



Scottish Rugby Annual Report 2015/16





Duncan Taylor scores Scotland's second try in their first victory over France in ten years.

Scottish Rugby

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To download a copy please visit scottishrugby.org/annualreport



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President's Welcome

I'm happy to report Scottish club rugby is in good health thanks to the support of our wonderful, passionate army of volunteers. I wish I could bottle their enthusiasm, dedication & energy.



Club Awards

BT Club	Annan
BT Women's Club	Garioch
Coach	Phil Smith (Heriot's)
Youth Coach	Gary Coupland (Annan)
Referee	Duncan McClement
Caledonia Best Spirit of Rugby	Mike Dawson (M'field Wanderers)
BT Volunteer	Peter Hill (Duns)
Brigadier Frank Coutts Memorial (BT) Try	Steven Rutledge (Highland)

Player of the Season

BT Premiership	Peter McCallum (Ayr)
BT National League 1	Ben Johnston (Marr)
BT National League 2	Ross Gillies (Cartha QP)
BT National League 3	Tony Herron (GHK)
BT Caledonia Regional	Andrew Findlater (Highland)
BT East Regional	Jamie Simpson (Earlston)
BT West Regional	Corrie Louw (Oban Lorne)
BT Women's Premier League	Emma Wassell (M'field Wanderers)
BT Women's National 1	Audrey Barr (Oban Lorne)
BT Women's National 2	Nicola Howat (Howe Harlequins)

A heartfelt thanks to our dedicated elected members of the Scottish Rugby Council who work tirelessly on Scottish Rugby's behalf. Special mention to Fergus Neil, Jim Stevenson and Bruce Thompson, who are stepping down at the conclusion of this season.

Can I thank in particular the chairmen of our Governance Working Party, Magnus Swanson, and Championship Committee, Alastair Rae, both groups so fundamentally important to our game.

I was really happy the inaugural Club Development Conference, devised and spearheaded by myself and held at BT Murrayfield in January, was an unqualified success to be built on in future years. Can I thank our Director of Domestic Rugby, Keith Russell, and Head of Club Services, Nick Rennie, for putting this conference together.

At the half-way mark, Scottish Rugby's £1.6 million Club Sustainability Fund has benefited 91 clubs and it's great to see some of the first recipients completing major projects with additional sportscotland investment. None of this would be possible without the invaluable support of our sponsors, in particular BT.

A thrilling BT Cup Finals Day saw the country's best in the men's and women's club game compete for coveted silverware. Not only did Heriot's lift the BT Cup, after defeating Melrose in a closely fought game, they also won the BT Premiership title and the BT Charity Shield – a unique treble. Murrayfield Wanderers claimed the Women's BT Premier League and Sarah Beaney Cup double for the second year in a row, following finals against Hillhead/Jordanhill. What a wonderful achievement for both clubs.

Well done to all the players, coaches, referees and supporters across the



country on another excellent season, which was celebrated at the annual Scottish Rugby Club Awards Dinner – a fantastic evening that encapsulated what club rugby is all about and my domestic rugby highlight of the year.

Congratulations to our elite referees Mike Adamson and Alex Pratt on their selection for the 2016 Rio Olympic Games and representing Scotland on the world stage, alongside our Scottish players selected for Team GB, Mark Bennett and Mark Robertson. I look forward to seeing our elite referees progress and work towards international selection, while also inspiring future match officials.

I commend the positive work of our family of charities, especially our own Murrayfield Injured Players' Foundation, and urge clubs to support them where possible.

It has been an absolute privilege to serve as President of Scottish Rugby, it's been a life changing year full of wonderful memories and events. Can I thank in particular my family and friends for their support. Likewise, my own club Cartha Queens Park and London Scottish for proposing me to my position and their unstinting support.

Good luck to all clubs in Scotland at every level, our Exiles and our professional teams - Edinburgh Rugby and Glasgow Warriors – and of course our international teams for next season. Finally, to our incoming President Rob Flockhart, to whom I pass the baton, I wish him well and every success during his time in office.

Club Highlights

Club of the Season: Annan RFC

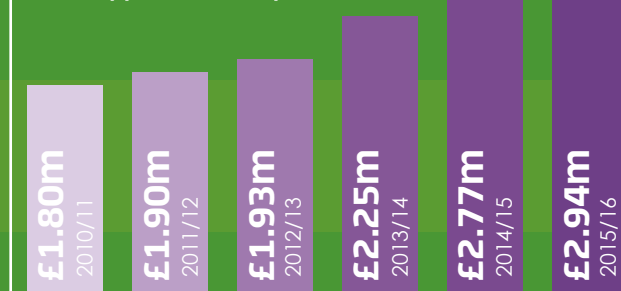
Annan were recognised for creating a sustainable youth section to future-proof their rugby community by dramatically increasing the number of boys' and girls' teams while also building strong links with local schools through coaching sessions. They have a strong women's section and their men's 1st XV won BT West 2 this season.

“ This image of Cartha Queens Park and Aberdeenshire at Dumbreck encapsulates all that is great about our game - two teams and the referee gathering at the end of a hard-fought match & final game of the season. Cartha finished third and Aberdeenshire fourth in BT National 2. Those values, tradition and ongoing legacy really does differentiate our sport from others. ” Edward A. Crozier



9 New Women's Teams

Record £2.94m Club Support & Development



Women's Club of the Season: Garioch Ladies

Garioch Ladies started five years ago as a keep-fit drive and the club's committee now has an even split of men and women members. The team were undefeated this season, gaining promotion into BT Women's National Division 1. They also pitched in to help their local community when floods hit earlier this year.

150th Anniversary

“ Another highlight was being asked to referee at the 150th Anniversary celebrations between Glasgow Academicals and West of Scotland two of the founding members of the SRU.

It was an historic and memorable day - although I did feel 150 myself after the game.

Congratulations to both clubs for all they have contributed to our game! ”

Edward A. Crozier

250 People from 101 clubs attended our new Club Development Conference

Scotland Club XV

This season's squad entered the record books as the first Scotland Club XV to remain unbeaten with a 52 - 27 victory over England Counties at Gala RFC and a 19 - 13 win over their Irish counterparts in Cork to retain the Dalriada Cup.

Led by Phil Smith, Heriot's Coach, the squad was made up of the best talent from the BT Premiership.



Fraser Thomson

Chairman's Review

Ensuring players are safe on the pitch remains our highest priority and we are proud to be leaders in this field with our very strong medical team led by Dr James Robson.



Scottish Rugby continues to improve its financial health while also increasing investment in growing the game and producing winning teams. I'm pleased to report our average debt fell to £8.5 million during the year despite increased investment in players ahead of the 2015 Rugby World Cup.

We are striving to achieve a sustainable model that benefits rugby in Scotland and future-proofs the game. I am happy with progress so far, but there is more to be done as we look at other revenue sources to ensure our sport thrives.

Turnover was £47.4m, which was £3.2 million higher than the previous year. Additional income from sponsorship agreements, enhanced RBS 6 Nations broadcasting revenues and a more favourable euro rate contributed. These offset lower ticket revenues from two RBS 6 Nations games compared to three in the previous year and one August Test against three November Tests in 2014, as a result of the Rugby World Cup.

Fewer home games meant commercial and operational costs were lower, however Scotland's preparation and participation in the Rugby World Cup partially offset these. After brave performances in the pool stages, our national team came very close to making it to the final four and they continued their form in the 2016 RBS 6 Nations to finish fourth.

In its first year, our BT Sport Scottish Rugby Academy has provided well-rounded athletes for our professional and representative teams and I have no doubt the increased investment in the regional structure, with the support of BT, will nurture our talented young men and women as they strive to reach the top echelons of the game.



We were delighted to announce Scotland Women internationalist Jade Konkel as our first full-time female player. She is a wonderful role model and hopefully the first of many as we strengthen the women's and girls' game through new initiatives.

The schools and youth conferences introduced this season have proved a success with over 10,000 players involved in nearly 1,900 games. It's spurred clubs and schools to field more teams at all levels while also raising the standard of matches.

The long-standing problem of finding an appropriate ground for Edinburgh Rugby is one step closer to being solved. The club is set to play the second-half of next season at Myreside, after forming a partnership with George Watson's College, with the intention of playing the full 2017/18 season at the ground. Consultation with key stakeholders, including fans, is ongoing.

Collaborating with partners and sponsors not only benefits our rugby community, it assists Scottish Rugby in expanding the game.

Finally, grateful thanks to everyone who has played their part in another successful season and, in particular, to our Council members and my Board colleagues. Club rugby and our volunteers remain the lifeblood of our sport in Scotland.



TURNOVER
£47.4M



AVERAGE DEBT
£8.5M



Income

£47.4M

TICKETING

BROADCAST

OTHER

£46.6M

NET INTEREST & DEPRECIATION

CLUB SUPPORT & DEVELOPMENT

DOMESTIC & PERFORMANCE

COMMERCIAL & OPERATIONAL

INTERNATIONAL & PRO RUGBY

Expenditure

Chief Executive's Report

Our investment into the domestic game has never been higher and our support for emerging talent is stronger than ever.



Jenny Maxwell

Creating winning teams, increasing revenue and creating sustainable clubs are among our new strategic priorities for next season and beyond. We need to focus our energy on what is best for the game in Scotland and plan for the future.

Our partnership with BT has been transformational, but as player salaries rise we need to consider other revenue streams to ensure we remain at the top table in world and European rugby.

We are being forced to pay more for players as English and French clubs dig deeper into their pockets to entice the world's best to their teams.

This impacts the ability of the Celtic nations to compete at European level. As the professional game matures, the cost of high quality players and coaches increases year on year. We must be creative in finding ways to generate new income streams and still fund the domestic game appropriately. This will be one of our biggest challenges in the coming years.

We are proud to be leaders in player welfare, however we need to do more to ensure youth, club and elite athletes are safe while enjoying our game, which is why we are increasing the number of World Rugby First Aid in Rugby courses and introducing innovative concussion awareness campaigns.

The mental health of our professional players is just as important as their physical wellbeing. This holistic approach will see players assessed and supported appropriately, including those in the BT Sport Scottish Rugby Academy.

In its first year, we started to see real benefits of our regional Academy structure with players moving onto full contracts with Edinburgh Rugby and Glasgow Warriors while also enjoying success with Scotland under-20.



The next generation made history twice this year – beating England for the first time during the U20 Six Nations and Australia in their World Rugby U20 Championship opener.

Scotland Women also benefitted from female players being involved in the Academy for the first time and had a much improved Six Nations campaign. Women's and girls' rugby is a priority for us and while progress has not been as fast we would like, we are making headway with increased investment and new initiatives.

The Scotland team enjoyed a strong season that ended on a high with a series win in Japan. They were heartbreakingly close to a Rugby World Cup semi-final and had their best finish in the RBS 6 Nations for three years, including their first victory over France in a decade at a sold-out BT Murrayfield.

Our pro clubs had a disappointing European season with neither team making it out of the pool stages. Edinburgh Rugby will remain in the Challenge Cup after finishing outside the top six of the Guinness PRO12.

Glasgow Warriors made it to the PRO12 play-offs for the fifth consecutive year, but their season ended in Galway and Connacht went on to lift the trophy in front of a record PRO12 Final crowd at BT Murrayfield.

Thank you for your continued support and I look forward to another successful year for Scottish Rugby.

Representation on international bodies

It is vital to have strong representation on international rugby bodies to bring Scottish posture and influence to the global game. Scottish Rugby has a voice at these forums by holding key positions around the table.



World Rugby

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

John Jeffrey

World Rugby Council,
Executive Committee
and Head of Rugby Committee

Mark Dodson

World Rugby Council
and Audit and Risk Committee

Six Nations

Based in Dublin, Six Nations is the organiser of the annual Six Nations tournament, which began in 1883 as the Home Nations Championship. Each of the participating nations is represented on the Six Nations Council.

John Jeffrey

Council member
and Vice Chairman

Mark Dodson

Council member

European Professional Club Rugby

Based in Neuchâtel, Switzerland, EPCR is the organiser of the European Rugby Champions Cup and European Rugby Challenge Cup tournaments for teams which have qualified from their respective domestic leagues, the Aviva Premiership, the TOP14 and the Guinness PRO12, as well as from the Challenge Cup Qualifying Competition.

Robert Howat

EPCR Board Director

Mark Dodson

EPCR Board Director

Rugby Europe

The European governing body for rugby represents the interests of 49 nations. Its role is to develop and manage European rugby through all its members, in collaboration with World Rugby, within a global framework of regional areas.

Dee Bradbury

Scottish Rugby representative

Dominic McKay

Rugby Europe Board Director
and Executive Committee

Guinness PRO12

The annual professional club rugby competition involving 12 teams from Scotland, Ireland, Wales and Italy is run by Celtic Rugby Limited. Kicking off in September, the competition culminates in May with final-four play-offs and a final, which Scottish Rugby hosted this season at BT Murrayfield.

Ian Rankin

Celtic Rugby Board Director

Dominic McKay

Celtic Rugby Board Director
and Chairman Commercial and Marketing Committee

British & Irish Lions

A rugby team selected from the home unions – Scotland, England, Ireland, Wales – which tours every four years to the southern hemisphere. The British & Irish Lions will tour New Zealand in 2017, following their 2013 Test series win over Australia.

Mark Dodson

Board Director

Andy Irvine

Board Director

Scotland

Scotland raised the bar this season and won nine of their 16 Tests, scoring 41 tries in the process. They were just minutes away from a Rugby World Cup semi-final and had their best finish in the RBS 6 Nations for three years, scoring a record number of tries.



Stuart Hogg
played
362 minutes
out of 400 minutes
during the five RWC games

RBS
NATIONS
Player of the Championship

Mark Bennett was nominated by World Rugby for Breakthrough Player of the Year, Greig Laidlaw made the shortlist for World Rugby Player of the Year and Stuart Hogg won RBS 6 Nations Player of the Championship.

Head Coach Vern Cotter has instilled belief and continuity to the squad. He's harked back to the traditional Scottish way of playing – hard, intuitive and free flowing – and BT Murrayfield is becoming a difficult place for visiting teams to win.

“ A RWC quarter-final, an improved RBS 6 Nations and a solid tour in difficult conditions against Japan saw a year where players showed character and grit, where probabilities for victories were improved, and winning - even if it had to be ugly - was key. ”

Vern Cotter | Scotland Head Coach

The results of the gruelling three-month Rugby World Cup camp were evident in their summer Test performances.

Following the initial loss to Ireland in Dublin they gathered steam with back-to-back wins against Italy. The first, a tense encounter in Turin followed by a five-try dismantling at BT Murrayfield, in front of a record summer Test crowd.

A narrow defeat to France in Paris concluded the summer series, but Scotland's decision to go for a try rather than a penalty kick to equalise showed immense belief heading into rugby's showpiece tournament in England.

The Scots repaid their significant travelling support with a number of stand-out showings, scoring an average of 34 points per game in the pool rounds, defeating Japan, USA and Samoa to qualify for the last eight, where Australia awaited.

In arguably the match of the tournament, Scotland continued their free-scoring form, registering 34 points at Twickenham Stadium, however were cruelly defeated by the eventual finalists with the last kick of the game putting the Wallabies ahead by one point.

Despite the heartbreak, Scotland took a raft of positives and increased confidence into the 2016 RBS 6 Nations, where they scored a record 11 tries and 122 points to finish fourth.

