity.

SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited) – STRATEGIC REPORT (cont.)

Facilities and Events

These costs are mainly the costs of running Scottish Gas Murrayfield (formerly known as BT Murrayfield) and the events that happen there, including insurance costs, maintenance, utilities and rates. More games means more investment here, with 7 vs 6 international home games and improved Women and Girls events in the period.

The May 2023 concert season was hugely successful and we managed over £1m of costs on behalf of the concert organisers. Other investments relate to international team payments for activity outside the Regulation 9 (the regulation that governs the release of players for international duties) and removal of post-Covid rates relief.

External pressures on electricity and gas wholesale prices combined with an ageing infrastructure within Scottish Gas Murrayfield meant utilities costs remained at an extremely high level throughout the year although significant actions put in place to help mitigate these costs saw gas utilisation drop significantly. Unfortunately, market rates higher than the previous year meant that the benefit of the drop in usage did not benefit the profit and loss account.

Administration and Governance

This area includes the cost of the legal structures that the Group operates within, covering finance, IT, legal, regulatory and procurement functions, audit, accounting and tax fees, software and hardware costs across much of the organisation and costs of senior management. The main cause of the slight increase in costs was foreign exchange losses on transactions in non-GBP currencies due to fluctuating exchange rates.

Exceptional Costs £1.0m

Exceptional costs are one-off in nature and include the following:

- £659k restructuring costs internally within Scottish Rugby to better align organisational structures in a post-Covid world.
- £377k related to one-off legal, tax and accounting costs related mainly to the establishment of the new governance structures and issues to external review of concussion processes.

Investments Business

Funds generated from the investment transactions and resultant tax implications merit further explanation.

As noted in last year's Financial Report, this is a complex area but in summary, there has been strategic investment in rugby by private equity over the last 3 years in two ways – one into the United Rugby Championship, which is benefitting our Pro Teams, and the other into the 6 Nations Championship, benefitting the international game. The latter investment was concluded in 2021/22 and is commented on further below. The investment mechanisms themselves, and the associated accounting are complicated because of the number of parties, legal jurisdictions and tax regimes involved but simply put, United Rugby Championship and 6 Nations were restructured, with rights to participate in revenue streams sold to private equity in return for cash injections in the short to medium term. That in turn has enabled funds to be made available to the participating Unions, including Scottish Rugby, for longer-term benefit.

The funds generated for Scottish Rugby have been set aside to support capital and operational projects which pay back for the longer-term benefit of the organisation, including improvements in the infrastructure at Scottish Gas Murrayfield (formerly known as BT Murrayfield). These monies are held in a separate account that is subject to strict control.

Investment into 6 Nations

During the previous financial year a significant restructuring of the 6 Nations organisation was carried out to accommodate investment from a private equity firm, CVC Capital Partners.

The non-contingent consideration for Scottish Rugby amounted to £37,205,000 (gross) and in line with accounting and tax advice from our professional advisors, we accounted for the entire non-contingent amount as of the completion of the transaction, as seen in 2022 financial statements, even although the consideration is spread over several years.

SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited) – STRATEGIC REPORT (cont.)

A further payment may fall due in the future if EBITDA performance of the Six Nations exceeds targets set as part of the transaction. This contingent receipt has not been recognised in the accounts at this time due to its uncertain nature.

The accounting treatment is complex but accounting rules require us to recognise cash already received differently to cash that will be received in the future. That means that the accounting for the transaction needs to reflect the timing of receipts of cash using discounting. At 31 May 22 we had received the first tranche of payments and the second was in the bank at 6 July 22. The third, fourth and fifth payments due to be made in July 2023, July 2024, and July 2025 respectively were discounted at a 2% discount rate. This resulted in a credit to the profit and loss account of £34,178k at May 22 as shown below.

At May 23 we have revisited this discounting and with the third payment in the bank at 6 July 23 it is only the two last tranches that require to be discounted. The difference of £429k is credited to the profit and loss account as interest in the financial year to May 23. Similar amounts will be released as interest in the next two financial years.

The discount rate selected is a matter of judgement for the Directors. The rate settled on reflects our estimated cost of capital of CVC as they are effectively “borrowing” this money from us from the date of the transaction until the date of settlement of funds. There is no impact on actual cash received (amounts are shown in the “Cash Consideration” column in the table below) and this is simply an accounting treatment matter.

The table below should help to make this easier to follow.

Year	Cash Consideration £'000	Costs £'000	Net Cash £'000	Discounted Amount £'000 May 22	Discounted Amount £'000 May 23	Change £'000	Status
2021	7,441	(2,165)	5,276	5,276	5,276	-	Cash in bank at 31 May 22
2022	7,441	-	7,441	7,441	7,441	-	Cash in bank at 6 July 22
2023	7,441	-	7,441	7,296	7,441	146	Cash in bank at 6 July 23
2024	7,441	-	7,441	7,153	7,295	143	Amount to be received
2025	7,441	-	7,441	7,012	7,152	140	Amount to be received
	37,205	(2,165)	35,040	34,178	34,605	429	

Write down of investment in Old Glory

The Group took a prudent approach and wrote down the full carrying value of the investment in the financial year to 31 May 2022. It was noted at the time that the write down was instead a reflection of prudent financial management, the circumstances prevailing at the time and rules on accounting treatment.

Reflecting on movements in the US market over the last year, the Directors do not believe there is a rationale to reinstate the investment value.

SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited) – STRATEGIC REPORT (cont.)

Financial Strategy

The financial strategy of the business is to generate sufficient monies from the Core Business to sustain the sport of rugby in Scotland for the foreseeable future. The Core Business needs to make sufficient profit in the medium term to look after itself. Specifically this means the Core Business needs to make sufficient profit at EBITDA to maintain assets in their current condition and to repay the Scottish Government Loan referenced below.

Strategic funds, for longer-term investment, are kept separate, and can only be accessed if there is a) an appropriate financial justification or business case supporting the proposed use; and b) specific approval for release. A cash report is provided to the Company's Board regularly.

The funds received from the Scottish Government Loan that have been set aside for the Growth and Participation Fund are also held separately. £250k of this loan was repaid to the Scottish Government in September 2022, being the first repayment of the loan, which is due to be repaid over 20 years. This repayment of funds comes out of the Core Business operations. £313k of Growth and Participation monies was disbursed to clubs during the year.

Cash Position

Following the injections of cash through the initiatives pursued, the business cash position is reasonable. Cash is made up as follows:

1. Scottish Government Loan of £4.7m, being the initial £5m received less the £0.3m disbursements made to the Clubs during the year;
2. receipt of £5m from World Rugby in advance of Rugby World Cup year;
3. proceeds from the injection of funds from private equity into the United Rugby Championship of £17.9m, of which £4.0m was used to repay bank-funding loan for the Stadium and £9.0m to invest in the Professional Teams, leaving £4.9m at 31 May 23; and
4. net proceeds to date from the injection of funds from private equity into the 6 Nations Championship of £11.8m, of which £2.5m has been used to invest in Women and Girls and £0.3m in Data and Digital leaving £9.0m at 31 May 23

A table showing the cash position is below:

Account	Amount
Core Business	(£3.1m)
World Rugby Advance	£5.0m
Government Loan	£4.7m
CVC – Pro 14 / URC	£4.9m
CVC – 6 Nations	£9.0m
Total Balance at 31 May 23	£20.5m

The net position on cash balances on 31 May 23 as a result was £20.5m (31 May 22: £21.4m). The deficit on the core business is a slight improvement on the position at prior year end of £3.6m, but is driven largely by timing of advance ticketing sales which have differed year-on-year.

The Group completed a refinancing in November 2020, which comprised a working capital facility with gross value of £11.8m and net value of Nil, together with a Revolving Credit Facility of £8.5m. During the year the Revolving Credit Facility was retired as there was no scenario under which it was anticipated to be required.

Capital Expenditure

Capital Expenditure in the year of £1.2m comprised primarily investment in a new CCTV system at the Murrayfield stadium, the implementation of our TixServe app and other stadium safety enhancements, office plant and infrastructure improvements.

SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited) – STRATEGIC REPORT (cont.)

Capital and Reserves

The Capital and Reserves position at the year-end reduced to £28.0m compared with the prior year end of £38.1m due to a combination of capital investments noted above and continued strategic investment in the Professional and Women's games.

The Directors do not recommend the payment of a dividend.

Key Financial Indicators

The Directors continue to monitor key financial indicators, including cash, income and expenditure against budget on a monthly basis. They also monitor other key performance indicators across all areas and levels of the game, including: Professional and National Team performance, ticketing sales, commercial income and the overall cost base, including in the grass roots game.

On pages 14 to 44, the Directors present their Report and audited consolidated financial statements for the year ended 31 May 23. The financial statements comprise the consolidated financial statements of the Company and its subsidiaries.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Group have changed coming out of the Coronavirus pandemic. While the prior (2021/22) financial year was focused primarily on recovering from Covid-19 pandemic, this last financial year has been characterised rebuilding and restructuring in a hyper-inflationary environment.

The principal risks and uncertainties affecting the business relate primarily to the following:

- the uncertainty of outcomes from sporting events and the sporting performance of the organisation's professional and international teams;
- the financial performance of external bodies running competitions and tournaments from which important revenue streams are derived;
- the once in a generational hyper inflationary environment we operate in;
- participation levels, and the popularity of the sport at grassroots and community level.

The Group operates a risk management framework which seeks to identify, evaluate and monitor the status of key business risks. As at the balance sheet date, the key risks which were scoring highest in the framework applied were:

- under-performance of professional teams relative to targets;
- declining participation numbers in the male community game; and
- the risk of adverse consequences arising from player concussion or claims or involvement in claims arising from historic head injuries.

SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited) – STRATEGIC REPORT (cont.)

During the year the risks scoring highest on the risk framework reduced in number and severity, with those remaining reflecting on field performance in the course of the season for one Pro Team, the continuing concern over adult male community game participation and claims risk in connection with historic head injuries.

On field performance is expected to improve through sustained funding and coaching. Male participation numbers are supported through continuing investments and support through the Rugby Development department.

The risk associated with potential claims arising from historic head injuries reflects developments in other jurisdictions as well as in Scotland. These developments are monitored closely and reported on to the Board, with regular contact also maintained with other governing bodies and with the insurance market through external brokers.

Risks identified in the prior year relating to uncertainty around governance structures declined significantly as the year progressed and implementation was completed. Insurance renewals were successfully conducted at affordable rates.

Continuing financial risk mitigation involves detailed budgeting, monthly board reports, balance sheet reviews, detailed profit and loss statements and expenditure monitoring, as well as cash flow forecasting, financial modelling and where appropriate hedging to mitigate the impact of fluctuations in currency. Scottish Rugby continue to nominate representatives to participate on international bodies generating significant revenues, and who play an active role in monitoring the performance of those bodies.

The results of the identification, evaluation and status update of business risks are periodically presented to the Group's Audit & Risk Committee and the Board.

Financial Instruments

Interest rate swaps and forward sale currency contracts have been used in the past to reduce exposure to interest rate and exchange rate movements respectively. Details of these are noted in the Accounting Policies and in Note 11 to the financial statements. The Group does not currently use interest rate swaps or forward sale currency contracts and none are in place at the balance sheet date. Financial instruments are not used for speculative purposes.

Companies Act 2006 - S172

The Companies Act 2006 places various responsibilities upon the directors of a limited company, including a duty to promote the success of the company for the benefit of the members as a whole. In doing that, the Directors must have regard to a number of matters set out in s.172 (1)(a)-(f) of the Act.

The Directors are also obliged to provide a report on how the responsibilities listed in s172 are undertaken by the Directors. That report, setting out some examples of how those responsibilities have been discharged during the 2022/23 financial year, is set out below.

The Company's ownership structure changed during the year, with the Company now having a single member, Scottish Rugby Union, which owns the whole issued share capital. Scottish Rugby Union itself is a company limited by guarantee, owned by its members and is the parent company in the group.

As well as commenting on a range of activities during the year under the headings below, the recent and innovative sponsorship deal with Centrica plc and its Scottish Gas brand is highlighted as an example of the application of directors' duties in decision-making.



Centrica/Scottish Gas

- *Long term consequences* – the agreement runs for 5 years, providing substantial support for the Company and the wider game. The environmental aspects and benefits are expected to continue for many years beyond the initial contract period.
- *The interests of employees* – long- term relationships with larger organisations and major brands such Centrica and Scottish Gas underpin the organisation’s revenues and provide a strong basis for stability, future growth and protecting jobs.
- *Fostering business relationships* – this is the centrepiece of a partnership-based approach with a new sponsor, structured for the long term, with the Company and Scottish Gas working together on a range of activities falling outside the traditional sponsorship model. It has a particular focus on sustainability, energy efficiency and community benefit.
- *Impact of operations on the community and environment* - a key element of the initiative is driving energy efficiency and reduced energy usage at Scottish Rugby’s main facilities and also more widely across Scotland’s community rugby clubs. The Net Zero Fund and associated support provides for free inspections and surveys and advice for clubs, as well as funding towards the costs of making club premises more energy efficient.

Scottish Gas also now provides Scottish Rugby with electricity from renewable sources and carbon offset natural gas.

- *High standards of business conduct* – the Directors were aware of the potential sensitivity of partnering with a major energy company at a time when climate change and environmental impacts are at the forefront of public thinking. Particular care and diligence was undertaken to ensure that the new relationship was appropriately structured before finally being approved by the Directors.
- *Acting fairly between members* – over 130 Scottish rugby clubs are expected to be able to access various services to be provided under the new agreement free of charge, and to seek grant support from the Community Net Zero Fund to contribute towards changes in their facilities to improve energy efficiency. Potential grants will be scaled and available for a full range of sizes of club premises.

SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited) – STRATEGIC REPORT (cont.)

(a) Consequences of any decision in the long term

A key part of the Company's functions is to develop the game of rugby in Scotland at amateur, professional and international levels. Talent pipelines and pathways are an intrinsic part of the journey, over many years, before players are capable of competing at international level. Decisions on investment in the people and facilities needed to support community rugby clubs and professional teams and these development pipelines are, in consequence, implemented over lengthy time periods.

Scottish Rugby's new schools' strategy was launched in September 2022 and covers a period running to 2028. It aims to increase the volume of rugby activity for school pupils in Scotland, with greater diversity of players, whilst also improving the quality of game play. The strategy also looks to provide stronger links to clubs in both player and volunteer retention and expand the Cashback Schools of Rugby programme. Phase 6 of that programme is the latest phase of a long term approach to investing in the development of the sport in schools.

Development of the Women's game has also been a key long term focus, with the Women's strategy announced in June 2022 setting out goals and activities, carrying through to 2026.

28 female professional players were awarded central contracts, enabling them, for the first time, to prioritise rugby as their career.

(b) The interests of employees

Scottish Rugby's people are critical to its success. Their health and wellbeing are acknowledged as a key priority in the current 2021-24 strategy "Winning, Wellbeing, Women and Winning".

Hybrid working introduced post pandemic has continued to be offered to allow employees the opportunity to split time between their homes and the workplace. New initiatives introduced during the year have supplemented those previously introduced, including the Unmind app providing a toolkit to assist with general wellbeing. The Insights Discovery programme, which creates a common framework for individual and team development has been expanded, with over half of the organisation's employees having completed profiles. Comprehensive benchmarking has been refreshed, and targeted pay awards have been made to improve the remuneration of those least well paid.

Listening groups, quarterly "Town Hall" sessions, a new digital intranet and weekly employee newsletters have been introduced to improve employee communications and provide opportunities for feedback.

(c) Fostering business relationships with suppliers, customers and others

Suppliers – Scottish Rugby works with a range of suppliers and contractors, having long-established relationships with many of them, providing continuity and reliable service and quality standards.

By way of example, during the year stronger ties were formed with existing concert promoters leading to additional concert performances with several world renowned acts and forward commitments to host the world's best-selling performing artist Taylor Swift, in Summer 2024.

Customers -Scottish Rugby's customers and rugby supporters make a vital contribution to the organisation and to the sport as a whole. In the course of the year the stadium at Murrayfield hosted a series of concerts from some of the world's best known recording artists - Beyonce, Bruce Springsteen and Harry Styles - welcoming new customers to the venue and providing a positive customer experience.

Ticketing availability for matches has been digitised further, with the investment in the Tixserve App approved by the Directors now making the ticketing experience faster and more straightforward.

Others

Scottish Rugby works with many organisations within Scotland, the United Kingdom and internationally. The matches and events hosted at Scottish Gas Murrayfield involve significant liaison with local authorities, emergency services, transport providers and the local community. Regular meetings are held as part of event planning.

Links are also maintained with similar organisations throughout Scotland where stadium, and training facilities are used to help support rugby development and performance programmes alike and include regular training centres for men's and women's teams. A substantial commitment continues to be made in using the

SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited) – STRATEGIC REPORT (cont.)

National Performance Centre at Oriam, as well as facilities at Scotstoun Stadium, Dundee, Motherwell, the Borders and Aberdeen.

(d) Impact of operations on the community and the environment

The Directors continue to encourage community engagement programmes, particularly through the professional teams (Glasgow Warriors and Edinburgh Rugby) and international teams and their respective players and coaches. International team tours and training camps include elements of community engagement and both professional teams regularly engage in local activities with schools, hospitals and local clubs, amongst others.

Local authorities and community forums are consulted regarding proposed developments and events.

Scottish Rugby continues to support several charitable organisations including the Murrayfield Injured Players Foundation, Hearts and Balls and the Doddie Weir Foundation, which themselves provide support to the wider rugby and other communities.

The Brain Health Clinic - the first of its kind globally - was launched in May 2022 and operates alongside Brain Health Scotland, Alzheimer Scotland, Edinburgh University and World Rugby. Its activity has been expanded during the year to include retired female International rugby players.

In its role as the operating vehicle for rugby in Scotland, the Company provides policies, guidance, support and training in a number of important areas for the wider benefit of the rugby community including on safeguarding of children and young people. A new post of Player Welfare Manager was also created during the year, with a new Player Welfare Plan published.

(e) Maintaining a reputation for high standards of business conduct

The integrity of the organisation, its officials, directors, employees, and members is crucial to the organisation's standing and reputation. The Code of Conduct binds directors of the parent and subsidiary companies, and members of the Club Rugby Board and sets out procedures for declaring and dealing with potential conflicts of interest or misconduct.

Recognising that there is always room for improvement in behaviours, particularly relating to inclusion and diversity, the Company set up a new reporting platform "Tell Us" during the year, encouraging instances of discrimination or inappropriate behaviour to be reported.

A Joint Working Group consisting of members from the Company's board and that of Scottish Rugby Union was created during the year to look at how inclusion and diversity could be improved within the organisation, as well as examining complaints processes.

Approval of contracts where there may be an ethical question in the context of the sporting environment – for example, a potential sponsor being involved in the gaming or gambling sectors – continues to be exclusively reserved to the Company's Board, irrespective of quantum.

(f) Acting fairly between members

Although the Company now has only one member, it is recognised that the Company's activities have a wider reach, encompassing the members of the parent entity, Scottish Rugby Union. Those members are mainly community rugby clubs.