The win over Italy in Rome entered the record books with Scotland tallying their highest away points total in the Championship, while the victory over France at a sold-out BT Murrayfield was the team's first success over Les Bleus for ten years.

Scotland ended the season on a high and kept their unbeaten Test record against Japan with two hard-fought wins in difficult conditions – a taste of what's to come at RWC 2019.

178,119

supporters watched Scotland's three home games at BT Murrayfield

Scotland v Italy	43,831
Scotland v England	67,144
Scotland v France	67,144



Scotland debuts:
Hugh Blake, Mike Cusack, Zander Fagerson, John Hardie, Damien Hoyland, Rory Hughes, Huw Jones, Stuart McInally, Willem Nel, Rory Sutherland, Josh Strauss

August Tests 2015
Ireland 28 – 22 Scotland
Italy 12 – 16 Scotland
Scotland 48 – 7 Italy
France 19 – 16 Scotland

Rugby World Cup 2015
Japan 10 – 45 Scotland
Scotland 39 – 16 USA
Scotland 16 – 34 South Africa
Samoa 33 – 36 Scotland
Australia 35 – 34 Scotland

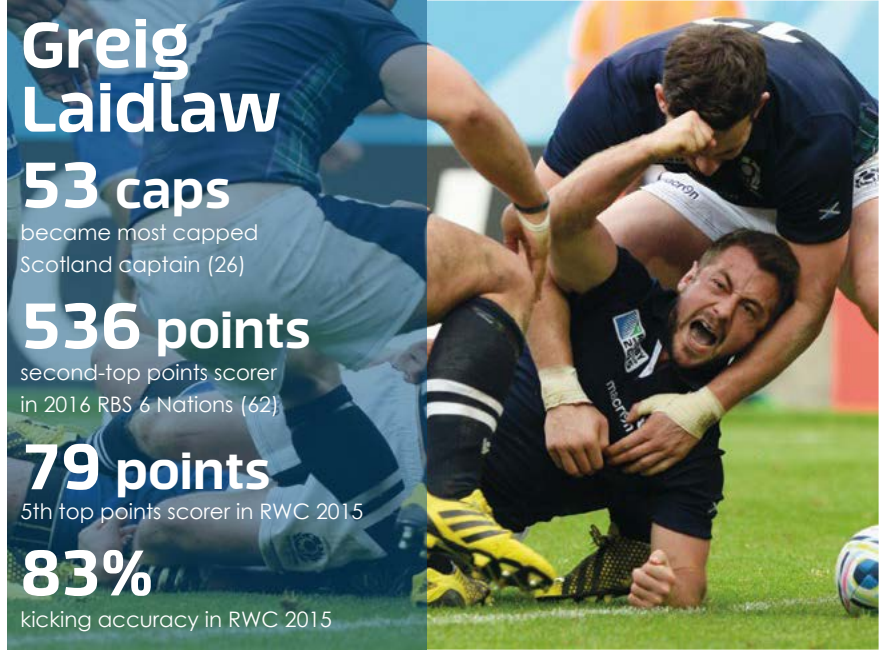
RBS 6 Nations 2016
Scotland 9 – 15 England
Wales 27 – 23 Scotland
Italy 20 – 36 Scotland
Scotland 29 – 18 France
Ireland 35 – 25 Scotland

Summer Tour 2016
Japan 13 – 26 Scotland
Japan 16 – 21 Scotland

16 Tests | 9 Wins



9	Finn Russell made 9 offloads - 4th highest in RWC
4	Tommy Seymour Scotland's top RWC try-scorer
2	Both Richie & Jonny Gray missed just 2 tackles each in RWC
99	Ross Ford is Scotland's most-capped forward



Greig Laidlaw
53 caps
became most capped Scotland captain (26)
536 points
second-top points scorer in 2016 RBS 6 Nations (62)
79 points
5th top points scorer in RWC 2015
83%
kicking accuracy in RWC 2015

Scotland Women

Scotland Women made great strides in aspects of the game and had improved performances during the Women's Six Nations, but there is still plenty of work to be done to close the gap with other nations.



“Overall, there has been a vast improvement and the squad has made great strides in aspects of the game. This is the start of our journey and the reality is there's still lots of work to do, but the momentum has been created.”

Shade Munro | Scotland Women Head Coach

- 13th World Rugby ranking
- 4 players made their debut
- 82 caps won by prop Heather Lockhart
- 26 players completed UKCC Level 1 coaching course at Valladolid Camp

Lisa Martin

Following monthly camps at the start of the season, a new selection fixture was held at BT Murrayfield in October with East/South lifting the Donna Kennedy Cup and Karen Dunbar awarded the Keri Holdsworth player of the match.

A squad of 37-players travelled to Valladolid in Spain in November for a ten-day training camp, which received significant funding through the European Commission's Erasmus+ programme and culminated in a friendly international against Spain, which the visitors won 34-10.

Following a camp in December, the squad regrouped for a week-long camp in January ahead of the Women's Six Nations, which saw Lisa Thomson, Debbie Falconer, Rhona

Lloyd and Helen Nelson win their first caps in front of home crowds at Broadwood Stadium, Cumbernauld.

The squad also featured nine BT Sport Scottish Rugby Academy Stage 2 players, including new captain Lisa Martin, throughout the campaign.

Though they did not score at home against England and France, they showed what they are capable of against the eventual runners-up and Championship winners.

On the road, the team scored against Wales, Italy and twice against Ireland, the only side to achieve this in Dublin, and conceded fewer points than previous years.

2016 Women's Six Nations

Scotland 0 – 32 England
Wales 23 – 10 Scotland
Italy 22 – 7 Scotland
Scotland 0 – 24 France
Ireland 45 – 12 Scotland

Scotland Womens 7s

Following two preparation tournaments in Amsterdam and London, a squad featuring seven new caps made it to the final at the first leg of the Rugby Europe Sevens Women's Trophy in Prague, under new Head Coach Graham Shiel. They made the final four in Hungary after topping their pool and collected bronze overall.

Megan Gaffney added her experience from time spent with the GB sevens squad earlier in the season, while Stephanie Johnston continued to train full-time with the support of Scottish Rugby in a bid to reach Rio, but ultimately missed out on final squad selection.



Scotland Women 7s players won their first caps

2 players selected to train with GB Rugby Women's 7s



3rd in Rugby Europe Sevens Women's Trophy

Scotland 7s

Scotland 7s made history at the London 7s where they claimed their first Cup victory in the HSBC World Rugby Sevens Series.

Dougie Fife crossed the line twice in the dying seconds of the final against South Africa to clinch a 27 – 26 win. They claimed silverware in a further three tournaments, lifting the Bowl in Cape Town, Singapore and Paris, and made the Bowl final on another three occasions.

As a reward for the personal performance throughout the season, seven Scottish players were selected for the GB 7s squad, the wider training group for this summer's Olympic Games. Of those selected, five were full-time members of the Scotland 7s programme. Mark Bennett & Mark Robertson made the final selection for Rio.

Head coach, Calum MacRae said: "Under the new sevens development model, the squad has been very competitive throughout this season and has further developed Scotland players with exposure on the world stage.

"Although we qualified for fewer Cup competitions than last year, we were competitive in all ten tournaments.

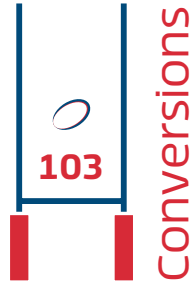
"The Series included an extra leg in a condensed calendar and the intensity of competition increased with full internationalists chasing an Olympic place for their respective countries and teams completing final preparations for Rio.

“We peaked towards the end of the Series with strong showings in Singapore, Paris and our first Cup win in London. A great way to end the season.”

Calum MacRae | 7s Head Coach



Scored 1021 points this season



Finished 10th in the World Series rankings

2 Scotland players in Team GB at Rio
Mark Robertson & Mark Bennett
Wider training group for the Olympics - Gavin Lowe, Jamie Farndale, Scott Riddell, Lee Jones & Joseva Nayacavou.

226 points

Scotland 7s top points scorer, Captain Scott Wight



Jamie Farndale Voted Player of the Year by the squad, in his first season.

57 matches

27 tries

135 points



20 players featured this season, including five fully-capped internationalists.



Scotland U20

Scotland under-20 enjoyed a historic season breaking new ground on four occasions across their ten competitive games.



George Taylor

The nation's senior age-grade side won four matches this season, two of which against sides Scotland had not previously defeated at under-20 level, England and Australia.

In his first year at the helm, Head Coach John Dalziel guided the side to victories over England and Italy in the Six Nations to finish fourth overall.

The squad re-grouped for a camp at the Font Romeu high-performance training centre in the French Pyrenees, where the senior national side had prepared for the 2015 Rugby World Cup, for intense high-altitude training ahead of the World Rugby Under-20 Championship in Manchester.

“ It was an honour to be involved with such a strong group at a key stage of their development. Hopefully the experiences they've gained this season has further developed their rugby and a large proportion go on to secure professional contracts and earn full Scotland caps. ”

John Dalziel | U20 Head Coach

They recorded two wins in the pool stages for the first time, defeating Australia and Italy to place sixth at the close of the group matches, another first.

Despite two resilient displays in the 5th-8th play-offs, they were unable to record a third win and finished eighth - the same as last year, which was their best placing.

U20 Six Nations Championship
Scotland 24 – 6 England
Wales 18 – 15 Scotland
Italy 14 – 24 Scotland
Scotland 21 – 36 France
Ireland 26 – 18 Scotland



Tom Galbraith & Murray McCallum

19 Academy players selected for Scotland U20

37 players featured in 10 games

13 Tries

scored in the Six Nations

U20 World Rugby Championship
Scotland 15 – 10 Australia
Scotland 0 – 44 England
Scotland 27 – 19 Italy
5th-8th play-offs:
Scotland 19 – 35 Australia
Scotland 19 – 42 Wales

Scotland Age Grades

Scotland U19 Development

Scotland under-19 Development Squad played Japan National Schools when they visited Edinburgh in March.

The Scots came out on top in the first game at Inverleith, but conceded a last-minute try at Meggetland the following weekend.

Scotland U19 Development
Scotland U19 22 – 14 Japan Schools
Scotland U19 7 – 10 Japan Schools

Scotland U18

The squad gained valuable experience competing against other countries at this level with four matches against the home nations.

The young Scots were defeated 15-39 by England in a friendly ahead of the inaugural U18 International Series in Wales over Easter, where they narrowly lost to the hosts in their opening match.

U18 International Series
Scotland U18 30 – 31 Wales U18
Scotland U18 0 – 43 Ireland U18
Scotland U18 24 – 45 England U18

Scotland U16 Reds & Blues

Two under-16 sides competed at the 2016 Conwy International Rugby Festival against Welsh, French and Italian teams.

This was the first time two squads, involving 50 players from schools and clubs across the country, were selected to provide opportunities for more young players to further develop their skills and experience playing against other countries at this level.

Colwyn Bay Rugby Festival
Scotland Reds 12 – 29 Welsh Ac.
Scotland Reds 5 – 41 France East
Scotland Reds 12 – 20 RGC
Scotland Blues 5 – 22 RGC
Scotland Blues 0 – 19 France W
Scotland Blues 19 – 28 Welsh Academies



Scotland Under-19



Louise McMillan

Scotland Women U20

The programme aims to identify, develop and prepare young players to progress to the Scotland Women squad. Head Coach Ross Miller and Assistant Coach Dean Kelbrick were appointed to take charge this season. Training camps included two friendly games before a Test against Belgium Women in Brussels, where three BT Sport Scottish Rugby Academy Stage 2 players featured.

Scotland Women U20
Scotland 25 – 5 Royal Air Force
Scotland 24 – 0 University of Edinburgh
Belgium Women U20 65 – 5 Scotland

Scotland Women U19 7s

An under-19 women's team represented Scotland in sevens at the Sainsbury's Schools Games in Manchester for a third year.

It has provided a development route for a number of players who have graduated into senior women's squads and earned caps at international level. Coached by Scotland Women internationalists, Megan Gaffney and Lindsey Smith, the team recorded their best finish of 7th.

Looking after players

Every sport carries a degree of physical risk, but we believe the health and social benefits of being active and enjoying sport are far greater.



Dr James Robson

Scottish Rugby is committed to player welfare at every level of the game and our medical and coaching teams are at the forefront of research and new initiatives.

Keeping Young Players Safe

Rugby for young people at schools and clubs exists in different forms, both non-contact and contact depending on age. Significant work has been done to develop a structured progression to cover the introduction, playing, teaching and refereeing of the game from child to adult level to maximise player safety. We continue to offer neck strength testing and physical maturity tests for young players who want to play up a grade, though the number of requests remains minimal.

Graduated Contact	
P1-3 (aged 5-8)	no contact / TAG rugby
P4-7 (aged 8-12)	below the waist tackling (scrumming introduced at P6-7 aged 10-11)
S1 (aged 12-13 / U13)	Full contact, with variations in the scrum and line out

“ It’s important to remember that while we’re trying to make things better in sport, we’re also improving the management and recognition of concussion in the community. ”

Dr James Robson | Scottish Rugby Chief Medical Officer

RugbyRight

Our online training course RugbyRight is for all coaches, teachers and referees. It focusses on developing player welfare and safe coaching principles with an emphasis on concussion management, anti-doping, safe contact techniques and law updates.

RugbyRight ✓

4,880 people
completed RugbyRight

484 coaches
completed StartRugby practical
workshop sessions for new coaches

If In Doubt Sit Them Out

Scottish Rugby has been a leading force in creating a range of concussion education packages in conjunction with World Rugby. We led the ground-breaking “Scottish Sports Concussion Guidance - If In Doubt Sit Them Out”, endorsed by the Scottish Government. Published a year ago, it’s intended for the general public and participants across all sports. Scottish Rugby’s Chief Medical Officer Dr James Robson and the group are discussing what is next for this world-first guidance.

First Aid In Rugby

The outcome of many injuries can often be improved by very simple first aid skills from bystanders until emergency help arrives. World Rugby First Aid In Rugby (FAIR) Level 1 aims to equip parents, club officials, coaches, referees and players with basic skills that may be needed at training sessions and games.

258 people completed FAIR
Level 1 over past two seasons

25 Scottish Rugby will double the
number of courses to 25 next season

Concussion App

Scottish Rugby is working with a software developer to create a smartphone and tablet app to assist in identifying and managing concussion in professional and community rugby.

- Enable medics working in professional rugby to access players’ baseline testing electronically for Head Injury Assessments
- Streamline process of sharing HIA reports with pro clubs
- Aim to roll it out to all rugby clubs and schools so parents, players and coaches have easy access to concussion guidelines
- Anonymous reporting function to provide Scottish Rugby with more accurate data on concussion

Holistic Health

We’re moving towards a holistic approach for professional player welfare and will be assessing both physical and mental wellbeing and providing support where necessary.

A Scottish Rugby working group has been formed to look at a range of measures to be rolled out next season

for our professional and BT Sport Scottish Rugby Academy players centred around mental health, peer support, anti-doping, alcohol awareness and professional development off the pitch.

We are collaborating with the Scottish Football Association, which is running a pioneering interventional research project on mental health involving professional players answering a questionnaire. If issues are flagged, a medical or psychology review will follow.

Pitch-Side Care

Scrumcaps is a course developed by Scottish Rugby to train qualified medical staff in advanced pitch-side care and is endorsed by the Pre-Hospital Care faculty of the Royal College of Surgeons of Edinburgh and is recognised by the Association of Chartered Physiotherapists in Sports Medicine.

Medical staff working with our national and age-grade teams are Scrumcaps Level 3 certified.

BT Premiership clubs are already required to put a doctor and physiotherapist through Scrumcaps Level 3 to ensure awareness of appropriate standards of care. We are proposing to run Scrumcaps Level 2 courses for the first time next season for National 1 and National 2 medical staff.

64
Scrumcaps
candidates
completed Level
3 course this
season

38
Scrumcaps
candidates
attended Level 3
refresher course
this season



Player Insurance

Serious injuries are thankfully very rare within rugby in Scotland. Players within Scotland are provided with appropriate catastrophic injury insurance cover. Generally, cover runs from age four to 55. A range of benefits are also available to those playing under the Golden Oldie laws up to the age of 79.

It is compulsory for all member clubs to participate in Scottish Rugby’s Club Accident Insurance Scheme, which provides injury cover to those playing for an insured team at Scottish Rugby’s expense. All schools affiliated to Scottish Rugby benefit from Scottish Rugby’s Schools’ Personal Accident Scheme.

Glasgow Warriors



Glasgow Warriors reached the Guinness PRO12 play-offs for the fifth consecutive year, but fell short of reaching the final and the chance to retain the trophy.



Despite having 21 players at the Rugby World Cup representing Scotland, Fiji, Tonga, Italy and USA they went on to be top try and points scorers in the Guinness PRO12.

The challenge posed by the Rugby World Cup and RBS 6 Nations was also an opportunity for a number of emerging players to step up with the likes of Zander Fagerson and BT Sport Scottish Rugby Academy players Scott Cummings, James Malcolm and Ali Price making an impact.

Jonny Gray also gained valuable experience as captain and performed consistently well throughout the season, while the new signings integrated both on and off the pitch and Italian international Simone Favaro was voted Player of the Season by supporters.

After a mixed start to the season, the Warriors secured back-to-back victories over Scarlets in December and a win over Racing 92 at Rugby Park, Kilmarnock in January in their European Rugby campaign. Unfortunately, the wins were not enough to progress past the pool stages of the Champions Cup.

The win over Munster in Kilmarnock in February kicked off an impressive nine-game winning streak, where they overcame Ulster and Leinster at Scotstoun as well as back-to-back wins in Italy.

Defeating Leinster, despite being decimated by injury, was a key moment in the season as it inspired the squad to get back into play-off contention.

In the final home game of the season, several stalwarts marked their last appearance at Scotstoun with a resounding 70-10 victory over Zebre – their biggest victory in the club's history. Jerry Yanuyanutawa, Leone Nakarawa and Duncan Weir were among the departing players with Nakarawa scoring a hat-trick and Weir converting all ten kicks.

After losing to Connacht 14-7 in the last match of the regular season, the Warriors returned to Galway the following week and were defeated 16-11 in the play-off.

Off the pitch, the Warriors enjoyed a swell in support with a record 106 sponsors, partners and Business Club Members backing the club.

The Famous Grouse Bothy hospitality suite was launched and ScottishPower was secured as the first community sponsor in a six-figure deal.

A record 4,500 Season Tickets were sold and over 99,000 fans attended home games with all but two selling out at Scotstoun. The players continued to give back to the community by getting involved in hundreds of events and over 500 children attended Young Warriors rugby camps.

Heavy rain and subsequent flooding at Scotstoun saw a further game moved and plans to replace the turf with an artificial pitch drawn up. The new pitch, funded by Glasgow City Council, Scottish Rugby/Glasgow Warriors and sportscotland, is expected to be ready ahead of next season.

“It was disappointing not to secure a home play-off in our last regular league game of the season, and we didn't perform anywhere near our best in our semi-final against Connacht. We'll be working hard to use that experience and all that we learned throughout the season, to become a better team next season.”

Gregor Townsend | Glasgow Warriors Head Coach

Finn Russell

Breaking Commerical Records

4,500 Season Tickets

106 Sponsors, Partners & Business Club Members

514 Annual Awards Dinner Attendees

SOLD OUT!

Harper MacLeod Club Deck **12 times**

Scotstoun Stadium **9 times**

Guinness PRO12

Most tries **68** & Most points **557**

Dream Team **Leone Nakarawa**

Try of the season **Tommy Seymour**

v Ulster 25th March



Tommy Seymour

Warriors in the Community

Guinness PRO12 Trophy Tour

620 miles covered & **6** stops

> 10,000 people

550 players attended Young Warrior camps

56 clubs & schools involved on match nights

470 player appearances



Jonny Gray

7 New Centurions:

Ryan Grant
Chris Fusaro
Ryan Wilson
Duncan Weir
Peter Murchie
Henry Pyrgos
Peter Horne



Engaged with over **300** young people across the season, supported by Rory Hughes, Ryan Wilson, Gordon Reid and Fergus Scott.



Hearts & Balls
HELPING RUGBY HELP ITS OWN

£8,615

raised for Hearts & Balls at Glasgow Warriors Awards Dinner



ScottishPower Warriors Rugby Championship

New competition featuring 672 players from 16 schools. Carrick Academy won the Championship, which was launched to provide further opportunities for new rugby playing schools in the region.

Edinburgh Rugby



Edinburgh made a promising start to the season but were unable to build on their early victories with a mixed bag of results in the latter half of the season.



Phil Burleigh

They claimed eight victories at home in the Guinness PRO12 – including wins over top four finishers Leinster, Glasgow Warriors and Ulster – and triumphed in all three European Challenge Cup pool games at BT Murrayfield.

Alan Solomons' side started with a flurry winning four consecutive games to open their league campaign, which saw them sit top of the table, before experiencing a poor run of results in autumn.

During this period, Edinburgh had seven players on international duty, contributing to Scotland's run into the Rugby World Cup quarter-final stages. This challenge presented an opportunity for young, Scottish talent, including Scotland under-20 stars Jamie Ritchie and Blair Kinghorn, to cut their teeth in the professional game and make their mark in the black and red.

Among a mixed-bag of results during November and December, Edinburgh retained the 1872 Scottish Cup with back-to-back wins over Glasgow Warriors in front of a record crowd of 23,642; a 50% increase on the previous season

Edinburgh claimed four victories from six games in their European Challenge Cup campaign, yet a defeat to Grenoble in the final round of the pool stages dashed hopes of progressing to the knockout stages and reaching the competition final for a second year.

Curtailed by injuries to a number of frontline players, Edinburgh experienced a tough run in the latter half of the season recording two wins from eleven games in the PRO12, where they finished ninth.

They did enjoy success through their 7s side, coached by club stalwart Roddy Grant, who lifted the historic Melrose 7s Ladies' Cup, on their first invitation to the tournament.

Ahead of next season, Edinburgh either signed or extended contracts of 29 players. Of those, 10 are full Scotland caps and a further twelve are Scottish qualified, demonstrating the club's commitment to develop young talent and creating a platform for players to progress into the upper echelons of the international game.

Off the pitch, it was announced Edinburgh will pilot a move to Myreside, in partnership with George Watson's College next season.

Work is underway to enhance the existing facilities to make sure the venue delivers a great matchday experience and to ensure the transition from BT Murrayfield to Myreside is a smooth one for the team and supporters.

Consultation has taken place with key stakeholders and fans and if the trial period is deemed a success, the club intends to enter into a longer term partnership with George Watson's College, that would see the team playing there full time from 2017/18 - a clear opportunity to drive the club forward, both on and off the field.

Edinburgh Rugby has grown commercially over the past 12 months with four new sponsors joining the partnership family. This growth is on target to continue next season.

The local rugby community remains at the heart of the club as does working with young people, with 81 completing the Game On programme and a further 90 completing other initiatives through the club, including Tomorrow's People, Evolve and The Prince's Trust.

Guinness PRO12 Dream Team

Cornell Du Preez (8)

7 players involved in Rugby World Cup

8 players in the RBS 6 Nations

8 players in Japan tour



Record crowd at a Guinness PRO12 Scottish derby



“After a positive start to this year's campaign, long-term injuries to experienced players contributed to us tailing away in the second half of the season. However, this challenge opened the door for our young players to get more game time, which will benefit our depth next season. It's great to see our young Scottish players establishing themselves and certainly bodes well for the future of the club.”

Alan Solomons | Edinburgh Rugby Head Coach

Commercial
4 new sponsors

15%
increase in sponsors joining the #ERfamily

10%
increase in revenue-generating sponsors

Community stats

865
young people attended
Edinburgh camps

800
youngsters were involved in
sessions with the squad during
one blitz afternoon at schools
and clubs in December

1675
young players involved in pre-
match activity on match nights



BT Sport Scottish Rugby Academy

The BT Sport Scottish Rugby Academy is already making a positive impact on deepening the pool of players capable of competing at the top levels of the game.



Matt Fagerson

In its first year, 95 of Scotland's most promising male and female rugby players were selected to be Stage 2 or Stage 3 Academy players, supported to train at one of the four regional centres with Stage 3 aligned to a professional club.

Young talented players were also nominated for Stage 1 skills camps, pathway sessions and matches.

Of the 403 players involved in under-16, under-18 and under-20 matches at five venues across the country, 43 were BT Sport Academy athletes, with 39 coaches from the domestic game joined by six BT Sport Academy Skills Coaches in managing the teams.

A number of Academy players have gone on to sign senior professional contracts at clubs, including Glasgow Warriors and Edinburgh Rugby, while

“ It's good to see the foundations being brought to fruition and now the hard work really starts. I am delighted with all of the partnerships that have come on board and their commitment, along with that of BT Sport, to Scottish Rugby has been instrumental in providing the platform for the future of the game. We have taken ownership of our own destiny which is massive for our sport. ”

Stephen Gemmell | Head of Academy & Performance Programmes

nine female players helped lift Scotland Women's performance during the 2016 Women's Six Nations and 19 played for Scotland under-20 over the season.

The significant annual investment to run the BT Sport Academy also received substantial support from partnerships in the regions.



Challenges and opportunities varied for each region, from geographical spread to the quality and quantity of players available for selection. However, each Academy was given the flexibility to find regional solutions within the national framework to suit their rugby community.

Three pillars of player development are the focus of the Academy - high performance behaviours, rugby and athletic capacity. Developing leadership, accountability and responsibility is also crucial to the new structure.

Player contracts were updated to allow broader employment or study to give

the players another focus alongside their rugby and to help develop the person as well as the player. As a consequence, 91% of players fulfilled another occupation or form of education alongside the programme, helping to produce more rounded athletes with a secondary career option for those who don't become professional athletes.

First full-time female player

Jade Konkel

Scotland internationalist and Hillhead Jordanhill captain, Jade Konkel, became the country's first full-time female rugby player. The 22-year-old number 8, who has 23 Scotland Women caps, left her day job as a veterans' care assistant to become a Stage 3 player BT Sport Scottish Rugby Academy.

£2.5million
Breaking new ground

Work has begun on a new £2.5million extension at Edinburgh Napier University's Sighthill campus, host and partner of the BT Sport Academy. The two-storey sports centre extension will host a multi-use strength and conditioning gym, rehabilitation space, Academy offices and studio research facility.

Putting down roots

Former Minister for Sport, Jamie Hepburn, joined Scottish Rugby and NL Leisure to unveil a new purpose-built hub for the BT Sport Academy at Broadwood Stadium in Glasgow and the West.



4 Regional bases

Borders & East Lothian
Borders College
and Heriot-Watt University

Caledonia
Hillhead Sports Campus
and Aberdeen Sports Village

Edinburgh
Napier University

Glasgow & West
Broadwood Stadium

22 Full-time Academy staff



95 Academy players

Academy players going pro

- Lewis Carmichael** | Edinburgh Rugby
- Jack Cosgrove** | Edinburgh Rugby
- Andrew Davidson** | Newcastle Falcons
- Ali Price** | Glasgow Warriors
- Nick Grigg** | Glasgow Warriors
- James Malcolm** | Glasgow Warriors
- Scott Cummings** | Glasgow Warriors
- Robbie Fergusson** | London Scottish
- Ross Graham** | Yorkshire Carnegie

16 female players
19 male players
9 female players

played for Scotland U20
played for Scotland Women

55%

of Scotland U20 squad were Academy players

Club Rugby

Scottish Rugby continues to deepen the support for clubs and increase the investment thanks to our partnership with BT.



Our regional Club Services Managers have led a range of support initiatives for clubs this season to overcome off-field challenges and operate like small businesses.

At the half-way point of Scottish Rugby's £1.6 million Club Sustainability Fund, 91 clubs have benefited with many also securing a share of over £2m from the sportscotland lottery fund towards their capital projects, thanks to our streamlined application process.

Our new Club Development Conference was a success with 250 people from 101 clubs attending. Workshops covered improving club facilities, connecting

“Supporting clubs off the pitch to ensure they're sustainable is at the core of our new initiatives and increased investment.”

Nick Rennie | Head of Club Services

with communities, marketing and digital tools and volunteer recruitment. Scottish Rugby departments and commercial partners also shared information.

Clubs also received advice on developing a winning culture from former Glasgow Warriors captain Alastair Kellock and the importance of player welfare from Chief Medical Officer Dr James Robson.

A new Director of Rugby course was established to develop and support a generation of dynamic and inspirational leaders for the game. It is primarily aimed at those leading rugby programmes in Scotland's top clubs, and will be delivered again next season. The two-day course aims to develop leadership, management and topical themes; all set firmly in an applied rugby context.

In today's busy world enlisting volunteers can be a challenge. To address this,

we have supported clubs to recruit volunteers with new skill sets to do specific roles. This has seen a rise in women volunteering, with more now sitting on committees and boards and becoming club presidents.

We are also making strides in keeping young players in the game when they move into adult rugby. This is a major challenge for all sports when young people leave school to start work or tertiary education. This season, two thirds of players continued to play rugby in Scotland compared to half three seasons ago as a result of an increase in student rugby and providing clubs with relevant tools to retain players.

A new brand of simple, mixed, social rugby to get more people playing and provide a summer activity for clubs to generate income has been trialled this season. After overwhelmingly positive feedback, Tartan Touch will launch as another option for people to get involved in rugby from next spring.

14 student competitions held in 5 venues across Scotland

6 part-time Student Rugby Coordinators

13% Growth in Student Rugby

Club Sustainability Fund - £1.6 million over 4 years

2014/15	2015/16	2016/17	2017/18
91 clubs benefited so far	Capital and Revenue strand: 26 clubs received between £10K - £60K to develop facilities or employ business development posts to generate income	£2 million sportscotland grants unlocked to further assist projects	FastTrack strand: 65 clubs received up to £2K for small facility projects

Volunteer of the Season
Peter Hill is a stalwart of Duns having been involved with the Borders club since their inaugural season of 1959/60, whether playing for the 1st XV or using his skills as a former builder to reshape the clubhouse on two occasions since the 1960s. The current project received funding from the Club Sustainability Fund and sportscotland.



Over 90 clubs engaged in business planning support
Regional Moving Forward club workshops delivered to 160 people from over 40 clubs
Over 50 guides and best practice resources on the Club Services section on scottishrugby.org

Royal Bank RugbyForce

Over 120 clubs received £200 or £1,000
10 clubs welcomed Scotland players on Royal Bank RugbyForce Weekend.
Former Scotland and Glasgow Warriors captain Alastair Kellock will support Annan as an honorary board member next season as part of a new RugbyForce initiative.