The Company's Rugby Development Department includes Regional Managers and Regional Directors with designated geographic areas to ensure that services and support, and a designated point of contact, is available for all member clubs in their area, irrespective of size or the level of the game at which they play. Various funding initiatives continue to be made available and structured so as to be accessible to clubs at some level, with access to training and development opportunities and materials also available. Further details on these activities are included within the SRU Annual Report.

By order of the Board.


Robert M Howat
Company Secretary

Edinburgh.

19 October 2023

SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited) – DIRECTORS' REPORT

The Directors present their report and the audited consolidated financial statements of the Group and Company for the year ended 31 May 2023. The Company is a private company limited by shares and is incorporated in Scotland.

An overview and review of the Group can be found in the Business Review, within the Strategic Report, on pages 2 to 13.

Going Concern

In determining whether the going concern basis of preparation for the financial statements is appropriate, the Directors have considered the sources of revenue, the ongoing running costs of all aspects of the Group's operations and the availability of funding, in particular the investments into 6 Nations and into the professional rugby game by CVC Capital Partners. A base case cash flow forecast has been prepared covering the next 4 years.

Because of the level of investment secured through the disposal of investments in 6 Nations and URC the financial cash flow outlook appears robust.

Revenues generated from broadcast, sponsorship, ticket sales and other match day income are anticipated to remain robust, with crowds at record levels both for the National and Professional Teams during the last financial year as we exited the pandemic. While the cost base is largely fixed, opportunities exist for optimisation of existing cost structures as well as consolidation.

In the course of the year, further funds were received from the CVC investment into 6 Nations. These receipts contributed to a strengthening of the Balance Sheet position at 31 May 2022; the utilisation of these investment funds over 2023 and the next few years will of course result in a reduced balance sheet position.

The Directors' base case cash flow forecast, which shows clear liquidity headroom through the going concern period, is based on the following key assumptions:

- The contractual obligations related to the sale of investments and resultant cash inflows from private equity investment are met
- A return to the pandemic situation does not recur

Based on this assessment of the Group's financial position, forward cash flow projections, as well as a number of assumptions, mitigating measures already taken and further measures which could be taken including cost reductions, the Directors have a clear and reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and do not foresee a scenario where additional funds will be required. The Directors are therefore satisfied to adopt the going concern basis in preparing the financial statements.

Employees

Inclusion and diversity

As an employer and a National Governing Body, we want to ensure all barriers to participation in rugby - real or perceived - are removed. This is particularly the case for groups currently under-represented in our game and also for those who traditionally may not have seen rugby as their sport of choice, or considered Scottish Rugby as a potential employer.

We want inclusion and diversity to be at the heart of everything we do. Whether you are an employee, player, a member club or a sponsor/partner, we want to ensure everyone is treated with dignity, respect, and an inclusive mindset.

We believe everyone should be given equal opportunity irrespective of age, ethnicity, disability, sex, gender reassignment, religion or belief, sexual orientation, marriage & civil partnership or pregnancy & maternity.

SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited) – DIRECTORS' REPORT (cont.)

In the previous year we launched our inclusion and diversity commitments to help us achieve this.

I&D is everyone's responsibility: Everyone has responsibility to help grow an inclusive culture; culture is made up by what each of us say and do every day.

We promise to keep getting better: We will continually look at examples of best practice and evaluate our processes – both internally and externally. Every one of our people will understand their responsibility to work inclusively and keep learning.

Scottish Rugby is a great place to be: We will make our environment one where excellent people belong, thrive and progress.

We will take a stand: We will use our reputation and influence to lead and advocate diversity, equity, and inclusion in our sporting sector, in the environment and in the wider communities within which we operate.

Further detail on our approach to Inclusion, Diversity & Wellbeing can be found below.

Attracting a diverse pool of talent

When we are advertising for candidates for job vacancies at Scottish Rugby, we continually try to widen our reach, on occasion specifically targeting under-represented groups. This year we have been working with CEMVO (Council of Ethnic Minority Voluntary Sector Organisations) to help us reach out to wider pools of potential candidates. We have backed this as a focus on building our employer brand. We recognise our need to articulate our story as an employer and the benefits of working for us more clearly in order to attract a diverse pool of candidates in the highly competitive employment market we are operating in.

Scottish Rugby remains a Disability Confident Employer and has Silver status on the Armed Forces Covenant.

In addition to our employment practices, we have achieved the Intermediate Level of the Equality Standard and are now working towards the Advanced level: A Framework for Sport which is a collaborative effort between the four national Sports Councils, UK Sport and equality organisations to achieve measurable stands of equality.

Our ESG Committee is established, ensuring inclusion and diversity remains a focus for the Group's Board. Scottish Rugby has also signed the Equality Network Scottish LGBTI Sports Charter.

Having purpose, Feeling valued & Being connected

Having purpose, feeling valued and connected is a key thread that runs through our People, Culture and Engagement business strategy and is a fundamental theme in Scottish Rugby's 2021-24 Strategy. We believe creating an inclusive and supportive culture will encourage a sense of belonging. This is generated by each person knowing their purpose in the organisation, feeling valued and being connected to both colleagues and our organisational values.

We also asked for specific views on communication to inform a refreshed employee communications strategy. A regular rhythm of face-to-face and digital content has focused on building knowledge of our strategy and decisions and introducing more content from employees at all levels, supporting greater connection throughout the organisation.

The Senior Leadership Group (SLG) set up in previous years to act as a conduit between our executive team and our people is now firmly established and supports the cascade of business information and provides an additional channel for the employee voice to be heard.

**SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited) –
DIRECTORS' REPORT (cont.)**

Streamlined Energy and Carbon Report

The following data meets the requirements of the Streamlined Energy and Carbon Reporting (SECR) regulations.

Emission factors are sourced from the Department for Business, Energy & Industrial Strategy (UK Government GHG Conversion Factors for Company Reporting). These are updated annually and the corresponding emission factor applicable to the reporting year is used i.e. 2023 is assumed for financial year 2022-23. Emissions are reported in Tonnes of Carbon Dioxide Equivalent (T CO₂e).

In calculating the data for this year, some items are of note:

- Gas Oil/Petrol: No records of fuel consumed. Estimation of volume of fuel consumed was made based on quantity of litres invoiced from suppliers in the period.
- LPG: Based on number of bottles invoiced and delivered in the period.
- Grey Fleet: There are a number of employee-owned vehicles for which business mileage expenses are claimed back from the company. As the type of car and fuel is not known in all cases, factors for 'average' car type and 'unknown' fuel type were used.
- Fleet Vehicles: the Company fleet of vehicles includes Plug-in Hybrid Electric Vehicles (PHEV). Data includes Scope 1 and Scope 2 emissions and energy consumption for these vehicles.
- Scope 2 emissions have been assumed as proportional to mileage, at the same conversion factor as the prior year.

In the financial year ended 31st May 2023 the Company used 10,295,851 kWh of energy, resulting in carbon emissions of 2,073 T CO₂e (using location-based emission factors). This was reduction of 0.58 T CO₂e/FTE (-11.7%) when compared to last financial year 2021-22 and also a reduction of 0.6 T CO₂e/FTE (-12.8%) when compared to baseline year 2019-20.

Scope 1 emissions decreased by 23.1% this financial year when compared to 2021-22, driven by a 28.4% reduction in natural gas consumption. However, business travel emissions associated with company cars was nearly three times higher than the prior year, up from 33 to 89 T CO₂e, due to road vehicle travel activity returning to pre-pandemic levels, albeit 27.6% lower than the baseline year of 2019-20.

Scope 2 emissions increased by 1.9% when compared to the previous financial year. This is largely as a result of greater electricity consumption due to an increase in office attendance following further pandemic restrictions reduced. As per 2021-22, Scope 2 emissions for this year also includes emissions assumed in relation to the charging of PHEV. It was assumed that the PHEV charging is not included with the grid electricity emissions and therefore not double accounted.

Scope 3 emissions, via grey fleet business mileage claimed by employees and those working on Company business, increased by 166%. However, the mileage data recorded for 2022-23 is actual data, compared with the prior year which was an estimate.

The data has been prepared using the GHG Reporting Protocol – Corporate Standard methodology, taking best available data and estimates where required. The reporting meets the minimum requirements for SECR. This report is based on location-based emission factors which use country-specific average factors for each utility.

SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited) – DIRECTORS' REPORT (cont.)

Emissions Scope	Source	2019/20		2020/21		2021/22		2022/23	
		kWh	T CO ₂ e	kWh	T CO ₂ e	kWh	T CO ₂ e	kWh	T CO ₂ e
Scope 1	Natural Gas	4,697,808	864	6,759,791	1,238	5,908,692	1,082	4,230,009	774
	Gas oil/Petrol	120,754	31	31,154	8	71,134	17	31,668	8
	LPG	2,201	0	2,187	0	2,121	0	1	0
	Business travel (company vehicles)	511,286	123	43,413	11	133,832	33	361,377	89
	F Gas Refrigerant	0	0	0	0	0	0	0	0
	Scope 1 total	5,332,049	1,018	6,836,545	1,257	6,115,779	1,132	4,623,056	871
Scope 2	Electricity (Grid)	4,284,377	990	4,178,997	887	4,648,221	987	4,808,101	996
	Electricity Fleet PHEV	n/a	n/a	n/a	n/a	26,885	6	72,596	16
	Scope 2 total	4,284,377	990	4,178,997	887	4,675,106	993	4,880,697	1,012
Scope 3	Business travel (hired or employee vehicles)	458,115	105	140,740	34	287,009	71	792,099	189
	Scope 3 total	458,115	105	140,740	34	287,009	71	792,099	189
Scopes 1 and 2 total		9,616,426	2,008	11,015,542	2,144	10,790,885	2,125	9,503,753	1,883
Scopes 1,2 and 3 total		10,074,541	2,113	11,156,282	2,178	11,077,894	2,196	10,295,851	2,073
FTE number of employees*		422		432		443		474	
Intensity Ratio		5.01		5.04		4.95		4.37	

Table 1: Annual emissions using location-based emission factors

*Based on average monthly number of employees in the year with Full Time Equivalent status.