Club game

Heriot's kicked off the season with a win over Boroughmuir to claim the Charity Shield. They went on to claim the BT Cup following a victory over Melrose in final and defeated Ayr to be crowned BT Premiership champions.
Watsonians will join the BT Premiership next season after winning 17 out of 22 BT National 1 matches.
Hamilton pipped Falkirk to the BT National 2 title, while GHK won BT National 3 losing just two games all season. GHK also reached the BT Cup quarter-finals defeating BT Premiership side Selkirk in the third round.

In regional rugby, Highland were undefeated in BT Caledonia 1 - winning 17 and drawing one - while also reaching the final of the BT Shield. Carrick conquered them to claim the BT Shield.
St Boswells and Glasgow Accies both lost just one league match to be crowned BT East 1 and BT West 1 champions, respectively.
Annan were undefeated on the road to their BT West 2 title and were also crowned Club of the Season.
A last minute penalty kick secured BT Bowl glory for Millbrae, who also won the BT West 3 League, and Police Scotland Glasgow were undefeated in BT West 4.

Club Champions

BT Premiership	BT East 1
Heriot's	St Boswells
BT Charity Shield	BT East 2
Heriot's	Penicuik
BT Cup	BT East 3
Heriot's	Earlston
BT Shield	BT West 1
Carrick	Glasgow Accies
BT Bowl	BT West 2
Millbrae	Annan
BT National 1	BT West 3
Watsonians	Millbrae
BT National 2	BT West 4
Hamilton	Police Scotland Glasgow
BT National 3	BT Res Nat 1
GHK	Melrose Storm
BT Cal 1	BT Res Nat 2
Highland	Currie 2
BT Cal 2 Mid	BT Res East 1
Alloa	Boroughmuir 3
BT Cal 2 North	BT Res East 2
Deeside	Watsonian 3
BT Cal 3 Mid	BT Res West 1
Crieff & Strathearn	West of Scotland 2
BT Cal 4 Mid	BT Res West 2A
Stirling County 3	Greenock Wanderers 2
BT Cal 3 North	BT Res West 2B
Highland 2	West of Scotland 2A

Women & Girls

Women's rugby is one of the fastest growing sports in the world and has the potential to be one of the top team sports for females in Scotland.



Murrayfield Wanderers win the Sarah Beane Cup

Scottish Rugby is committed to growing the grassroots game and improving the standard of women's rugby at all levels.

The foundations for future success at all levels of the game have been laid this season. A national strategic plan is in place and new structures to take the women's and girls' game to the next level are being implemented.

Ultimately, we want more women and girls playing rugby to a higher standard so we have a thriving game and winning teams.

We also need to create role models to inspire our next generation of players, coaches, medics, referees, volunteers and leaders in the game as you can't be what you can't see.

Having 16 young women in the first year cohort of players in the BT Sport Scottish Rugby Academy made a noticeable impact on Scotland Women as these players were fitter, faster, stronger and helped lift the team's performances during the Six Nations in Shade Munro's first season as Head Coach.

“ We want to make sure every woman and girl in Scotland has the opportunity to be involved in rugby from the pitch to the board room. ”

Sheila Begbie MBE | Head of Women's & Girls' Rugby

We are delighted Jade Konkel is our first full-time female player and look forward to creating opportunities for more talented players to follow in her footsteps.

Our three full-time women and girls' Development Officers are engaging with clubs to create a better environment for women and girls. This includes a new hub club structure to ensure women and girls can be involved in rugby no matter where they live in Scotland.

The hub clubs, which will receive intense support from Scottish Rugby, and their satellite clubs will help bridge the gap between schools, clubs, colleges and universities to establish local pathways and partnerships.

We've identified under-12 girls' rugby as one of the biggest potential growth areas. We are encouraging clubs and schools to establish teams to provide another option alongside mixed rugby to retain girls and recruit new players. To provide a focus for these emerging teams, there will be national under-12 girls' festivals next season.

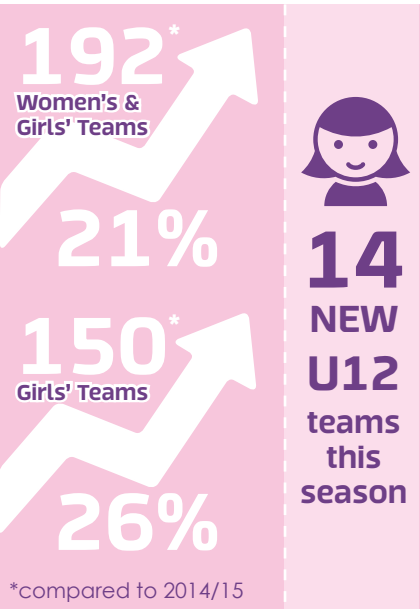
Our rugby community is growing across all ages and new teams are not only competing with established sides but winning competitions and silverware.

Howe of Fife and Greenock enjoyed successful maiden seasons in BT Women's National Division 2. Howe reached the BT Women's Bowl final and Greenock finished second to earn promotion.

Three seasons after forming, Ayr has risen to BT Women's Premier League where

they will compete against the country's best, including Murrayfield Wanderers who collected the Sarah Beane Cup and the BT Women's Premier League title this season. This competition will increase from six to eight teams next season and a new BT Women's North League will be introduced.

We are also introducing a new President's Girls' Conference to provide meaningful regular competition for the top girls' clubs across the country.



21 women attended
Get Started Coaching course

25 women attended
Level 1 Refereeing Course



Rhona Lloyd



Angus Girls

Club Champions

Sarah Beane Cup
Murrayfield Wanderers
BT Women's Plate
Watsonians
BT Women's Bowl
Glasgow University
BT Women's Premier League
Murrayfield Wanderers
BT Women's National Division 1
Ayr Women
BT Women's National Division 2
Garioch Women
National 7s
Hillhead / Jordanhill
Queen of the 10s
Cartha Queens Park

Girls Champions

Girls Under 18 Cup
Hillhead / Jordanhill
Girls Under 18 Shield
Community School of Auchterarder
Girls Under 18 Bowl
Biggar RFC
U18 National 7s
Stirling County RFC
Girls Under 15 Cup
Biggar RFC
Girls Under 15 Shield
Caitness / Orkney
Girls Under 15 Bowl
Annan RFC
U15 National 7s
Cartha Queens park

New competitions next season:

- BT Women's North League
- Premier Development Cup
- Girls' Club Cup
- Girls' Schools Cup
- President's Conference Girls
- Gradual integration into boys' schools' conference structure

Schools & Youth

It has been a year of change for schools and youth rugby in Scotland as the new conference structure was rolled out across the country.



The 34 conferences provided more young players with regular and appropriate matches to equip them with the relevant skills and attributes to ensure they stay in the game into their adult years.

Over 10,000 players were involved in the autumn-term conferences, grouped by ability as well as geography, which saw a dramatic increase in fixture fulfilment.

“ The conference has certainly enthused and engaged boys, parents and staff in all the ways that we had hoped. ”

Robert Gordon's College

For schools and clubs with five or more teams playing regularly, 11 conferences were established featuring 24 state schools, 23 independent schools and 40 clubs.

For schools and clubs with fewer than five teams playing regularly, 23 conferences were established, featuring 54 clubs, 97 state schools and three independent schools.

School conference games were played on a Saturday, or midweek as arranged by the schools.

Club conference under-18 matches were played on Saturdays with all other age groups on Sundays.

Clubs competed against each other across five age groups on the same day/weekend and were awarded points depending on the aggregate number of points awarded across all the age-group matches.

As well as the whole club conferences, there were also league tables generated for under-18, under-16 and S3 (under-15) levels within each conference.

Although implementing the conference structure was a priority for the majority of the season the Schools and Youth team also continued to work with partners in clubs and local authorities to continue extending the reach of the game through our CashBack for Communities funded programmes in clubs and schools across the country.

Conference Rugby Year One by Numbers

34conferences

94clubs

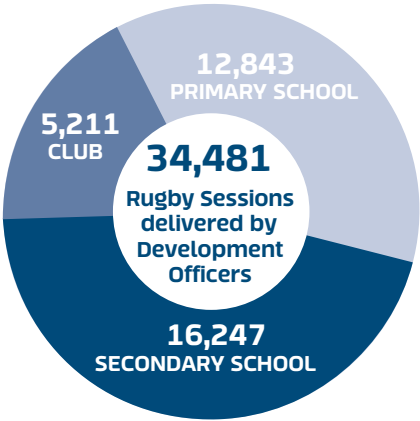
over700teams

26Independent Schools

over10,000players

121State Schools

1,894conference games played



450Street Rugby Sessions

864young people completed Youth Coaching Course

81Development Officer partnerships funded

30CashBack Schools of Rugby

over£750kof investment supported by CashBack for Communities

Club Youth Conference Winners	
President's Conference	Stirling County
Border Conference	Hawick
Red Conference	Deeside/Wanderers
Green Conference	Biggar
Brown Conference	East Kilbride

School Conference winners	
Red Conference	Merchiston Castle School
Blue Conference	Fettes College
White Conference	George Heriot's School & Glasgow Academy
Green Conference	George Watson's College (B)
Purple Conference	Trinity Academy
Black Conference	St Columba's School

Schools Cup Winners	
Under 18 Cup	George Watson's College
Under 18 Shield	Strathallan School
Under 18 Plate	North Berwick High School
Under 16 Cup	George Watson's College & Strathallan School
Under 16 Shield	Merchiston Castle School
Under 16 Plate	Kelso High School

Youth Cup Winners	
Under 18 Cup	Stirling County
Under 18 Bowl	Orkney/Caitness
Under 16 Cup	Ayr
Under 16 Bowl	Edinburgh BATs

Rugby on the rise in Carrick

Ten years ago, little rugby was played at Carrick Academy and Carrick RFC was on the verge of folding.

Both are now thriving thanks to the CashBack Schools of Rugby programme and solid partnerships with South Ayrshire Council and Scottish Rugby with 40% of the 241 pupils playing rugby, including 50 girls.

Carrick Academy fielded seven teams every Saturday in the Black Conference as well as P6 and P7 sides.

Each week there are 20 periods of rugby and strength and conditioning sessions delivered in the school through a mixture of curricula and extra curricula activity.

A full-time Development Officer, also a former Carrick pupil, led the School of Rugby this year and helped them win the ScottishPower Glasgow Warriors Championship and the Ayrshire girls' U15 competition.

On top of this, Carrick Rugby won the BT Shield, with most of the starting XV being former pupils of Carrick Academy and products of the Cashback School of Rugby programme.



Coaching Pathways

Scottish Rugby has continued to increase the quality of coaches across all levels of the game through our tailored training programmes and resources.



We support everyone who wants to be involved in coaching, which is central to developing, sustaining and increasing participation in rugby as well as improving performance levels.

A range of courses, workshops and resources are available to new and experienced coaches, from UKCC Level 1 coaching children to the UKCC Level 4 course for performance coaches. Scottish Rugby also offers continuing professional development opportunities with our series of 'ready' themed workshops, including DefenceReady, ScrumReady and AttackReady for youth and adult rugby.

Several new courses and workshops have been delivered this season to further develop and raise the standards of coaching and player welfare across all levels.

A significant achievement this season was the roll out of a new online Training Hub, developed in partnership with Hive,

“Creating more opportunities for new and experienced coaches not only improves the quality of coaches in Scotland, it also lifts performance across all levels.”
Neil Graham | Coach Development Manager

for coaches in Scotland. It provides coaches and match officials with an interactive platform to view and engage with coach development, strength and conditioning and match official resources.

The Training Hub was launched at the annual National Coaching Conference at BT Murrayfield, where over 150 coaches from over 110 schools and clubs learned from Scotland's top professional coaches in May.

New courses & workshops

- 484** coaches attended **StartRugby**
- 16** BT Prem & BT Nat 1 coaches attended **Director of Rugby**
- 48** Schools and clubs involved in **Director of Youth Rugby**
- 10** coaches attended **World Rugby S&C Level 2**
- 8** coaches involved in **UKCC Level 4**

Coaching Secondary School Rugby
Pilot workshops have been delivered to 44 teachers from three school clusters in Caledonia. Following its success, the course will be rolled out across the country next season.



UKCC level 4

The new UKCC Level 4 course aims to develop visionary, outstanding and knowledgeable decision makers, who can advance their own and others' learning and make an impact on performance to maintain momentum and progression towards their goals.

The first cohort of eight coaches is half way through the qualification, which is being delivered at Edinburgh Napier University's Sighthill Campus, the home of the BT Sport Scottish Rugby Academy, Edinburgh.

They are also working towards a postgraduate diploma in Sports Performance Enhancement in conjunction with the UKCC qualification and are set to graduate in May.

- Kenny Murray** | Glasgow Warriors
- Stevie Scott** | Edinburgh Rugby
- Calum Forrester** | Ayr RFC and Scotland U19
- Phil Smith** | Heriot's RFC and Scotland Club XV
- Stevie Lawrie** | Heriot's RFC and Scotland U16
- Ben Fisher** | BT Sport Scottish Rugby Academy and Scotland U20
- John Dalziel** | Melrose RFC and Scotland U20
- Andrew Hall** | Hong Kong

70%*

433 coaches completed UKCC Level 2

86%*

216 coaches completed World Rugby S&C Level 1

40%*

184 coaches attended National Coaching Conference

*compared to 2014/15

RugbyRight

4880 people completed the RugbyRight online course



Youth Coach of the Season

Gary Coupland of Annan was honoured at this season's Scottish Rugby Club Awards Dinner for his continued development of youth rugby at the club.

He also received the **sportsScotland** young person's coach of the year award and was named children's coach of the year at the UK Coaching Awards.

Gary's work with local primary schools has seen the mini section at Annan treble in size over the past two years with over 70 boys and girls now participating in weekly training sessions at the club. The club is one of two in Scotland with girls' teams at under-12, under-15, under-18 and a women's team.

Annan's annual primary schools touch tournament, in partnership with Active Schools, was set up by Gary with over 150 children taking part.

“The coaching resources and workshops, which Scottish Rugby provide, have helped me to deliver a high-level of coaching across Annan. They have encouraged me to continue to develop coaching ideas for children.” Gary Coupland

Referees

Improving the quality and quantity of active match officials is essential to the development of the game at all levels.



Alex Gordon Smith

While volunteers picked up the whistle across Scotland every week to referee grassroots games, our elite referees have been honing their skills as Scottish Rugby continues to work towards gaining a place on the World Rugby International Panel.

The referees on our Elite Referee Panel have officiated international, European, Guinness PRO12 and BT Premiership fixtures this season with Mike Adamson continuing to perform well on the sevens world stage to earn Olympic selection, alongside Alex Pratt.

Lloyd Linton has been a regular referee of Guinness PRO12 and European Rugby Challenge Cup fixtures. He also officiated in the European Rugby Champions Cup, U20 Six Nations and the Currie Cup, South Africa's premier domestic competition.

Graeme Wells and Sam Grove-White officiated international Rugby Europe matches. Wells has also been involved in three European Qualifier fixtures and the BT Premiership final between Ayr

and Heriot's at Millbrae. Neil Paterson refereed BT Premiership fixtures.

Balancing his work as a junior doctor, Keith Allen took charge of some top of the table clashes in RFU National League 1 and several fixtures in France.

Scottish Rugby has resources and courses available to anyone interested in refereeing.

Rugby would not be possible without the dedication of volunteers, including match officials, and we are grateful for your support.

6	Scottish Rugby Elite Referee Panel
20	Scottish Rugby National Referee Panel
11	Contenders (nominated for National Panel)
15	Academy (young referees with potential to progress quickly)

For the love of rugby

Murrayfield Wanderers and former Scotland Women under-20 player Hollie Davidson took up refereeing last year.

She completed the Level 2 course this season while also refereeing girls' cup competitions and women's sevens. The 23-year-old stand-off has her sights on reaching the top echelons of the game while also developing women's refereeing in Scotland.



“ I love every aspect of the game whether that's playing or with a whistle in my hand. I'm enjoying both at the moment, but my dream is to referee on the Sevens World Series. ” Hollie Davidson

Referee Society Qualified Officials

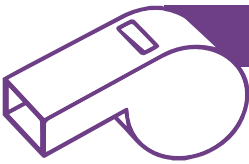
Aberdeen	86
Borders	166
Edinburgh	439
Highlands	116
Midlands	306
West	742

TOTAL 1,855

The man in the middle

Duncan McClement was named Referee of the Season at Scottish Rugby's Club Awards for his contribution as a volunteer referee.

He switched to refereeing nine years ago under West Rugby Referees' Society to stay involved in the game. Since then, the 39-year-old Commander, who is based at the HM Naval Base in Clyde, has progressed up the ranks in the domestic game and gained European and international experience, including refereeing the British Army and the Fiji Military Forces match this season.



Referee courses completed by people in 2015/16

Level 1
599

Level 2
29

Level 3
11

Assistant Referee
37

Road to Rio

Mike Adamson and Alex Pratt refereed at this summer's Olympic Games, where rugby sevens was played for the first time in 92 years.

Adamson made the transition from player to referee three years ago through Scottish Rugby's high performance programme following 30 caps for Scotland 7s and representing Scotland at the 2010 Commonwealth Games.

Twice capped for Scotland Women, Pratt began her refereeing journey eight years ago while playing for Watsonians.

She's on Scottish Rugby's National Referee Panel and was assistant referee in the 2014 Women's Rugby World Cup final in France.



“ Being part of the biggest sporting event in the world was a dream come true. This was not an individual achievement, there are so many people from Scottish rugby, family and friends that made this dream a reality and I want to thank them all. ” Alex Pratt

“ The Olympics is the greatest sporting event in the world and to be a part of it was incredible. The inclusion of rugby sevens for the first time at an Olympic Games was amazing for World Rugby and being appointed to referee the first ever match in the men's competition was an honour and privilege. It was a proud moment for myself and Scottish Rugby. ” Mike Adamson

Chief Operating Officer's Report

I'm delighted with the progress our team has made growing the revenue and the profile of our organisation in the last 12 months.

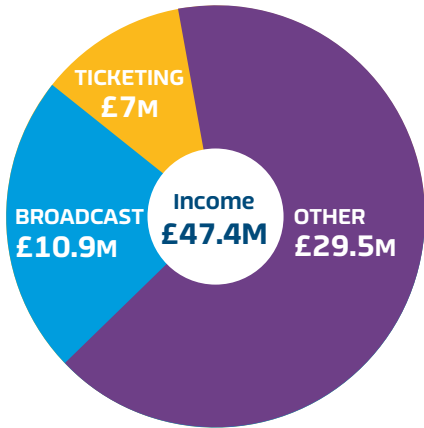


Turnover is at a record £47.4 million following growth in our core income strands – ticketing, broadcast and sponsorship – which has contributed to an increased investment in rugby across Scotland.

Income generated from ticket sales is higher than the previous comparable season as capacity crowds at BT Murrayfield and Scotstoun were achieved through innovative marketing campaigns.

A record summer Test crowd watched Scotland beat Italy at the national stadium – more than double the number at the corresponding fixture in 2011.

Edinburgh Rugby's 1872 Scottish Cup home victory over Glasgow Warriors was witnessed by over 23,000 fans – 50% more than the previous year and a record attendance for a Scottish Guinness PRO12 fixture.



“Our results off the pitch have exceeded our expectations and I am thrilled with what we have achieved this season thanks to commitment and innovation. The support from our growing family of partners is fantastic and record numbers buying tickets to games means more investment in rugby across Scotland, which can only be a good thing for our sport. I am very proud to lead such a talented and dedicated team.”

Dominic McKay | Chief Operating Officer

Scotland's RBS 6 Nations games against England and France were sold out in record-breaking time through strategic and direct communications with our fans.

We also delivered the first Guinness PRO12 Final outside of Ireland with a record crowd of 34,550 – twice the number at last season's final in Belfast. We're delighted to be working closely with EPCR to host the Champions and Challenge cup finals over one weekend next season on 12 & 13 May.

Fan engagement on social media has also swelled with over 648,000 followers across all platforms and our direct to inbox ezines have been a success with sign up rates constantly rising.

Strengthening and broadening our commercial partners has resulted in an 8% year-on-year increase taking our commercial income to a record level.

News Scotland, Crabbies and Eden Mill Gin joined our commercial family and the Scotland Business Club was launched to inspire businesses beyond the 80 minutes.

388,689

Scotland, Scotland U20 & Scotland Women	Glasgow Warriors	Edinburgh Rugby	Guinness PRO12 Final
180,819	99,100	74,390	34,550



Relationships with current partners were reinforced with Tennent Caledonian Breweries, Macron, AG Barr, Dove Men + Care and Vitality all renewing for up to five years.

BT continued to be integral to growing the game and were a key sponsor, alongside Caledonia Best and AG Barr, in making Scotland House in Newcastle such a success during the Rugby World Cup.

We supported over 200 clubs to capitalise on the surge of interest during the RWC and the RBS 6 Nations through Everyone's Game, which encouraged people to get involved in their local rugby club.

The marketing campaign was integrated into thescotlandteam.com, the new online home for our national side which clocked over one million page views. Glasgow Warriors and Edinburgh Rugby continued to grow commercially with both clubs rolling out exciting initiatives and signing new sponsorship deals throughout the season.

The year ahead promises to be an exciting and challenging one as we look to further grow our off-field activities to continue to strengthen Scottish Rugby at all levels.



Our stadium and facilities team continue to deliver a world class environment to support our national and pro squads as well as our four regional BT Sport Academies. Two years after the international pitch was completely overhauled, our grounds team and Head Groundsman, Jim Dawson, collected national Institute of Groundsmanship awards.

Jim Dawson

Our ability to host dozens of matches this season on our estate and external venues, as well as high-profile concerts and events is testament to the hard work of the facilities and events teams.

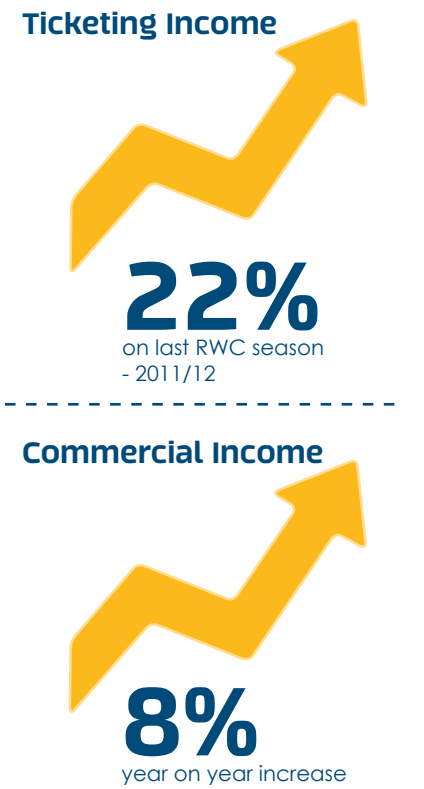
We were thrilled to bring the **Foo Fighter's** to our capital city where

36,000

fans rocked out

– one of nearly 70 events hosted by Scottish Rugby across the season.

Scottish Rugby also unveiled a new project to develop a hotel on land near the entrance of BT Murrayfield Stadium as we continue to look at different ways of generating income to supplement our current revenue sources.





Fans at Scotland House, Newcastle

Rugby World Cup 2015

Sold record volumes of Scotland's tartan inspired RWC jerseys

1500 fans

watched Scotland train at BT Murrayfield in the new kit

1200 sponsors and fans

filled Scotland House in Newcastle for South Africa and Samoa games



Sean Lamont meets young fans

Quarter final v Australia

watched by 1.1million | 1 in 5 of Scottish population

32% RWC 2015 TV audience reach grew in Scotland by 32% compared to 2011

3.3M watched Scotland on TV during RWC

20M fans watched Japan v Scotland around the world

EVERYONE'S GAME

Your local club needs you!

150 clubs supported during RWC

Lisomore more than doubled average bar income when showing RWC games



Falkirk doubled number of boys and girls in every age group of minis

700 primary schools

received RWC-themed workbooks linked to the Curriculum of Excellence

63 clubs supported during RBS 6 Nations

Digital

unique website visitors

scottishrugby.org	1.5m
thescotlandteam.com*	240k
glasgowwarriors.org	458k
edinburghrugby.org	274k

@scotlandteam
#AsOne



Scottish Rugby **230,282**
Glasgow Warriors **44,287**
Edinburgh Rugby **33,758**
+182% followers



Scottish Rugby **45,100**
Glasgow Warriors **22,300**
Edinburgh Rugby **8,100**
+644% followers



Scottish Rugby **192,063**
Glasgow Warriors **43,251**
Edinburgh Rugby **23,622**
+116% likes



Scottish Rugby **718,266**
Glasgow Warriors **117,558**
Edinburgh Rugby **79,951**
+17% views

Scottish Rugby **43.4**
total Facebook reach
for the year: **MILLION**

Scotland Women
& U20 double-header:
>50k YouTube views in 164 countries



Scottish Rugby
Facebook

Scotland are through to the #RWC2015 quarter finals after beating Samoa 36-33! Captain Greig Laidlaw clocked up 26 points, including a try. Rock solid John Hardie named man of the match. Richie Gray won his 50th cap and Sean Lamont played his 100th! What a match! Thank you for all your support #AsOne **987k people reached**



*thescotlandteam.com is a mobile optimised site developed for Scotland fans this season.

Connecting with partners



First Minister Nicola Sturgeon visited the Scotland squad before they departed for Rugby World Cup 2015; she attended the quarter-final v Australia; and hosted a reception at her official resident, Bute House, to thank them for their efforts in the tournament.

The world's oldest varsity match enjoyed a successful home-coming when 10,000 people watched the universities of Edinburgh and St Andrews play at BT Murrayfield, after recent contests had been staged at London Scottish in Richmond. St Andrews won 27 – 26.

The 2015 RBS Scottish Varsity matches also saw female students play on the international pitch, which The University of Edinburgh won 36 – 7.



Scottish Rugby is proud of its rich heritage and the role played in giving the game of rugby to the world.

As part of our commitment to our history, the BT Murrayfield Stadium Tours were revamped featuring new interactive elements and extensive items of Bill McLaren's personal memorabilia with more items from our archive to be displayed.



Scottish Rugby worked with the Scottish Government, EventScotland and the City of Edinburgh Council to bring the 2016 Guinness PRO12 Final to BT Murrayfield.

We're collaborating again to bring the 2017 EPCR Champions Cup and Challenge Cup Finals to BT Murrayfield next May.

Scottish Rugby provided kit and supported TRI The Clan in the Mixed Ability World Rugby Tournament in Bradford, where they were undefeated.

Unified rugby involves people with learning difficulties play alongside those who are not similarly challenged.



We supported the re-christening of our own official charity, the Murrayfield Injured Players' Foundation and continued to provide support to our other official charity partners.



Scottish Rugby also supported more than 200 requests for charity assistance from member clubs, rugby playing schools and the wider Scottish community.

Looking After Our People

Competent, motivated staff and strong leadership will ensure Scottish Rugby successfully performs in an ever-changing environment. Supporting and developing our greatest asset, our people, are the focus of our four key employee programmes.



Driving Culture

A positive, aligned culture guides behaviour and decision making in a changing environment.

- The Healthy Workplaces Group was established this season to encourage staff to be more active and healthy, with representatives from all departments making a positive impact on culture and colleagues.

Learning and Development

Create a sustainable organisation while growing our business.

- Launched bespoke Target Outstanding Performance management programme
- Customer First training delivered / Training facilitated for specific roles and departments

Reward, Recognition & Performance

Develop a framework to ensure our employees can contribute towards success at Scottish Rugby. In addition, attract, retain, train and develop talent.

Employee Engagement

An environment where employees are enthusiastic about their role in supporting Scottish Rugby.

- Regular consultation with employees via new HR system
- Quarterly CEO staff briefings
- New weekly staff newsletter to improve internal communication & engagement

Health & Safety

- 100 staff had the flu vaccine
- 5 defibrillators at BT Murrayfield
- 12 staff trained in first aid
- The Scottish Ambulance Service has engaged with the Royal Infirmary of Edinburgh to provide enhanced paramedic cover at capacity BT Murrayfield matches
- Match-day security reviewed with support from Police Scotland; bags now searched

Obituaries

Scottish Rugby is saddened to record the passing of some notable rugby talent in the past year. Our condolences go to all from the rugby family who lost loved ones this season.

Arthur Fairgrieve Dordward
(Gala, Cambridge University, South, Barbarians and Scotland),
15 Scotland caps in 1950-57.
Died August 2015, aged 90.

Bob Taylor
(Kelvinside West, Glasgow and Scotland),
4 Scotland caps in 1951. Died 27 September 2015, aged 91.

Jim "Basher" Inglis
(Selkirk, South, Scotland),
1 Scotland cap in 1952.
Died 18 November, 2015, aged 87.

John (Jock) Alexander Davidson
(London Scottish, Edinburgh Wanderers, Racing Club, Scotland),
3 Scotland caps in 1959-60.
Died 22 January, 2016, aged 83.

Alastair Gourlay Biggar
(London Scottish, Scotland, British Lions),
12 Scotland caps in 1969-72. Died 6 February, 2016, aged 69.

Colin High
Scottish Rugby high performance referee coach and former international referee, controlled three international matches in 1987-90.
Died 13 April, 2016, aged 74.

Gordon Strachan
(Jordanhill, Glasgow and Scotland),
5 Scotland caps in 1971-73.
Died May, 2016, aged 68.

Craig McGeary
(Haddington RFC)
Scotland and Edinburgh Rugby Video Analyst in 2005-07.
Died 5 July, 2016, aged 43.

John Jackson 'Jack' Hegarty
(Hawick)
6 Scotland caps in 1951-55.
Died 16 July 2016, aged 91.

Moving Scottish Rugby Forward

Scottish Rugby needs to be dynamic and progressive to ensure rugby thrives across Scotland at school, youth, club and professional level for both men and women.