Intensity Ratio

To convert absolute emissions to an emissions intensity metric, the Company has calculated emissions per a relevant unit of measure.

An intensity ratio is a way of defining the Company's emissions data in relation to an appropriate business metric, such as tonnes of CO₂e per £ of revenue, or tonnes of CO₂e per total square metres of floor space, or per full time employee. This allows comparison of energy efficiency performance over time and with other similar types of organisations.

SECR intensity ratios are calculated by dividing the Company's emissions by its organisation-specific metric.

In the case of the Company, the most appropriate metric to normalise the emissions continues to be the number of FTE employees. Its intensity ratio is shown above. FTE, as a divisible unit of measurement, is deemed most appropriate due its relative stability from year to year and the fact that the nature of the Company's operations across Scotland, with a number of employees utilising fleet vehicles and reimbursement of fuel costs, contributes to the total energy usage figures.

SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited) – DIRECTORS' REPORT (cont.)

Energy Efficiency Actions During the Year

We are committed to continued improvements to reduce energy utilisation and have during the year completed the following changes to our infrastructure to reduce energy utilisation across the Murrayfield Stadium:

- Continued to monitor our Building Management system operating hours to reduce the need for electricity and gas utilisation in non-core working hours
- Reduced the gas utilisation involved in circulating air around the building
- Continued to work with our partners at the Murrayfield stadium to ensure they have a clear understanding of their utilities usage so they can action as appropriate.

In 2023/24, Scottish Rugby will be pleased to work in partnership with Centrica Business Services on a pathway to Net Zero.

Statement of Directors' responsibilities in respect of the financial statements

Preparation of Financial Statements

It is the Directors' responsibility under Company law to prepare financial statements for each financial year in a manner which allows them to be audited. The Directors have therefore prepared the Group financial statements in accordance with the appropriate accounting policies and standards. These standards are the Generally Accepted Accounting Practice which in the United Kingdom is set out in FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Compliance with Accounting Standards

Under company law the Directors must only approve the financial statements when they are satisfied that they give a true and fair view of the state of affairs and of the profit or loss of the Group and Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

Other Responsibilities

The Directors are also responsible for:

- safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities; and
- keeping adequate accounting records that:
 - are sufficient to show and explain the Group's and Company's transactions; and
 - disclose with reasonable accuracy at any time the financial position of the Group and Company;
 - and enable them to ensure that the financial statements comply with the Companies Act 2006.

SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited) – DIRECTORS' REPORT (cont.)

Statement of Directors' responsibilities in respect of the financial statements (cont.)

The Directors are responsible for the maintenance and integrity of the Group'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 Group's auditor is 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 Group's and Company's auditor is aware of that information.

Independent Auditor

In accordance with the Company's articles, a resolution proposing that Johnston Carmichael LLP be reappointed as auditor of the company will be put at a General Meeting.

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements are listed below.

Ian Barr (resigned 14 August 2022)

Shona Bell

Cheryl Black (appointed 26 April 2023) (resigned 22 May 2023)

Julia Bracewell (resigned 28 September 2022)

Ruth Davidson (appointed 19 July 2023)

Mark Dodson, Chief Executive

Daniel Gillanders (appointed 23 August 2022) (resigned 31 October 2023)

John Jeffrey (resigned 18 April 2023)

David Mallinder (appointed 28 March 2023) (resigned 12 June 2023)

John McGuigan (appointed 22 May 2023)

David McMillan (resigned 28 February 2023)

Bob Richmond

Colin Rigby (resigned 31 October 2022)

Michael Soutar (appointed 3 July 2023)

Hilary Spence

Hazel Swankie

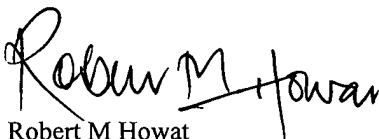
Lesley Thomson KC (resigned 23 March 2023)

Alexandra Whelan (appointed 12 June 2023)

Company Number and Registered Office

The Company is registered in Scotland, with company number SC132061, and its registered office is Murrayfield, Edinburgh, EH12 5PJ.

By order of the Board.



Robert M Howat
Company Secretary
Edinburgh.
19 October 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCOTTISH RUGBY LIMITED
(Formerly known as Scottish Rugby Union Limited)

REPORT ON AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Scottish Rugby Limited (formerly known as Scottish Rugby Union Limited) ('the parent company'), and its subsidiaries ('the group') for the year ended 31 May 2023, which comprise the Group Profit and Loss Account, Group Statement of Comprehensive Income, Group Balance Sheet, Company Balance Sheet, Group Statement of Changes in Equity, Company Statement of Changes in Equity, Group Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice). In our opinion the financial statements:

- Give a true and fair view of the state of the group's and of the parent company's affairs as at 31 May 2023 and of the group's loss for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

**INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF SCOTTISH RUGBY LIMITED
(Formerly known as Scottish Rugby Union Limited) (cont.)**

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 18, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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 group's and parent company'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 group or parent company or to cease operations, or have no realistic alternative but to do so.

Auditor 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 auditor's 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 Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and the parent company and the sector in which they operate, focusing on those provisions that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF SCOTTISH RUGBY LIMITED
(Formerly known as Scottish Rugby Union Limited) (cont.)

Extent the audit was considered capable of detecting irregularities, including fraud (continued)

- UK Generally Accepted Accounting Practice;
- Companies Act 2006;
- UK Tax legislation; and
- VAT legislation

We gained an understanding of how the group and the parent company are complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of relevant correspondence with regulatory bodies and board meeting minutes.

We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. We identified a heightened fraud risk in relation to:

- Management override of controls
- Revenue recognition

In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- For each material revenue stream, verifying the revenue for occurrence, completeness and cut off through reviewing a sample of transactions to supporting documentation/contracts and tracing to bank statements as appropriate;
- Reviewing minutes of meetings of those charged with governance for reference to: breaches of laws and regulation or for any indication of any potential litigation and claims; and events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud;
- Reviewing the level of and reasoning behind the group's procurement of legal and professional services
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias;
- Completion of appropriate checklists and use of our experience to assess the Company's compliance with the Companies Act 2006; and
- Agreement of the financial statement disclosures to supporting documentation.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

Use of our report

This report is made solely to the parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Grant Roger (Senior Statutory Auditor)
For and behalf of Johnston Carmichael LLP
Statutory Auditor
Edinburgh, United Kingdom
Date: 19 October 2023

SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited)

**Group Profit and Loss Account for
the year ended 31 May 2023**

	Notes	2023 £000	2022 £000
Turnover and Other Income	1a		
Ticket Income		23,662	16,413
Broadcasting Revenues		15,165	15,265
Commercial Income		8,605	9,264
Professional Rugby		10,514	10,585
Development Income & Grants		2,221	3,198
Hospitality and Other Income		8,146	3,202
		<u>68,313</u>	<u>57,927</u>
Expenditure	1c		
International Rugby		(13,683)	(11,261)
Professional Rugby		(25,683)	(21,129)
Performance Rugby		(4,672)	(4,136)
Domestic Rugby		(4,251)	(4,151)
Club Support Funds		(4,293)	(3,517)
Commercial		(6,522)	(4,508)
Facilities		(10,156)	(6,601)
Administration and Governance		(6,122)	(5,746)
		<u>(75,382)</u>	<u>(61,049)</u>
EBITDA (earnings before interest, tax, depreciation and amortisation)*		<u>(7,069)</u>	<u>(3,122)</u>
Depreciation and amortisation	1b	(2,236)	(2,406)
Exceptional item	1d	(1,036)	-
Operating (Loss)		(10,341)	(5,528)
Gain on disposal of investments	8	-	34,178
Provision against investments	8	-	(881)
(Loss)/Profit before interest and taxation		<u>(10,341)</u>	<u>27,769</u>
Net interest	4	232	(213)
(Loss)/Profit before taxation	2	<u>(10,109)</u>	<u>27,556</u>
Tax credit/(charge) on profit	5	-	1,491
(Loss)/Profit for the financial year	18	<u><u>(10,109)</u></u>	<u><u>29,047</u></u>

The turnover and operating (loss)/profit shown above are derived from continuing operations within the UK.

*EBITDA (earnings before interest, tax, depreciation and amortisation), a measure commonly used in business as an indicator for profitability. Income from investments, provision for impairments and gain on sale of commercial rights are not considered as part of the EBITDA calculation.

SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited)

**Group Statement of Comprehensive Income for
the year ended 31 May 2023**

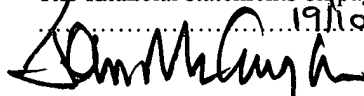
	2023	2022
	£000	£000
(Loss)/Profit for the financial year	(10,109)	29,047
Other comprehensive (expenditure)/income		
<u>Cash Flow hedges:</u>		
Change in value of foreign exchange hedging instruments	-	(220)
Other comprehensive (expenditure) for the year	-	(220)
Total comprehensive (expenditure)/income for the year	<u>(10,109)</u>	<u>28,827</u>


SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited)

Group Balance Sheet as at 31 May 2023

	Notes	2023 £000	2022 £000
Fixed Assets			
Tangible assets	6	40,517	41,457
Intangible assets	7	395	412
Investments	8	-	-
		<u>40,912</u>	<u>41,869</u>
Current Assets			
Debtors falling due over one year	9	14,448	21,460
Debtors falling due within one year	9	14,241	12,494
Cash at bank		20,517	21,433
Cash in hand		-	4
		<u>49,206</u>	<u>55,391</u>
Creditors: amounts falling due within one year	10	<u>(23,811)</u>	<u>(20,646)</u>
Net Current Assets		<u>25,395</u>	<u>34,745</u>
Total assets less current liabilities and provisions		<u>66,307</u>	<u>76,614</u>
Creditors: amounts falling due after more than one year			
Bank loans & Other Loans	10	4,500	4,750
Deferred income	13	1,501	1,531
Murrayfield Debentures	14	32,196	32,114
Irredeemable Debentures	15	97	97
		<u>38,294</u>	<u>38,492</u>
Capital and Reserves			
Called up Share Capital	16	50	50
Capital reserve		2,781	2,781
Profit and Loss Account	18	25,182	35,291
Total Equity		<u>28,013</u>	<u>38,122</u>
		<u>66,307</u>	<u>76,614</u>

The financial statements on pages 23 to 44 were approved by the Board of Directors and signed on its behalf on

19/10/23 by:

 Director — John McAvigan


 Mark Dodson, Chief Executive


SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited)


Company Balance Sheet as at 31 May 2023

	Notes	2023 £000	2022 £000
Fixed Assets			
Tangible assets	6	40,517	41,457
Intangible assets	7	395	412
Investments	8	-	-
		<u>40,912</u>	<u>41,869</u>
Current Assets			
Debtors falling due over one year	9	14,448	21,460
Debtors falling due within one year	9	14,241	12,494
Cash at bank		20,517	21,433
Cash in hand		-	4
		<u>49,206</u>	<u>55,391</u>
Creditors: amounts falling due within one year	10	<u>(23,811)</u>	<u>(20,646)</u>
Net Current Assets		<u>25,395</u>	<u>34,745</u>
Total assets less current liabilities and provisions		<u>66,307</u>	<u>76,614</u>
Creditors: amounts falling due after more than one year			
Bank loans & other loans	10	4,500	4,750
Deferred income	13	1,501	1,531
Murrayfield Debentures	14	32,196	32,114
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		<u>38,294</u>	<u>38,492</u>
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Called up Share Capital	16	50	50
Capital reserve		2,781	2,781
Profit and Loss Account		25,182	35,291
Total Equity		<u>28,013</u>	<u>38,122</u>
		<u>66,307</u>	<u>76,614</u>

The Group has elected to take the exemption under section 408 of the Companies Act 2006 from presenting the parent body's Profit and Loss Account. The loss for the parent for the year ended 31 May 2023 was £10,109k (2022: profit £29,047k).

The financial statements on pages 23 to 44 were approved by the Board of Directors and signed on its behalf on 19/10/23 by:


Director – John McGuigan


Mark Dodson, Chief Executive

SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited)

**Group Statement of Changes in Equity for
the year ended 31 May 2023**

	Called Up Share Capital £000	Capital Reserve £000	Hedging Reserve £000	Profit and Loss Account £000	Total £000
Balance as at 1 June 2021	50	2,781	220	6,244	9,295
Profit for the year	-	-	-	29,047	29,047
Other comprehensive (expenditure) for the year:					
Fair value gain on foreign exchange derivative financial instrument	-	-	(220)	-	(220)
Total other comprehensive (expenditure)/income for the year	-	-	(220)	29,047	28,827
Balance as at 31 May 2022	50	2,781	-	35,291	38,122
Balance as at 1 June 2022	50	2,781	-	35,291	38,122
(Loss) for the year	-	-	-	(10,109)	(10,109)
Total other comprehensive (expenditure) for the year	-	-	-	(10,109)	(10,109)
Balance as at 31 May 2023	50	2,781	-	25,182	28,013

SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited)

**Company Statement of Changes in Equity for
the year ended 31 May 2023**

	Called Up Share Capital £000	Capital Reserve £000	Hedging Reserve £000	Profit and Loss Account £000	Total £000
Balance as at 1 June 2021	50	2,781	220	6,244	9,295
Profit for the year	-	-	-	29,047	29,047
Other comprehensive income for the year:					
Fair value gain on foreign exchange derivative financial instrument	-	-	(220)	-	(220)
Total other comprehensive (expenditure)/income for the year	-	-	(220)	29,047	28,827
Balance as at 31 May 2022	50	2,781	-	35,291	38,122
Balance as at 1 June 2022	50	2,781	-	35,291	38,122
(Loss) for the year	-	-	-	(10,109)	(10,109)
Total other comprehensive (expenditure) for the year	-	-	-	(10,109)	(10,109)
Balance as at 31 May 2023	50	2,781	-	25,182	28,013

SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited)

Group Statement of Cash Flows for the year ended 31 May 2023

	Notes	2023 £000	2022 £000
Cash Flow from operating activities			
Operating (loss)		(10,341)	(5,528)
Depreciation charge	6	2,087	2,002
Amortisation charge	7	73	131
Deferred income amortisation	13	(30)	(60)
(Increase)/Decrease in debtors		(2,184)	844
Loss on disposal		-	222
(Increase)/Decrease in creditors		3,054	(1,481)
Cashflows from operating activities		(7,341)	(3,870)
R&D tax credits		437	-
Net cash (used in) operating activities		(6,904)	(3,870)
Cash Flow from investing activities			
Payments to acquire Tangible Assets	6	(1,148)	(292)
Payments to acquire Intangible Assets	7	(60)	(172)
Proceeds on disposal of Fixed Asset Investments (net of transaction costs)	8	7,441	5,276
Net cash generated from investing activities		6,233	4,812
Cash flow from financing activities			
Repayment of bank loan		(250)	-
Interest paid on bank overdrafts and loans		-	(131)
Net cash (used in) financing activities		(250)	(131)
Net (decrease)/increase in cash at bank and in hand		(920)	811
Cash and cash equivalents at the beginning of the financial year		21,437	20,626
Cash and cash equivalents at the end of the financial year		<u>20,517</u>	<u>21,437</u>

SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited)

Principal accounting policies

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS 102") and the Companies Act 2006.

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

Basis of Preparation

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

The company is a qualifying entity for the purposes of FRS 102 and has taken advantage of the exemption available from the requirement to present a company only cash flow statement and related notes and disclosures.

Going Concern

In determining whether the going concern basis of preparation for the financial statements is appropriate, the Directors have considered the sources of revenue, the ongoing running costs of all aspects of the Group's operations and the availability of funding, in particular the recent investments into 6N and into the professional rugby game by CVC Equity. A base case cash flow forecast has been prepared covering the next 4 years.

Because of the level of investment secured through the disposal of investments in 6 Nations and URC to CVC Equity the financial cash flow outlook appears robust.

Revenues generated from broadcast, sponsorship, ticket sales and other match day income are anticipated to remain robust, with crowds at record levels both for the national and professional teams during the last financial year as we exited the pandemic. While the cost base is largely fixed, opportunities exist for optimisation of existing cost structures as well as consolidation.

In the course of the year, funds were received from the CVC investment into 6 Nations through Project Light. These receipts contributed to a strengthening of the Balance Sheet position at 31 May 2022, although the continued utilisation of these funds will be reflected in a reduced balance sheet position at the end of May 23 and in future years.

The Directors' base case cash flow forecast which shows clear liquidity headroom through the going concern period is based on the following key assumptions:

- The contractual obligations related to the sale of investments and resultant cash inflows from private equity investment are met.
- A return to the pandemic situation does not recur.

Based on this assessment of the Group's financial position, forward cash flow projections, as well as a number of assumptions, mitigating measures already taken and further measures which could be taken including cost reductions, the Directors have a clear and reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and do not foresee a scenario where additional funds will be required. The Directors are therefore satisfied to adopt the going concern basis in preparing the financial statements.

Basis of Consolidation

The consolidated financial statements cover the year to 31 May 2023 and include Scottish Rugby Limited (formerly known as Scottish Rugby Union Limited) and its subsidiaries, Edinburgh Rugby Limited, Glasgow Warriors Limited, Saltire Rugby Holdings Limited and The Murrayfield Experience Limited, all of which are companies registered in Scotland. The only trading company in the Group is Scottish Rugby Limited (formerly known as Scottish Rugby Union Limited).

A subsidiary is an entity controlled by the Group. Control, for accounting purposes, is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Functional and Presentational Currency

Both the functional and presentational currency of the Group and Company is Pounds Sterling. Monetary amounts in these financial statements are rounded to the nearest £000.

SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited)

Principal accounting policies (cont.)

Turnover

Turnover represents ticket sales, broadcasting revenue, commercial income (including barter transactions) and all other income and is stated net of VAT. Recognition of revenues is as follows:

- Ticketing revenue - in the period during which the related event takes place.
- Broadcasting revenue – during the period in which the event or tournament takes place.
- Commercial and all other income - over the period of the individual agreements, based on the relevant contractual terms.

Value in Kind or Barter Transactions

The Group enters into value in kind or barter transactions through contracts with sponsors which result in consideration being received in kind for provision of sponsorship benefits. Where consideration is received in kind the related income and expenditure are recognised in line with the contractual arrangements in place, which represent arm's length commercial rates, but only on receipt of appropriate supporting invoicing documentation from both sides to ensure independent verification of income received.

Tangible Assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Significant sums are spent on maintenance of the Group's main asset, Scottish Gas Murrayfield Stadium (previously known as BT Murrayfield Stadium); the de minimis level for capitalisation of assets is £10,000 for the first three asset categories below and at £5,000 for other equipment. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, over the expected useful economic lives of the assets concerned. The straight-line basis is used in respect of all assets and the principal annual depreciation rates are:

	<u>%</u>
Land	Nil
Stands and Heritable property	1-20
Fixtures and fittings	4-25
Other equipment	7-50

No depreciation is charged on Assets Under Construction.

Intangible Assets

Intangible assets comprise computer-related software. The cost of intangible fixed assets is their purchase cost, together with any incidental costs of acquisition. The level for capitalisation of intangible fixed assets has been set at £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:

	<u>%</u>
Intangible Fixed Assets	10-50

Investment in subsidiaries, associates and other investments

Investments in subsidiaries, associates and other fixed asset investments are included at cost less any accumulated impairment losses.

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.

Income which is received in advance of the period to which it relates is classified within creditors as Advance Receipts.

Debenture issue costs

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

Intercompany recharges

Costs which are incurred within the group that relate to the operations of Scottish Rugby Union are recharged from the Group to Scottish Rugby Union during the year. This includes a proportion of management time where directly attributable to Scottish Rugby Union business.

SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited)

Principal accounting policies (cont.)

Pension costs

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

Operating leases

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

Grants

Revenue grants are recognised on an accruals basis, whereby they are credited to the Profit and Loss Account in the same year as the related expenses.

Taxation

The Group has mutual trading status for taxation purposes as regards its trading activities with the members of its parent body, the Scottish Rugby Union, and pays tax only on the profit derived from trading with non-members.

Deferred Taxation is recognised on all timing differences where the transaction or events that give rise to an obligation to pay more, or less, tax in the future have occurred by the Balance Sheet date. Deferred tax assets are recognised when it is probable that they will be recovered. The tax rates in force at the Balance Sheet date are used to calculate the need for any deferred tax provision or asset.

Exceptional items

Exceptional costs relate to non-recurring expenditure possessing a high degree of abnormality or costs which fall outside of usual business operational costs which are not expected to reoccur. The Group's policy is to present such costs separately on the face of the Group profit and loss account.

Financial Instruments

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

(i) Financial Assets

Basic financial assets, i.e. trade and other debtors, cash and bank balances and loans, are initially recognised at transaction price, i.e. selling price.

At the end of each reporting year financial assets are assessed for evidence of impairment. Assessment takes place:

1. Individually (and collectively for smaller debtors) and
2. Collectively looking at groups of debtors with similar risk characteristics, which are assessed for recoverability based on their ageing.

If an asset is impaired, i.e. we believe the debt is irrecoverable, the difference between the carrying amount of the debtor and the present value of the estimated cash flows that will actually generate from the asset, discounted at the asset's original effective interest rate, is charged to the Profit and Loss Account.

If there is a decrease in this amount because of a subsequent event, the charge to the Profit and Loss account is reversed through the Profit and Loss account. The value of such a reversal will never exceed the original write off.

Other financial assets are initially measured at fair value, which is normally the transaction price and are subsequently carried at fair value with the changes in fair value being recognised in the Profit and Loss Account.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or are settled.

SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited)

Principal accounting policies (cont.)

Financial Instruments (cont.)

(i) Financial liabilities

Basic financial liabilities, including trade and other payables, and bank loans, are initially recognised at transaction price i.e. purchase price.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

The derivative instruments utilised by the Group are foreign exchange forward contracts.

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

(ii) Hedging arrangements

The Group has in the past applied 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. No such hedges exist at the Balance Sheet date.

Unrealised gains or losses on hedges are recognised in Other Comprehensive Income and reclassified to the Income Statement when the hedge matures. There are no such transactions or instruments in place at the Balance Sheet date.

Public benefit entity concessionary loans (including debentures)

In determining whether or not amounts received (including debentures) from third parties are financial liabilities, consideration is given to the terms and whether or not the Company has the unconditional right to avoid settling in cash or other financial assets and whether settlement is dependent on the occurrence or non-occurrence of uncertain future events beyond the Company and the third party's control.

Where there is not an unconditional right the amounts received are accounted for as concessionary loans arrangements, when received for the purpose of furthering the primary objective of the Group. This includes any debentures, bank loans or other Government loans received below the prevailing market rate of interest which 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. A concessionary loan is a loan provided on more favourable terms than the borrower could obtain in the marketplace.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are regularly evaluated. The Directors consider that their assessment of the going concern basis of preparation for the Financial Statements is a critical accounting judgement but do not consider that there are any further key accounting judgements and estimates in the preparation of these financial statements.

Project Light income discounting

In the prior year, the Group sold its investment in Six Nations Rugby Limited as part of a significant restructuring of the Six Nations tournament to facilitate further investment. As outlined in Note 8, the consideration is being received in instalments through to July 2025. In accordance with accounting standards, it is necessary to discount some of the deferred receipts to reflect the time value of money. The Directors are therefore required to exercise judgement over the appropriateness of the discount rate applied. In making this assessment, the Directors have estimated the cost of capital of CVC Capital Partners (as the investor into the tournament) and based on these considerations, a discount rate of 2% has been applied.

Revenue Recognition

Further, given the accounting year end of May, that the Group relies heavily on income from partners like 6 Nations, EPCR, URC and Scottish Rugby Hospitality (the trading name of the hospitality contract run by Elia at Murrayfield) accounting judgements are required in the recognition of income from those parties, where year ends of those parties are all June.

SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited)

Notes to the Financial Statements for the year ended 31 May 2023

1. Business analysis

a) Turnover and other income are as follows:

	2023	2022
	£000	£000
Ticket income	23,662	16,413
Broadcasting revenues	15,165	15,265
Commercial income	8,605	9,264
Professional rugby	10,514	10,585
Development income and grants	2,221	3,198
Hospitality and other income	8,146	3,202
	<u>68,313</u>	<u>57,927</u>

Grants include monies received from World Rugby, sportscotland and Cashback for Communities. There are no unfulfilled conditions on the grants received or other contingencies that have been recognised in income.

b) Total costs are as follows:

	2023	2022
	£000	£000
Operational costs (see note c below)	(75,382)	(61,049)
Depreciation and amortisation	(2,236)	(2,406)
Exceptional items (see note d below)	(1,036)	-
	<u>(78,654)</u>	<u>(63,455)</u>

Depreciation and amortisation for the year includes depreciation of fixed assets of £2,087k (2022: £2,002k), amortisation of intangible assets of £73k (2022: £131k), amortisation of government grants of £76k (2022: £51k) and the loss on disposal of £nil (2022: £222k).

c) Operational costs

	2023	2022
	£000	£000
International Rugby	(13,683)	(11,261)
Professional Rugby	(25,683)	(21,129)
Performance Rugby	(4,672)	(4,136)
Domestic Rugby	(4,251)	(4,151)
Club Support Funds	(4,293)	(3,517)
Commercial	(6,522)	(4,508)
Facilities	(10,156)	(6,601)
Administration and Governance	(6,122)	(5,746)
	<u>(75,382)</u>	<u>(61,049)</u>

d) Exceptional items

	2023	2022
	£000	£000
Redundancy and restructuring	(659)	-
Governance and legal fees	(377)	-
	<u>(1,036)</u>	<u>-</u>

Redundancy and restructuring costs relate to a programme better align organisational structures in a post Covid world.

Governance and legal fees relate to one-off legal, tax and accounting costs related to the establishment of the new governance structures and other one-off legal costs attributed to the fact-finding review conducted during the year.

SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited)

Notes to the Financial Statements for the year ended 31 May 2023 (cont.)

2. (Loss)/Profit before Taxation

The loss on ordinary activities before taxation is stated after crediting:	2023	2022
	£000	£000
Recognition of deferred income	75	60
Barter transaction sponsorship income	<u>481</u>	<u>883</u>
And after charging:		
Auditors' remuneration	48	40
Auditors' fees for non-audit services		
Tax compliance	12	11
Tax advisory	45	-
Other	4	7
Depreciation charge for the year:		
Owned fixed assets	2,087	2,002
Amortisation charge for the year:		
Owned intangible assets	73	131
Loss on disposal of fixed assets	-	222
Amortisation of government grants	76	51
Operating lease rentals		
Plant & Machinery	-	-
Other	298	109
Barter transaction sponsorship costs	<u>481</u>	<u>883</u>

3. Staff Costs

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

	2023	2023	2022	2022
	No.	No.	No.	No.
Players				
Edinburgh Pro Player	47		47	
Glasgow Pro Player	49		48	
Glasgow Academy Player	15		14	
Edinburgh Academy Player	14		14	
Female Contracted player	15		-	
GB 7's Player	<u>4</u>		<u>-</u>	
		144		123
Rugby				
Rugby Development	52		49	
People & Engagement	25		25	
Medical	18		18	
Legal & Governance	7		7	
High Performance Rugby	97		90	
Financial Operations	49		49	
Executive Office	5		7	
Commercial Operations	82		77	
		335		322
TOTAL		<u>479</u>		<u>445</u>

	2023	2022
	£000	£000
Employment costs:		
Wages and salaries	33,990	29,660
Social security costs	4,275	2,807
Other pension costs	961	450
	<u>39,226</u>	<u>32,917</u>

At the year end the pension accrual was £330k (2022: £264k).

SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited)

Notes to the Financial Statements for the year ended 31 May 2023 (cont.)