The Journey to 2016

Strategic Aim	Objective	Starting point 2012	Outcome
Winning Teams Scotland	Win RWC 2015	Failed to reach 2011 quarter-final	Losing quarter-finalist
	Top six in World Rugby rankings	Ranking 10th	Best Ranking 8th
	Win RBS 6 Nations by 2016	6th place	Best finish 3rd, 2016: 4th
Edinburgh Rugby	Consistently reach Guinness PRO12 play-offs	11th in PRO12	Best finish 8th
	2nd stage of Euro Challenge Cup	European semi-final	Challenge Cup finalist
Glasgow Warriors	Consistently reach Guinness PRO12 play-offs	4th in PRO12	Play-offs each year and 2014/15 winners
	2nd stage of Euro Champions Cup	Never reached play-off stage	Didn't reach play-off stage
Elite Referees	No World Rugby panel referee	No World Rugby panel referee	No World Rugby panel referee
Premier Clubs	One team in semi-finals of British & Irish Cup	No clubs in later stages	Withdrawn from competition
Scotland 7s	Consistently make top 8 World Rugby ranking	Ranking 10th	Best 10th Won first HSBC World Rugby Sevens Series Cup
	Medal at CG 2014		No medal. Losing semi-finalist
Thriving Club Game	Total teams 2,755	1,960	2,494
	Total players 63,660	46,070	48,654*
	Qualified coaches 2,658	1,891	3,834
	Match officials 3,372	2,396	2,572
Increasing Match Attendance	Edinburgh Rugby average 10,000	5,234	5,724 (+ 9.3%)
	Glasgow Warriors average 10,000	2,396	6,806 (+184%)
	International Cat A games 67,000 (6 Nations excluding Italy)	67,000	Main Tier 1 : 67,000
	International Cat B games 60,000 (Italy, Autumn Tests Tier 1)	30,000	NZ 66,000, Australia 56,700, South Africa Autumn Tests 49,200, Italy 6 Nations 62,100
	International Cat C games 40,000	20,000	Argentina 36,700
	International Cat D games 21,000	20,000	Tonga 16,000 (Rugby Park), Japan 32,700
Increasing Commercial Revenue	Repay minimum of £500k of core debt per year	Average debt £12.9m	Average debt for 2015/16 £8.5m
	Commercial income to have more than doubled to over £10m	Underdeveloped family of sponsors	Other commercial income over £10m in 2015/16
	BT Murrayfield used regularly for major events & concerts	Limited use of BT Murrayfield	Busy conferencing & hospitality business. Concerts, CG 2014 support venue, Guinness PRO12 Final, Champions & Challenge Cup finals, Kiltwalk
Improving the Customer Experience	Regular targeted communications	Limited customer research	Facebook, Twitter, website, ezines, SRTV
	Improved matchday experience at BT Murrayfield Increased match attendances	Underused stadium	Matchday entertainment zones, varied catering offer, improved attendances, car parking on back pitches, better ticketing provision, season tickets, direct debit payment option, auto renewal service, secondary ticketing sales facility

*Player numbers were extracted from the Scottish Rugby player registration database, which is updated by schools and clubs at the end of each season.

The economic challenges we face as a governing body are constantly evolving. While we are increasing our revenue and reducing debt, more needs to be invested into the domestic and professional game to keep up with other rugby nations.

In 2012, we published a strategic plan to inspire Scotland through rugby. It was ambitious, but needed to be in order to push the boundaries and make an impact. Our journey to 2016 was not without challenges and while we didn't achieve everything we set

out to, the plan provided a shared sense of direction and empowered our professional and local rugby clubs to assist in the success of Scottish Rugby.

Our new set of strategic aims builds on what we have achieved so far and continues to focus our efforts on what is best for rugby in Scotland.

Over the past four years we have increased our commercial revenue, improved our customer experience and increased international match attendance.

The key strategic themes for the next four years remain similar and a balance of realism and ambition has been struck to progress existing initiatives.

Remaining agile in a constantly shifting landscape will enable our strategic aims to be assessed and updated where necessary.

The Journey to 2019/20

Strategic Aim	Objective	Measure
Winning Teams Scotland	Consistent improvement - win the RBS 6 Nations Championship at least once by 2019/20	Tournament results
	2019 Rugby World Cup semi-finals	Tournament results
	Consistent improvement in World Rugby ranking – overall average of at least 8th to 2019/20	Results/rankings
Edinburgh Rugby & Glasgow Warriors	One team in top four of Guinness PRO12 and other team in top six every year	Tournament results
	Both teams in top four of Guinness PRO12 by end of 2019/20	Tournament results
Scotland Women	Consistent improvement in results & World Rugby ranking Achieve top 10 ranking by 2019/20	Results and ranking
Revenue & Asset Growth/ Sustainability	Consistent generation of annual surplus Repay minimum of £500k of core debt per year	Annual results, debt level
Developing Talent	Continued delivery of the BT Sport Scottish Rugby Academy	Operational reports and output for pro and national teams
	Coaching pathway	Elite coaching numbers Options for coach succession
	Refereeing – regular selections in elite tournaments / three individuals by end of 2017/18	Referees selected for Guinness PRO12, EPCR, 6N, RWC
Growing the Domestic Game	Continued delivery of schools & youth programme	Targets per published paper (Autumn 2015)
	Deliver women's and girls' programme	Growth in player numbers / teams / fixtures played Number of semi-pro players Consistent improvement in results and ranking
Sustainable Clubs	Continued delivery of domestic sustainability programmes	Club diagnostics Data management system reports

Strategic Report

The Directors present their Strategic Report for the year ended 31 May 2016.



Principal Activities

The principal activity of the Scottish Rugby Union is to promote the game of Rugby throughout Scotland, using its wholly owned subsidiary Scottish Rugby Union plc for all trading activities.

Business Review

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

The Union has achieved a £0.8m surplus for the year (2015: surplus of £24k). Turnover was £3.2m higher than in the year ended 31 May 2015, with additional income from a number of sponsorship agreements including BT, grant income from World Rugby, additional pro team income, both through Guinness PRO12 and also from locally generated Glasgow Warriors income following the Guinness PRO12 Final win in 2015, enhanced RBS 6 Nations broadcasting revenues from BBC and ITV, and a more favourable euro rate. These offset lower ticket revenues from two home RBS 6 Nations matches compared with three in the prior year, and lower ticket and broadcasting revenues from one August Test as against three November Tests in the prior year, as a result of the Rugby World Cup. Other income, which includes sponsorship & advertising, pro team income, hospitality income, grants, and miscellaneous incomes has increased primarily from the sponsorship, pro team income and grants income position noted above.

Within the expenditure categories, the increase in International and Professional Rugby of £1.2m is mainly due to the costs of preparation for, and participation in, the Rugby World Cup. Domestic and Performance rugby investment has increased as a full year of the revised structure supporting the domestic game and also the BT Sport Academy is included, compared with a part year of implementation in 2014/15. Commercial and Operational Costs are £0.3m lower due to there being less home games in the current year, although the gross reduction is partly offset by Rugby World Cup related activity. Club Support & Development investment has increased by £165k with a full year of enhanced investment being reflected in the numbers. This rise follows significant



Robert Howat

increases in the two prior periods. The increase of £0.1m in depreciation is as a result of current and prior year asset additions.

Average bank borrowings over the year amounted to £8.5m, which is £0.1m below the prior year, generally as a result of typical cash flows during a Rugby World Cup year. Bank borrowings at 31 May 2016 of £5.6m were £2.5m below the previous year level, principally as a result of working capital movements just prior to the year end, in particular receipts from Scotland Season Tickets Sales for 2016/17. Interest charges fell to £0.4m, compared with £0.6m in the year to 31 May 2015, principally as a result of the new financing deal agreed with Bank of Scotland, and a continuation of the reduction in overall debt balance.

The Directors continue to monitor borrowing levels, income and expenditure against budget on a monthly basis. They also monitor other key business issues including Professional and National Team performance which are fundamental to the Union's strategy of growing the game within a stable commercial environment.

On pages 56 to 74, the Directors present their report and audited consolidated financial statements for the year ended 31 May 2016. The financial statements comprise the consolidated financial statements of the Union and its subsidiary.

UK Financial Reporting Framework

As a result of a change in the accounting reporting framework in the UK, FRS 102 -The Financial Reporting Standard applicable in the UK and Republic of Ireland replaces all the UK Financial Reporting Standards and UITF Abstracts in issue prior to the new UK financial reporting regime. The new standard is effective for all accounting periods beginning on after 1 January 2015 and, therefore, this is the first year for which the Union has prepared accounts under FRS 102.

The standard requires amendments to a number of items within the Union's financial statements and also requires a prior year comparative position under the new reporting standard to be presented, together with a reconciliation of the effects of the changes that the new reporting standard requires. This reconciliation is noted in detail in Note 22 to the financial statements on pages 72 to 74.

Financial Risk Management

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

Financial Instruments

The Union uses interest rate swaps to reduce its exposure to interest rate movements. Details of this are noted in the Accounting Policies and in Note 10 to the financial statements. The Union also uses forward sale currency contracts to reduce its exposure to exchange rate movements. Details of this are noted in the Accounting Policies and in Note 10 to the financial statements. Financial instruments are not used for speculative purposes.

By order of the Board

Robert M Howat

Secretary

Edinburgh, 21 July 2016

Governance



Scottish Rugby Council

At the AGM on 8 August 2015 Edward A Crozier succeeded Ian Rankin as President and Chair of Council and Rob Flockhart was elected as Vice-President of the Union after a contested election. Adam Gray joined the Council, succeeding Bill McMurtrie as the representative of the Glasgow South Regional League. John Jeffrey continued to serve throughout the year as one of Scottish Rugby's representatives at World Rugby and 6 Nations, with Edward A Crozier and Archie Ferguson serving for part of the year at Celtic Rugby and Rugby Europe respectively. They were succeeded by Ian Rankin and Dee Bradbury as of January 2016.

The President chaired the Council throughout the year, with the Vice-President, acting as the Vice-Chair. The Council

met 11 times during the financial year, including meeting immediately after the AGM to elect Council representatives to the Board, quarterly review meetings, two joint briefing sessions with the Board and additional briefing meetings. Under the Bye-Laws the Council is charged, among other things, with reviewing the operational activity delegated to the Board, developing and fostering the game of rugby in Scotland, reviewing and advising on matters of policy and strategy and developing relationships within the game at both domestic and international levels.

Council members continued to participate in a number of working groups throughout the year including season structures, volunteering, communications and governance review and in a variety of ambassadorial capacities supporting the various age grade and women's national teams.

Patron

Her Royal Highness, The Princess Royal

President

Edward A. Crozier
(Celtic Rugby Limited – part year)

Having served as Vice President in 2014/15, Edward succeeded to the office of President of the SRU at the AGM in 2015. He previously served on the Scottish Rugby Council as the Glasgow North regional representative.

Vice President

Rob Flockhart
Rob was elected Vice President at the AGM in 2015. A retired solicitor, he played for the High School of Dundee, Panmure, Edinburgh University, Melrose, Boroughmuir, Corstorphine and gained representative honours with Edinburgh. He's been a Team Manager for Scotland representative teams and was a selector of the Scotland team. Rob is also an experienced international Citing Commissioner.

Peter Laverie - Premier Division

Peter is a Senior Lecturer and Teaching Fellow at Glasgow Clyde College and an associate member of staff at Dundee University. His rugby began at Old Anniesland where he is now a coach of Glasgow Hawks. Peter has been involved in coaching age-grade rugby at district and international level and with Scotland Club XV.

Dr Doug Ward CBE - National Division 1

A member and past President of Biggar, Doug is the Chairman of Celtic Renewables Ltd and a Vice President of the European Biodiesel Board. He was appointed CBE in 2006 for services to agriculture in Scotland and received an honorary doctorate in 2010 from Edinburgh Napier University.

Graeme Scott - National Division 2

Graeme joined the Scottish Rugby Council following the 20014 AGM. Prior to his appointment, he served as the Championship Club Forum Secretary and he remains Honorary Secretary of Whitecraigs.

Ian Barr - National Division 3

Ian has served as President of Lasswade for a number of years and was instrumental in the setting up of the Midlothian Rugby Development Group. He was a Council representative on the Scottish Rugby Board from 2013-15. He also serves as the Council Ambassador with the Scotland under-20 team.

Jim Littlefair - Edinburgh Regional League

Jim played for Stewart's Melville from 1972-84. He served as President of North Berwick from 2009-12 and led a major refurbishment of the club's facilities. He is a Council representative on the Scottish Rugby Board. Jim is also a Director of Hearts and Balls Charitable Trust and is a Trustee of the Murrayfield Injured Players Foundation.

Jim Stevenson - Glasgow North Regional League

Jim played for Rutherglen, Cambuslang and Dalziel. He represented Glasgow and District Union and Lanarkshire during a career spanning over thirty years. The retired Glasgow City Council officer was President of Cambuslang for many years and served as Scottish Rugby President from 2008-10. Jim is a Trustee of the Murrayfield Injured Players Foundation.

Adam Gray - Glasgow South Regional League

After captaining Stewartry, the UKCC Level 3 accredited coach helped the side to three promotions and was named National League Coach of the Year in 2005. He coached age-grade rugby in Glasgow and was Assistant Coach with Scotland under-17. Adam was a Scottish Rugby Performance Development Manager in Glasgow South from 2006-10 and served on Scottish Rugby's Referee Selection Panel from 2011-13. He is currently a member of the Referees Advisory Panel.

Alan Brown - Scottish Borders Regional League

A fellow of the Chartered Institute of Management Accountants, Alan has worked in the social housing sector for many years and is currently the Director of Finance and Corporate Services for the Eildon Housing Association Ltd. A keen club player, he is currently Treasurer of Gala Wanderers and Borders Semi-Junior League and serves as a Trustee on the Murrayfield Injured Players Foundation.

Graham Kerr - Midlands Regional League

Graham has been a member of Alloa as a player, coach, Secretary and Vice President. He was employed as Caledonia Rugby Administration Executive between 1997 and 2006. Since 2006 he has served on the Caledonia Competitions Committee and is currently Caledonia Midlands Age Grade Convenor. He also chairs the National Youth Forum, serves as the Council Ambassador with Scotland under-18 and is a Trustee on the Murrayfield Injured Players Foundation.

Mike Monro - North Regional League

The Aberdeen Wanderers member has also been a member of Aberdeenshire since 1971, where he has served on the

committee in many roles including Secretary and President. After retiring from playing, the lawyer refereed for seven years and served as Secretary of his local referees society. He also serves as a Trustee on the Murrayfield Injured Players Foundation and is a member of the Scottish Rugby Board.

Fergus Neil - Scottish Rugby Referees Association

A referee for eight years before becoming a referee assessor, the chartered accountant played for Whitecraigs where he has been a member since 1965. He is a World Rugby accredited Performance Reviewer. He chaired the 2007 SRU Match Officials' Restructure Group and was chair of the SRU Match Officials' Selection Panel from its inception until his election to the Council and is a member of the Scottish Rugby Board

Bruce Thompson - Schools Division

An Oxford graduate in classics, Bruce is Head Teacher of Strathallan School and the Scottish representative on the Headmasters' Conference Sports Committee. He chaired the HMC Committee that looked into rugby safety issues liaising closely with Scottish Rugby.

Dee Bradbury - Women's Rugby Forum and Rugby Europe (part year)

Dee joined Strathclyde Police in 1984 and was posted to Oban where she remained until retiring. She represented Scotland and Great Britain in athletics and played representative netball before taking up rugby in 2011 while President of Oban Lorne and Secretary of Argyll and Bute. Dee was appointed as one of Scottish Rugby's representatives on Rugby Europe in 2015.

Rod Lynch - Exile Clubs

Born in Perth, Rod was elected as the first Scottish Exile Clubs Representative on the Scottish Rugby Council prior to the 2012 AGM. He is the President and Chief Executive of London Scottish, having served on the club committee since 2000.

John Jeffrey - Co-opted member (World Rugby & Six Nations)

John won 40 caps for Scotland and was a member of the Grand Slam team of 1990. He was also a British Lion and continues to promote Scottish Rugby's interests through serving as a co-opted member of the Council by representing Scottish Rugby at World Rugby and on the Six Nations Council.

Ian Rankin - Co-opted member (Celtic Rugby Limited- part year)

Ian has served as President in 2014/15 and was appointed to the Celtic Rugby Board this season as a co-opted Scottish Rugby Council member. The former captain of Edinburgh Wanderers and Howe of Fife went on to coach both sides and Kirkcaldy before taking charge of Caledonia Reds and Edinburgh Reivers. He also assisted with Scotland A and Scotland under-20 before holding the Director of Rugby position at Dundee HSFP.



Scottish Rugby Board

The Scottish Rugby Board is responsible for the ongoing management and operations of Scottish Rugby under powers delegated to it under the Bye-Laws. Its members also serve as the Board of Scottish Rugby Union plc, comprising four independent non-executive Directors, four non-executive Directors nominated by the Scottish Rugby Council (one of the four being the President in his capacity as Chairman of the Council), and four executive Directors. Colin Grassie is the Senior Independent Director. Robert Howat was appointed to the Board in the course of the year. The Vice-President is also entitled to attend Board meetings as an observer but is not entitled to vote.

Executive Directors serve under the terms of their employment or service contracts. The independent non-executive Directors are appointed for terms of 3 years and would normally be expected to serve for a minimum of two terms. Appointment of the independent non-executive Directors is by the Board, on the recommendation of the Nomination Committee and subject to ratification by the Council.

The Council-nominated non-executive Directors are appointed, or re-appointed as the case may be, by the Council after the AGM, when vacancies arise. Their terms in office vary. As a result of changes to the Bye-Laws approved at the AGM in 2015 the current Vice-President, Rob Flockhart, will, subject to members' ratification, succeed as President for a term of 2 years and as Chairman of Council will also then serve as a Director for those two years. The Vice-President elected at the 2016 AGM will, subject to the Bye-Laws, take up that post for 2 years, before becoming President.

Other Council nominated non-executive Directors may serve for up to 3 years at a time, subject to remaining a member of Council. Eligibility for re-election to the Board depends on remaining a member of Council and the application of the

Bye-Laws. On ceasing to be a member of Council, a Council nominated non-executive Director is also required to step down from the Board.

As at the financial year end, the Directors of the Boards of Scottish Rugby Union and Scottish Rugby Union plc and their terms of office were:

Sir Moir Lockhead OBE - Independent non-executive, Chairman
Originally appointed 1 July 2011 for 3 years. Re-appointed for a further 3 years with effect from 1 July 2014.

Originally a mechanical engineer, Sir Moir went on to be Chief Executive of First Group plc. He was appointed Chairman of the Scottish Rugby Board in July 2011. Awarded a knighthood for services to transport in 2008, following an OBE in 1996, he was re-appointed to the Board for a further three years from July 2014. He also chairs the Nomination Committee.

Edward A Crozier - Council nominated non-executive (President as Chair of Council)
Appointed at 2015 AGM, with effect on 9 August 2015. Term expires at 2016 AGM.

Having served as Vice President in 2014/15, Edward succeeded as President of the SRU at the AGM in 2015. He previously served on the Scottish Rugby Council as the Glasgow North regional representative.

Mark Dodson - Chief Executive
Appointed 19 September 2011.

Appointed Chief Executive in September 2011, Mark signed a further five-year contract taking him to 2020. He is one of Scottish Rugby's representatives on World Rugby, the 6 Nations Council, European Professional Club Rugby and the British & Irish Lions. Starting his career in 1979 at the Guardian Media Group, he became Chief Executive of Guardian Media Group Regional Media in 2005 and was appointed to the Guardian Media Group Board.

Colin Grassie - Independent Non-Executive
Appointed 1 July 2012 for 3 years.
Re-appointed for a further 3 years with effect from 1 July 2015.

The former CEO in the UK and member of the Group Executive Committee of Deutsche Bank, Colin joined the Scottish Rugby Board in July 2012. He chairs the Remuneration Committee and is the Senior Independent Director. He is also on the Advisory Board of Winning Scotland, the chair of the Development Trust of the Glasgow School of Art and sits on the Board of Governors of Fettes College in Edinburgh.

Andrew Healy - Finance Director
Appointed 22 August 2013.

Joining Scottish Rugby in 2007 as Financial Controller, Andrew was appointed to the Board as Finance Director in 2013. A Chartered Accountant and born in Glasgow, he played with GHA for a number of years, before retiring and taking up refereeing for a further nine years. He played for Glasgow Schools, Glasgow under-18 and Glasgow under-21 and represents Scottish Rugby on a number of Finance Committees within international bodies.

Robert Howat - General Counsel & Company Secretary
Appointed 15 July 2015.

Robert joined Scottish Rugby as General Counsel in January 2013 and oversees the Legal and Governance Department, Human Resources and Health & Safety functions. Robert became a Board Director in July 2015 and is also a Director of European Professional Club Rugby and a sits on its Regulations Committee. Prior to taking on his role at Scottish Rugby Robert was Company Secretary at Celtic FC for 11 years.

Jim Littlefair - Council nominated non-executive
Appointed with effect on 9 August 2015, for 3 years.

Jim served as President of North Berwick from 2009-12 and led a major refurbishment of the club's facilities. He joined the Board as a Council representative after the AGM in 2015 and is a member of the Audit and Nomination Committees. The former Stewart's Melville player is also a Director of Hearts and Balls Charitable Trust and is a Trustee of the Murrayfield Injured Players Foundation.

Ian McLauchlan - Independent Non-Executive
Appointed 1 July 2012. Re-appointed for a further 3 years with effect from 1 July 2015.

Ian played for Jordanhill, Glasgow and Natal, was capped for Scotland 43 times (19 as captain) and played in all Tests of the successful British Lions Tours of New Zealand in 1971 and South Africa in 1974. He served two terms as Scottish Rugby President, is an independent non-executive Director and a member of the Nomination and Remuneration Committees. Ian is Chairman of the British & Irish Lions Trust and a Director of the Hearts and Balls Charitable Trust.

Dominic McKay - Chief Operating Officer
Appointed 22 June 2013.

Dominic joined Scottish Rugby in 2008 from his previous post at drinks giant Pernod Ricard. He is now the Chief Operating Officer and is responsible for all group commercial, media, marketing, events, ticketing, stadium facilities and public affairs activity for Scottish Rugby. He also oversees the off-field activity of Glasgow Warriors and Edinburgh Rugby. Dominic is a Director of the Celtic League/Pro12 Board and a Director of Rugby Europe.

Mike Monro - Council nominated non-executive
Appointed 1 October 2013. Re-appointed 16 August 2014 for 3 years.

Mike has been a member of Aberdeenshire since 1971 and has served on the committee there in many roles, including secretary and president. After retiring from playing, the lawyer refereed for seven years and served as secretary of his local referees society. He is also a Trustee on the Murrayfield Injured Players Foundation. Mike is a Council-nominated non-executive director and is a member of the Audit and Remuneration Committees.

Fergus Neil - Council nominated non-executive
Re-appointed 22 June 2013 for 3 years. Retires at 2016 AGM.

A referee for eight years before becoming a referee assessor, the chartered accountant played for Whitecraigs where he has been a member since 1965. He is a World Rugby accredited Performance Reviewer and chaired the 2007 SRU Match Officials Restructure Group and the SRU Match Officials' Selection Panel. Fergus is one of the Council-nominated Directors and chairs the Audit Committee.

Lesley Thomson QC - Independent Non-Executive
Appointed 1 October 2013 for 3 years. Re-appointed for a further 3 years with effect from 1 October 2016.

Scotland's Solicitor General until recently and a former General Committee member at Melrose RFC, Lesley was the first woman to sit on the Scottish Rugby Board when she was appointed in 2013. Lesley is a member of the Audit and Remuneration Committees.

The Board met 11 times during the year, including a separate strategy session and the two joint briefing sessions with the Council. The Board conducts an annual evaluation of its performance with the outcomes reported to the Board as a whole and procedures adjusted as appropriate following that appraisal. The non-executive members of the Board also meet regularly without the executive directors, other than the Company Secretary, present.

Board Committees

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

The Chairman of each committee presents a report to the Board on that committee's work at the next Board meeting.

Audit Committee (Chair - Fergus Neil)

Jim Littlefair, Mike Monro, Fergus Neil and Lesley Thomson served on this committee during the financial year. The committee is responsible for assisting the Board to discharge its responsibilities for accounting policies, financial reporting, internal financial control and risk management. The committee met 5 times during the financial year. Committee meetings are attended routinely by the Finance Director, the Financial Controller, the Company Secretary and representatives from the Union's auditors.

Nomination Committee (Chair - Sir Moir Lockhead)

Edward A Crozier, Jim Littlefair, Sir Moir Lockhead, and Ian McLauchlan served on the committee during the financial year. The Chief Executive and Company Secretary also attend the committee's meetings. This committee is responsible for making recommendations to the Board as to the membership of the Board and its sub-committees, the identification and recruitment of new Directors when required and the identification and appraisal of international body representatives. Advice is taken from external consultants as required although none was required during the year. The committee met 4 times in the period.

Remuneration Committee (Chair - Colin Grassie)

Colin Grassie, Mike Monro, Ian McLauchlan and Lesley Thomson served on the committee during the financial year. The committee is responsible for making recommendations, within agreed terms of reference, on remuneration policies, monitoring and approving executive directors' and certain senior executive remuneration packages, setting and monitoring key performance targets and reviewing succession planning. Approval of the remuneration of senior coaches and higher-earning players also falls within the committee's remit.

The committee met 4 times during the financial year. The Company Secretary attends meetings, with the Chief Executive attending as required. Advice is taken from external consultants when needed, although none was required during the year.

Governance Standards

All members of the Board and Council are required to comply with Scottish Rugby's Code of Conduct. Under the Code of Conduct any alleged breach of the Code is subject to consideration by an independent panel. No breaches or alleged breaches were reported in the year.

Development of Corporate Governance

During the period the Governance Working Party created in 2014 continued its work, with a new independent Chairman, Magnus Swanson. Its work during the period and recommendations form the basis for the three motions to be proposed by the Council and Board at the 2016 AGM. Its report is available on the Union's website.

The Council and Board remain committed to the continuing development and improvement of governance structures. The Governance Working Party will continue during the 2016/17 financial year.

Remuneration and Benefits of Non-Executive and Council Board Representatives

The Union offers its non-executive Board members, including Council representatives on the Board, a fee for their service. The annual rates of fee applied for the non-executive Board members serving at the financial year end are set out below. These amounts are pro-rated for part years. Board members are also entitled to be reimbursed for expenses incurred wholly, exclusively and necessarily on Scottish Rugby business.

Due to the application of Scottish Government rules on other appointments Lesley Thomson continued to waive any entitlement to fees during the year.

	Director's Fee £	Representative Bodies' Fee £	Total £
Sir Moir Lockhead	35,000	-	35,000
Edward A. Crozier	15,000	-	15,000
Colin Grassie	15,000	-	15,000
Jim Littlefair	15,000	-	15,000
Ian McLauchlan	15,000	-	15,000
Mike Monro	15,000	-	15,000
Fergus Neil	15,000	-	15,000
Lesley Thomson	0	-	0

Council members serving as international representatives for Scottish Rugby Union are also entitled to be paid a fee for their services on those bodies. The annual rates of fee for these bodies is £7,000 for Celtic Rugby, £7,000 for Rugby Europe, and £25,000 for World Rugby / 6 Nations. The individuals in office in the course of the year are set out in the table below. Fees are subject to pro-rating for part years.

	Position Held	Paid by
Edward A. Crozier	Celtic Rugby	CRL
Ian Rankin	Celtic Rugby	CRL
Archie Ferguson	Rugby Europe	SRU
Dee Bradbury	Rugby Europe	SRU
John Jeffrey	World Rugby / 6N	World Rugby / 6N

Notes:

- 1. These rates were not changed in the financial year.
- 2. The fees payable to Edward A Crozier, Ian Rankin, Archie Ferguson and Dee Bradbury reflect service for part of the year only.
- 3. Members of the Scottish Rugby Council receive no remuneration in respect of their elected roles although are entitled to recover expenses incurred wholly, exclusively and necessarily on Scottish Rugby business in accordance with Scottish Rugby's expenses policy.
- 4. World Rugby, Six Nations Committee (6NC) and Celtic Rugby Limited (CRL) compensate the representatives/ directors serving on those bodies and the service fees paid to the Scottish Rugby representatives involved were as noted. Fees payable by those bodies during the financial year to Mark Dodson and Dominic McKay were disclaimed by the individuals and are retained by Scottish Rugby.
- 5. Dominic McKay served as a director of Celtic Rugby Limited during the year, with Mark Dodson and Ian McLauchlan (part year) and Robert Howat (part year) being Scottish Rugby's nominated board members of European Professional Club Rugby. Any fees payable to Mark Dodson and Robert Howat were disclaimed.



John Hardie and Ali Price, 1872 Scottish Cup

Board Report

The Directors present their Report and the audited consolidated financial statements for the year ended 31 May 2016.



An overview and review of the Union can be found in the Business Review, within the Strategic Report on page 42.

Going Concern

The Directors believe that the Union has adequate resources to continue in operational existence for the foreseeable future and it therefore continues to adopt the going concern basis in preparing the financial statements.

The Directors continue to budget for, and operate, the Union on a cash flow positive and earnings positive basis. Notwithstanding the challenging intra-industry and wider economic and market conditions, the Directors intend to continue to operate on this basis and, therefore, look forward to the year ahead and the challenges that this brings.

Employees

Scottish Rugby recognises the value and importance of promoting equal employment opportunities for its current and future staff and considers all forms of discrimination to be unacceptable in the workplace. We aim to be an inclusive organisation where everyone is treated with dignity and respect and where diversity is valued across all of the recognised equality strands detailed within the Equality Act 2010. The organisation is committed to providing equal opportunities throughout recruitment, employment, training and career development and has a comprehensive Equal Opportunities Employment Policy, Equality and Diversity Policy and several other related policies that support the nine protected characteristics within the Equality Act.

We are committed to adopting equitable employment practices and terms and conditions which are based on the merits, ability and potential of individuals, and to avoiding any conditions or requirements that cannot be justified by the needs of the job. As an example of this equitable approach, Scottish Rugby has been granted the Positive About Disabled People award by Job Centre Plus, recognising our commitment to equality and confirming that applications from disabled people are always positively considered by the organisation.

In addition to our employment practices, Scottish Rugby has achieved the Intermediate Level of the Equality Standard: 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. Scottish Rugby has also been awarded the Preliminary Level of the Equality Standard through our efforts and commitment to make rugby in Scotland open to all. A significant amount of work has been undertaken in producing our Equality and

Diversity Plan, which can be located on our website, and we have appointed an Equality Champion. In addition we have recruited an Equality and Outreach Manager. This role has been instrumental in imbedding equality and diversity and progressing actions within our plan.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the company as a whole. Communication with all employees continues through e-mail communication, organisation-wide Engage newsletter briefings, CEO employee briefings and the distribution of the Annual Report.



Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Union's financial statements in accordance with United Kingdom Accounting Standards comprising FRS 102 "The Financial Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Union and of the surplus or deficit of the Union for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

- state whether FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" has been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Union will continue in business.

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

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

Independent Auditors and Disclosure of Information to Auditors

So far as each Director is aware, there is no relevant audit information (that is, information needed by the Union's auditors in connection with preparing their report) of which the Union's auditors are unaware.