4. Net Interest

	Notes	2023 £000	2022 £000
Interest payable on loan from World Rugby		(115)	(131)
Amortisation of debenture issue costs		(82)	(82)
Unwinding of discount	8	429	-
		<u>232</u>	<u>(213)</u>

5. Tax on profit on ordinary activities

	2023 £000	2022 £000
Current Tax:		
On profit arising from non-mutual trading	-	(1,173)
Adjustments in respect of prior periods	-	(318)
Deferred:		
Origination and reversal of timing differences	-	(142)
Movement in deferred tax unprovided	-	142
Tax on profit	<u>-</u>	<u>(1,491)</u>

Factors affecting the current tax charge for the year

Profit on ordinary activities before taxation	<u>(10,109)</u>	<u>27,556</u>
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Corporation Tax at 20% (2021: 19%)	<u>(2,022)</u>	<u>5,236</u>
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Effects of:

Net expenses not deductible for tax purposes	324	716
Crystallisation of tax losses	-	-
Income not subject to tax	(171)	(7,019)
Fixed asset differences	226	-
Adjustments to tax charge in respect of previous periods	-	(318)
Remeasurement of deferred tax charge for change in tax rates	(412)	35
Depreciation in excess of capital allowances	-	163
Movement in other timing differences	(4)	-
Pension creditor	-	-
Movement in deferred tax not recognised	<u>2,059</u>	<u>(304)</u>
	<u>-</u>	<u>(1,491)</u>

The Company has gross taxable profits arising in the year of £nil (2022: £nil).

A change in the future UK Corporation tax rate to 25% with effect from 1 April 2023 was announced in the March 2021 budget and substantively enacted on 24 May 2021. This change will have a consequential effect on the group's future tax charge in the UK and as the 25% tax rate was substantively enacted prior to the reporting date, deferred tax expected to unwind after 1 April 2023 has been calculated at 25% as opposed to the current tax rate of 19% where applicable.

SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited)

Notes to the Financial Statements for the year ended 31 May 2023 (cont.)

6. Tangible Assets

Group and Company	Tangible Assets				Total £000
	Heritable Property £000	Fixtures and Fittings £000	Other Equipment £000	Assets Under Construction £000	
Cost					
As at 1 June 2022	50,705	14,797	7,713	131	73,346
Additions	87	1,019	66	-	1,172
Transfers	-	131	-	(131)	-
Disposals	-	(25)	-	-	(25)
As at 31 May 2023	50,792	15,922	7,779	-	74,493
Accumulated Depreciation					
As at 1 June 2022	15,782	12,726	3,381	-	31,889
Charge for year	996	521	570	-	2,087
As at 31 May 2023	16,778	13,247	3,951	-	33,976
Net book value					
As at 31 May 2023	34,014	2,675	3,828	-	40,517
As at 31 May 2022	34,923	2,071	4,332	131	41,457

7. Intangible Assets

Group and Company	Computer Software £000
Cost	
As at 1 June 2022	575
Additions	92
Disposals	(70)
As at 31 May 2023	597
Accumulated Amortisation	
As at 1 June 2022	163
Charge for year	73
Amortisation eliminated on disposals	(34)
As at 31 May 2023	202
Net book value	
As at 31 May 2023	395
As at 31 May 2022	412

SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited)

Notes to the Financial Statements for the year ended 31 May 2023 (cont.)

8. Investments

Group and Company	2023	2022
	£000	£000
Investment in Subsidiaries	-	-
Other Investments	881	881
Provision against investment	(881)	(881)
	-	-

Investment in Subsidiaries	Country of Incorporation	Holding	Year End	Principal Activities	Holding £	Registered Office
Edinburgh Rugby Limited	Scotland	100%	31 July	Dormant	-	Murrayfield Stadium, Edinburgh EH12 5PJ
Glasgow Warriors Limited	Scotland	100%	31 July	Dormant	-	
Saltire Rugby Holdings Limited	Scotland	100%	31 July	Dormant	-	
The Murrayfield Experience Limited	Scotland	100%	31 May	Dormant	-	
Scottish Rugby (USA) LLC	USA	100%	31 May	Nominee	-	US address: 251 Little Falls Drive, New Castle County, Wilmington, Delaware

Other Investments	Country of Incorporation	Holding	Year End	Principal Activities	Holding £	Registered Office
Celtic Rugby DAC	Ireland	25%	30 June	Competition Management	-	Millbank House, Arkle Road, Sandyford Industrial Estate, Dublin 18
British and Irish Lions DAC (1)	Ireland	25%	30 June	Rugby Organisation	-	First Floor, Simonscourt House, Simonscourt Road, Ballsbridge, Dublin 4
Great Britain Rugby Sevens Limited (2)	England and Wales	33.33%	30 June	Team Management	-	Rugby House, 200 Whitton Road, Twickenham, Twickenham Stadium, London TW2 7BA
Washington DC Professional Rugby LLC (3)	USA	11.59%	30 September	US Major League Rugby Club	-	Principal Office: 1140 Connecticut Avenue NW, 400, Washington, DC 20036.
New Six Nations Union Limited (4)	England and Wales	16.67%	30 June	Investment Holding Vehicle	-	Thomas House, 84 Eccleston Square, London, England, SW1V 1PX

SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited)

Notes to the Financial Statements for the year ended 31 May 2023 (cont.)

- (1) The Union holds one €1.25 ordinary share in British & Irish Lions DAC through Scottish Rugby Union Limited. Given the disposition of the other shareholdings in these companies, and the immateriality of their net surpluses and net assets, the Directors do not believe that this investment falls to be treated as an associated company.
- (2) Scottish Rugby Limited, is one of three subscribers, the others being The Welsh Rugby Union Limited and The Rugby Football Union, to Great Britain Rugby Sevens Limited. Given the disposition of the other shareholdings in these companies, and the immateriality of their net surpluses and net assets, the Directors do not believe that this investment falls to be treated as an associated company.
- (3) The Group has a shareholding in Washington DC Professional Rugby LLC held through a wholly owned subsidiary, Scottish Rugby (USA) LLC. As at 31 May 2021 and 31 May 2023 the total holding was £881k (before provision for impairment). The Group's shareholding in Washington DC Professional Rugby LLC at 31 May 2023 is 11.59% (2022 15.5%). The Group's share of this company's profit for the year was nil. The Group's share of this company's net assets at 31 May 2023 was nil. Scottish Rugby (USA) LLC's registered office address in the United States is 251 Little Falls Drive, New Castle County, Wilmington, Delaware.

A write down of the investment value was applied in the prior year via an exceptional provision charged to the profit and loss account.

- (4) During the previous financial year a significant restructuring of the Six Nations organisation was carried out to accommodate investment from a private equity firm, CVC Capital Partners. In advance of the future investment transaction Scottish Rugby Limited (formerly known as Scottish Rugby Union Limited) was issued with shares in Six Nations Rugby Limited, a company incorporated under the laws of Ireland, resulting in a holding of 1,220 Ordinary shares of €1 each (12.20%) at 31 May 2021.

This shareholding in Six Nations Rugby Limited was then sold, with a non-contingent consideration being payable over 5 years and amounting to £37,206,950 (gross). In line with accounting and tax advice from our professional advisors, we are accounting for the entire non-contingent amount as of the completion of the transaction, even although the consideration is spread over several years.

A further payment may fall due in the future if EBITDA performance of the Six Nations exceeds targets set as part of the transaction. This contingent receipt has not been recognised in the accounts at this time due to its uncertain nature.

The accounting treatment is complex but accounting rules require us to recognise cash already received differently to cash that will be received in the future. That means that the accounting for the transaction needs to reflect the timing of receipts of cash were reflected using discounting. At 31 May 22 we had received the first tranche of payments and the second was in the bank at 6 July 22. The third, fourth and fifth payments due to be made in July 2023, July 2024, and July 2025 respectively were discounted at a 2% discount rate. This resulted in a credit to the profit and loss account of £34,178k at May 22 as shown below.

At May 23 we have revisited this discounting and with cash in the bank at 6 July 23 it is only the two last tranches that require to be discounted. This means that the difference of £429k is credited to the profit and loss account as interest in the financial year to May 23. Similar amounts will be released as interest in the years to May 24 and May 25.

Note that the discount rate selected is a matter of judgement for the Directors. The rate we have settled on reflects our estimated cost of capital of CVC as they are effectively "borrowing" this money from us from the date of the transaction until the date of settlement of funds. There is no impact on actual cash received (amounts are shown in the "Cash Consideration" column in the table below) and this is simply an accounting treatment matter.

The table below should help to make this easier to follow.

SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited)

Notes to the Financial Statements for the year ended 31 May 2023 (cont.)

Year	Cash Consideration £000	Costs £000	Net Amount £000	Discounted Amount £000 May 22	Discounted Amount £000 May 23	Change £000	Status
2021	7,441	(2,165)	5,276	5,276	5,276	-	Cash in bank at 31 May 2023
2022	7,441	-	7,441	7,441	7,441	-	Cash in bank at 6 July 2023
2023	7,441	-	7,441	7,296	7,441	146	Cash in bank at 6 July 2023
2024	7,441	-	7,441	7,153	7,295	143	Amount to be received
2025	7,441	-	7,441	7,012	7,152	140	Amount to be received
	37,205	2,165	35,040	34,178	34,605	429	

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

Other Interests

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

9. Debtors

	Group 2023 £000	Company 2023 £000	Group 2022 £000	Company 2022 £000
Amounts falling due within one year				
Trade debtors	3,384	3,384	4,087	4,087
Loan to parent body	500	500	50	50
Other debtors	113	113	587	587
Deferred consideration	7,441	7,441	7,441	7,441
Prepayments and accrued income	2,803	2,803	329	329
	14,241	14,241	12,494	12,494

The loan to the ultimate parent body is unsecured, non-interest bearing and repayable on demand.

Deferred consideration relates to amounts due following the disposal of the Group's investment in Six Nations Rugby Limited. Refer to Note 8 for more details.

	Group 2023 £000	Company 2023 £000	Group 2022 £000	Company 2022 £000
Amounts falling due after one year				
Deferred consideration	14,448	14,448	21,460	21,460
	14,448	14,448	21,460	21,460

Deferred consideration relates to amounts due following the disposal of the Group's investment in Six Nations Rugby Limited. Refer to Note 8 for more details.

SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited)

Notes to the Financial Statements for the year ended 31 May 2023 (cont.)

10. Creditors

	Group	Company	Group	Company
	2023	2023	2022	2022
	£000	£000	£000	£000
Amounts falling due within one year				
Advance receipts	10,725	10,725	8,531	8,531
Trade creditors	2,227	2,227	2,979	2,979
Taxation and social security	3,439	3,439	2,817	2,817
Accruals	7,170	7,170	6,069	6,069
Other loans	250	250	250	250
	23,811	23,811	20,646	20,646
Amounts falling due after more than one year				
Other loans	4,500	4,500	4,750	4,750
	4,500	4,500	4,750	4,750

Within Amounts falling due within one year and after more than one year, the Other Loans category represents borrowings in the form of a loan from the Scottish Government, which is unsecured and interest free, and which is repayable in equal annual instalments starting on or by 1 September 2023, and in full by 1 August 2042. Early repayment is permissible without penalty.

11. Financial instruments

Treasury policy

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

The Group and Company have the following financial instruments:

	Group	Company	Group	Company
	2023	2023	2022	2022
	£000	£000	£000	£000
Financial assets that are debt instruments measured at amortised cost due within one year:				
Cash at Bank and in Hand	20,517	20,517	21,437	21,437
Trade Debtors & loan to parent body	3,884	3,884	4,137	4,137
Deferred consideration	7,441	7,441	7,441	7,441
Other debtors	113	113	587	587
Financial assets that are debt instruments measured at amortised cost due after one year:				
Deferred consideration	14,448	14,448	21,460	21,460
Financial liabilities measured at amortised cost due within one year:				
Trade creditors	2,227	2,227	2,979	2,979
Accruals	7,170	7,170	6,069	6,069
Financial liabilities measured at amortised cost due after more than one year:				
Other loans	4,500	4,500	4,750	4,750

SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited)

Notes to the Financial Statements for the year ended 31 May 2023 (cont.)

12. Provisions for Liabilities

	Group and Company 2023 £000	Group and Company 2022 £000
Deferred taxation comprises:		
Accelerated capital allowances	2,244	1,852
Other timing differences	283	486
Trading losses carried forward	<u>(4,959)</u>	<u>(2,196)</u>
	(2,432)	142
Deferred tax not recognised	<u>2,432</u>	<u>(142)</u>
	-	-

The gross value of unrecognised deferred tax assets on trading losses carried forward at 31 May 2023 was £19,764k (2022: £8,786k).

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

**13. Deferred Income
Group and Company**

	2023 Heritable Property £000	2022 Heritable Property £000
Opening	1,531	1,591
Additions in the year	-	-
Recognised in year	<u>(30)</u>	<u>(60)</u>
Closing	<u>1,501</u>	<u>1,531</u>

**14. Murrayfield Debentures
Group and Company**

Class of Debenture	Value Each	No. Authorised	2023 No. Issued	2023 £000	2022 No. Issued	2022 £000
A	£1,200	9,100	9,092	10,910	9,092	10,910
B	£2,200	7,900	7,900	17,380	7,900	17,380
C	£3,500	1,000	1,000	3,500	1,000	3,500
Thistle	£9,900	500	188	1,861	188	1,861
Debentures issued			<u>18,180</u>	<u>33,651</u>	<u>18,180</u>	<u>33,651</u>
Issue Costs:						
Opening				1,537		1,619
Amortisation				<u>(82)</u>		<u>(82)</u>
Closing				<u>1,455</u>		<u>1,537</u>
Net Issue Proceeds less Amortisation				<u>32,196</u>		<u>32,114</u>

The Murrayfield Debentures are unsecured, rank pari passu and are interest free. Repayment is at the discretion of the Company but the terms include an administration clause meaning the Company does not have an unconditional right to avoid settling. Holders have the right to purchase a ticket for any event or match at the stadium for which the Company retains direct control over the allocation of all tickets. In respect of Six Nations matches the ticket is for a specific seat. Thistle and C Debenture holders also have a right to purchase certain matchday hospitality packages.

SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited)

Notes to the Financial Statements for the year ended 31 May 2023 (cont.)

15. Irredeemable Debentures
Group and Company

The 972 (2022: 972) Debentures of £100 each (the 1925 Debentures) entitle the holder to purchase two tickets at Murrayfield for each match directly controlled by the Group and Company. The debentures are interest free.

16. Called Up Share Capital

Group and Company	2023 £000	2022 £000
Allotted, called up and fully paid : 50,000 (2021: 50,000) Ordinary Shares of £1 each	<u>50</u>	<u>50</u>

17. Leases

Operating Lease commitments	2023 £000	2021 £000
Land & Buildings; payable in		
1 year	122	109
2 to 5 years	198	170
Car Commitments; payable in		
1 year	257	226
2 to 5 years	142	316
	<u>719</u>	<u>821</u>

18. Profit and Loss Account

	2023 £000	2021 £000
Opening	35,291	6,244
(Loss)/Profit for the financial year	<u>(10,109)</u>	<u>29,047</u>
Closing	<u>25,182</u>	<u>35,291</u>

Profit and loss reserves represent accumulated comprehensive income or expenditure for the year and prior periods.

19. Reconciliation of net cashflow to movement in net debt

	2023 £000	2021 £000
(Decrease)/Increase in cash in the year	(920)	811
Amortisation of Murrayfield Debentures	(82)	(82)
Movement in finance lease	-	-
Receipt of other loans	-	-
Repayment of bank loan	250	-
Change in net debt during the year	<u>(752)</u>	<u>729</u>
Net debt at the beginning of the year	<u>(15,774)</u>	<u>(16,503)</u>
Net debt at the end of the year	<u>(16,526)</u>	<u>(15,774)</u>

SCOTTISH RUGBY LIMITED (Formerly known as Scottish Rugby Union Limited)**Notes to the Financial Statements for the year ended 31 May 2023 (cont.)****20. Analysis of net debt**

	31 May 2022 £000	Cash Flows £000	Other Changes £000	31 May 2023 £000
Cash in hand	4	(4)	-	-
Cash at bank	21,433	(916)	-	20,517
Bank and other loans	(5,000)	250	-	(4,750)
Irredeemable Debentures	(97)	-	-	(97)
Murrayfield Debentures	(32,114)	-	(82)	(32,196)
	<u>(15,774)</u>	<u>(670)</u>	<u>(82)</u>	<u>(16,526)</u>

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

21. Transactions Involving Directors

The names of the Directors who served during the year are as set out on page 19. The aggregate emoluments payable to the Directors for the year comprised:

	2023 £000	2022 £000
Fees and salaries	1,405	1,191
Contributions to pension schemes	29	27
	<u>1,434</u>	<u>1,218</u>

Remuneration for the highest paid director of the Group was £676k (2022: £570k), comprising salary and benefits of £676k (2022: £570k) and pension contributions of £nil (2022: nil).

There was no change in the highest paid director's underlying remuneration entitlement during the year. The difference between the figures quoted for 2021/22 and 2022/23 is due to an accrual for accounting reasons to provide towards a contractual payment which is due when the director's service contract ends. Payment of an equivalent amount which was due to that director from the Long-Term Incentive Plan that was in place in 2018/19 and which was terminated during the Covid-19 pandemic, was deferred voluntarily by that director at that time.

22. Capital Commitments

At 31 May 2023, Scottish Rugby Limited (previously known as Scottish Rugby Union Limited) had capital commitments of £50k in relation to Network progress and capital commitments of £70k in relation to the completion of the construction of the Hive Stadium (formerly Dam Health Stadium).

At 31 May 2022, Scottish Rugby Limited had capital commitments of £522k in relation to the installation of new CCTV systems at Scottish Gas Murrayfield Stadium (previously known as BT Murrayfield) and £51k in relation to the completion of the construction of the Hive Stadium within Scottish Gas Murrayfield Stadium (previously known as BT Murrayfield) complex.

23. Related Party Transactions

Certain directors of Scottish Rugby Union during the current financial year were also trustees of the Murrayfield Injured Players Foundation during the year. Scottish Rugby Limited does not charge the charity for any administrative or other support that it provides and made a donation to it of £2,250 in the current year (2022: £2,250). Scottish Rugby Limited's Investments are outlined in Note 8.

Amounts totalling £12k were paid by Scottish Rugby Limited to our President as an honorarium during the year.

The Company has taken advantage of the exemption available in FRS 102 Section 33 "Related Party Disclosures" whereby it has not disclosed transactions with any wholly owned subsidiary undertaking of the Group.

24. Ultimate Parent Body

For accounting purposes the Company is a wholly owned subsidiary of Scottish Rugby Union, a company limited by guarantee which is also considered to be the Company's ultimate controlling body. The issued share capital of Scottish Rugby Limited (formerly Scottish Rugby Union Limited) is held by Scottish Rugby Union (50,000 Ordinary Shares of £1 each). The Company is therefore exempt from the further disclosure requirements of FRS102 as regards the disclosure of intra Group transactions. A copy of the consolidated financial statements of the Scottish Rugby Union can be obtained by writing to the Secretary, Scottish Rugby Union, Murrayfield, Edinburgh, EH12 5PJ.