Each Director has taken all the steps (such as making enquiries of other Directors and the auditors and any other steps required by the Director's duty to exercise due care, skill and diligence) that he or she ought to have taken in his or her duty as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Union's auditors are aware of that information.

Directors

The Directors of Scottish Rugby Union plc who held office during the year, and up to the date of signing the Financial Statements are noted on pages 46 and 47.

By order of the Board

Robert M Howat

Secretary

Edinburgh, 21 July 2016



Financial Statements

Independent Auditors' Report to the Members of the Scottish Rugby Union



Report on the Group Financial Statements

Our Opinion

In our opinion the Scottish Rugby Union's group financial statements ("the financial statements"):

- give a true and fair view of the state of the group's affairs as at 31 May 2016 and of its surplus and cash flows 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.

What we have audited

The financial statements, included within the Annual Report (the "Annual Report"), comprise:

- Consolidated Balance Sheet as at 31 May 2016;
- Consolidated Income and Expenditure account for the year then ended;
- Consolidated Statement of Cash Flows for the year then ended;
- Consolidated Statement of Changes in Equity for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Board Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Union, or returns adequate for our audit have not been received from branches not visited by us; or
- the Union financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the Financial Statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 51, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK & Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Kenneth Wilson (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
21 July 2016



Strathallan School v George Watson's College

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 financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. Details of the transition to FRS 102 are disclosed in note 22.

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

Basis of Consolidation

The consolidated financial statements cover the year to 31 May 2016 and include the Scottish Rugby Union, a mutual organisation, its subsidising undertakings, Scottish Rugby Union plc and the Murrayfield Experience Limited, and a related body, the Thistle Rugby Trust. The parent body, Scottish Rugby Union has not traded during either the current period or previous year and its only assets and liabilities are its investment in, and loans from, Scottish Rugby Union plc of £50,000.

Turnover

Turnover represents ticket sales, broadcasting revenue and all other income and is stated net of VAT. Revenue is recognised based on the relevant contractual terms or in accordance with the occurrence of the relevant event. Where consideration is received in kind, income and expenditure are grossed up on the basis of arm's length commercial rates.

Tangible Fixed 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 Union's main asset, BT Murrayfield Stadium, therefore the de-minimus level for capitalisation of assets has been set at £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:

Principal Accounting Policies (cont)

	%
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 Fixed 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:

	%
Intangible Fixed Assets	7-50
No amortisation is charged on Assets Under Construction.	

Deferred Income

Capital grants and debenture premiums are transferred to deferred income and amortised over the estimated useful life of the associated fixed assets or the life of the debenture, respectively.

Debenture issue costs

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

Pension costs

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

Finance and operating leases

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

Leasing and hire purchase agreements which transfer substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitment is shown as an obligation under finance leases. The lease rentals are treated as consisting

of capital and interest elements, with the capital element applied to reduce the outstanding obligation and the interest element charged against the surplus or deficit for the period on a straight line basis.

Assets held under finance leases are depreciated over the shorter of the lease term and the useful lives of equivalent owned assets.

Grants

Revenue grants are credited to the income and expenditure account in the same period as the related expenses.

Taxation

The Union has mutual trading status for taxation purposes as regards its trading activities with its members 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.

Financial Instruments

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

(i) Financial Assets

Basic financial assets, including trade and other debtors, cash and bank balances and loans, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. They are first assessed individually for impairment, or collectively where the debtors are not individually significant. Where there is no objective evidence of impairment for an individual debtor, it is included in a group of debtors with similar credit risk characteristics and these are assessed collectively for impairment based on their ageing.

If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Income Statement.

Principal Accounting Policies (cont)

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Income Statement.

Other financial assets, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Income Statement, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

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

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

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

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their value on the market price date from relevant counterparties. Changes in the fair value of derivatives are recognised in the Income Statement in

finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

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

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(iv) Hedging arrangements

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

The Union also applies hedge accounting for transactions entered into to manage the cash flow exposures of borrowings. Interest rate swaps are held to manage the interest rate exposures and are designated as cash flow hedges of floating rate borrowings.

Changes in the fair values of derivatives designated as cash flow hedges, and which are effective, are recognised directly in equity. Any ineffectiveness in the hedging relationship (being the excess of the cumulative change in fair value of the hedging instrument since inception of the hedge over the cumulative change in the fair value of the hedged item since inception of the hedge) is recognised in the income statement.

The gain or loss recognised in other comprehensive income is reclassified to the income statement when the hedge relationship ends. Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised or the hedging instrument is terminated.

Public benefit entity concessionary loans (including debentures)

Concessionary loans arrangements, when received for the purpose of furthering the primary objective of the Union, which include any debentures or bank loans received below the prevailing market rate of interest are initially measured at the amount received. In subsequent years, the carrying amount of concessionary loans in the financial statements is adjusted to reflect any accrued interest payable or receivable.

Consolidated Income & Expenditure account for the year ended 31 May 2016

	Notes	2016 £000	2015 £000
Turnover			
Ticket income		6,995	10,143
Broadcasting revenues		10,908	10,822
Other operating income		29,531	23,278
		47,434	44,243
Costs			
International and Professional Rugby		(23,998)	(22,761)
Domestic and Performance Rugby		(7,509)	(6,201)
Commercial and Operational		(10,570)	(10,876)
Club Support and Development		(2,937)	(2,772)
Depreciation		(1,180)	(1,053)
		(46,184)	(43,663)
Operating Surplus		1,250	580
Net Interest	3	(404)	(556)
Surplus on ordinary activities before taxation	1	846	24
Tax on surplus on ordinary activities	4	(10)	-
Surplus for the financial year	17	836	24

The turnover and operating surplus shown above are derived from continuing operations within the UK.

Consolidated Statement of Comprehensive Income for the year ended 31 May 2016

	2016 £000	2015 £000
Surplus for the financial year	836	24
Other Comprehensive Income:		
Cash Flow hedges:		
Change in value of interest rate hedging instruments	(109)	34
Change in value of foreign exchange hedging instruments	(353)	90
Other comprehensive income for the year	(462)	124
Total comprehensive income for the year	374	148

Consolidated Balance Sheet as at 31 May 2016

	Notes	2016 £000	2015 £000
Fixed Assets			
Tangible fixed assets	5	39,097	39,547
Intangible assets	6	71	69
Derivative financial instruments	10	-	18
Investments	7	2	2
		39,170	39,636
Current Assets			
Derivative financial instruments	10	197	133
Debtors	8	6,476	5,456
Cash in hand		10	8
		6,683	5,597
Creditors: amounts falling due within one year	9	(14,573)	(20,231)
Derivative financial instruments	10	(177)	(9)
Net Current Liabilities		(8,067)	(14,643)
Provisions for liabilities	11	(48)	(46)
Total assets less current liabilities and provisions		31,055	24,947
Creditors: amounts falling due after more than one year	9	5,598	148
Financial liabilities	10	340	-
Deferred income	12	1,933	2,070
Ten Year Debentures	13	1	1
Murrayfield Debentures	14	31,623	31,542
Irredeemable Debentures	15	97	97
		39,592	33,858
Net assets			
Capital and Reserves			
General reserve	17	(8,217)	(9,053)
Hedging reserve		(320)	142
Total Shareholder's Deficit		(8,537)	(8,911)
Total Capital and Reserves		31,055	24,947

The financial statements on pages 56 to 74 were approved by the Scottish Rugby Board and signed on its behalf on 21 July 2016 by:

Sir Moir Lockhead OBE, Chairman

Mark Dodson, Chief Executive

Consolidated Statement of changes in equity for the year ended 31 May 2016

	Capital Reserve £000	Hedging Reserve £000	Total £000
Balance as at 1 June 2014	(9,077)	(18)	(9,059)
Surplus for the year	24		24
Other comprehensive income for the year:			
• Fair value gain on interest rate derivative financial instrument	-	34	34
• Fair value gain on foreign exchange derivative financial instrument	-	90	90
Total other comprehensive income for the year	-	124	124
Balance as at 31 May 2015	(9,053)	142	(8,911)
Balance as at 1 June 2015	(9,053)	142	(8,911)
Surplus for the year	836	-	836
Other comprehensive income for the year:			
• Fair value gain on interest rate derivative financial instrument	-	(109)	(109)
• Fair value gain on foreign exchange derivative financial instrument	-	(353)	(353)
Total other comprehensive income for the year	-	(462)	(462)
Balance as at 31 May 2016	(8,217)	(320)	(8,537)

The hedging reserve is used to record transactions arising from the Union's cash flow hedging arrangements.

Consolidated Statement of cash flows for the year ended 31 May 2016

	Notes	2016 £000	2015 £000
Net cash from operating activities	18	3,573	1,999
Cash Flow from investing activities			
Payments to acquire Tangible Fixed Assets		(831)	(1,877)
Cash flow from financing activities			
Repayment of bank loan		(500)	(2,250)
Finance lease		(5)	(4)
Interest paid on bank overdrafts and loans		(298)	(341)
Net cash used in financing activities		(803)	(2,595)
Net increase/(decrease) in cash at bank and in hand		1,939	(2,473)
Cash and cash equivalents at the beginning of the year		(2,064)	409
Cash and cash equivalents at the end of the year		(125)	(2,064)

Notes to the Financial Statements

1. Surplus on ordinary activities before taxation

	2016	2015
	£000	£000
The surplus on ordinary activities before taxation is stated after crediting:		
Amortisation of deferred income	137	137
Barter transaction sponsorship income	1,099	851
And after charging:		
Auditors remuneration	28	25
Auditors fees for non-audit services		
Tax compliance	13	8
Tax advisory	3	6
Other	11	2
Depreciation charge for the year		
Owned fixed assets	1,165	1,041
Amortisation charge for the year		
Owned intangible assets	15	12
Operating lease rentals		
Plant & machinery	172	44
Other	305	305
Barter transaction sponsorship costs	1,099	851
Administrative and management expenses	2,745	2,682

2. Staff Costs

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

	2016	2016	2015	2015
	No.	No.	No.	No.
Rugby				
Professional Players	105		101	
Professional Teams - Coaching & Operations	23		24	
National Team - Coaching & Operations	8		9	
Elite Development Players & Coaches	30		33	
Domestic & Performance	75		69	
Strength & Conditioning	16		11	
Medical & Physiotherapy	17		10	
	274		257	
Stadium Operations	32		37	
Commercial, marketing & other corporate functions	50		51	
TOTAL	356		345	

Within these figures:

Domestic & Performance includes employees within the BT Sport Scottish Rugby Academy, Domestic Rugby Support Services, Participation & Development, Coach Development, Outreach & Equality, Schools & Youth, Domestic & Elite Refereeing, and Age Grade & Other Coaches.

Stadium Operations includes staff involved in Event Management, Ticketing and Stadium, Pitch & Grounds Maintenance.

Commercial, marketing & other corporate functions includes Commercial & Marketing, HR & Communications, Finance & IT, Governance and Business Services.

Notes to the Financial Statements

2. Staff Costs (cont)

	2016	2015
	Total	Total
	£000	£000
Employment costs:		
Wages and salaries	21,833	21,052
Social security costs	2,383	2,295
Other pension costs	640	573
	24,856	23,920

At the year end the pension accrual was £234k (2015 - £159k).

3. Net Interest

	2016	2015
	£000	£000
Interest payable on bank overdrafts	(323)	(474)
Amortisation of Debenture issue costs	(81)	(82)
	(404)	(556)

The rates of interest on the Union's term loan borrowings are included in Note 10.

4. Tax on surplus on ordinary activities

	2016	2015
	£000	£000
Current Tax:		
On profits arising from non-mutual trading	10	-
Deferred:		
Origination and reversal of timing differences	361	(27)
Movement in deferred tax unprovided	(361)	27
	10	-
Factors affecting the current tax charge for the period:		
Surplus on ordinary activities before taxation	846	24
	169	5
Effects of:		
Net expenses not deductible for tax purposes	158	141
Crystallisation of tax losses	(357)	(112)
Non-taxable mutual profits	(100)	(150)
Depreciation in excess of capital allowances	99	88
Capital transactions	10	-
Movement in other timing differences	31	28
	10	-

The Union has gross taxable profits arising in the period of £49k (2015 - £nil).

Notes to the Financial Statements

5. Tangible Fixed Assets

	Heritable Property £000	Fixtures & fittings £000	Other Equipment £000	Assets Under Construction £000	Total £000
Cost					
As at 1 June 2015	47,557	14,333	4,056	-	65,946
Additions	132	26	557	-	715
As at 31 May 2016	47,689	14,359	4,613	-	66,661
Accumulated Depreciation					
As at 1 June 2015	10,898	12,408	3,093	-	26,399
Charge for year	684	224	257	-	1,165
As at 31 May 2016	11,582	12,632	3,350	-	27,564
Net Book Value					
As at 31 May 2016	36,107	1,727	1,263	-	39,097
As at 31 May 2015	36,659	1,925	963	-	39,547

6. Intangible Fixed Assets

	Computer Software £000	Assets Under Construction £000	Total £000
Cost			
As at 1 June 2015	197	-	197
Additions	-	17	17
As at 31 May 2016	197	17	214
Accumulated Amortisation			
As at 1 June 2015	128	-	128
Charge for year	15	-	15
As at 31 May 2016	143	-	143
Net Book Value			
As at 31 May 2016	54	17	71
As at 31 May 2015	69	-	69

Notes to the Financial Statements

7. Investments

The Union is the beneficial owner of 1,667 €1.27 ordinary shares in European Rugby Cup Limited (ERC), a company incorporated in the Irish Republic. The Union's holding represents 16.67% of the company's issued share capital.

The Union holds one €1.25 ordinary share in British Lions Limited, a company incorporated in the Irish Republic. The Union's investment represents a 25% holding in the issued share capital of the company.

The Union is the beneficial owner of 100 €1.00 ordinary shares in Celtic Rugby Limited, a company incorporated in the Irish Republic. The Union's holding represents 33% of the company's issued share capital.

The Union is one of three subscribers, the others being The Welsh Rugby Union Ltd and Rugby Football Union, to Great Britain Rugby Sevens Limited, a company incorporated in England and Wales, and limited by guarantee.

Given the disposition of the other shareholdings in these companies, and the immateriality of their net surpluses and net assets after receipt of dividends by the Union, the Directors do not believe that these investments fall to be treated as associate companies. Fixed asset investments are stated at the lower of cost and valuation.

8. Debtors

	2016 £000	2015 £000
Amounts falling due within one year		
Trade debtors	5,668	4,413
Other debtors	240	388
Prepayments	568	655
	6,476	5,456

9. Creditors

	2016 £000	2015 £000
Amounts falling due within one year		
Bank overdrafts	135	2,072
Bank loans	-	6,000
Obligations under finance leases	3	5
Advance receipts	5,771	4,391
Trade creditors	2,507	2,163
Other tax and social security	1,307	1,234
Accruals	4,850	4,366
	14,573	20,231
Amounts falling due after more than one year		
Obligations under finance leases	-	3
Bank loans	5,500	-
Other creditors	98	145
	5,598	148

Notes to the Financial Statements

9. Creditors (cont).

	2016 £000	2015 £000
Finance lease obligations to which the Union is committed are due:		
In one year or less	3	5
Between one and two years	-	3
	3	8

Within Amounts falling due after more than one year, bank loans of £5.5m (2015 - amounts falling due within one year - £6.0m) are repayable in full by 30 June 2020. Security was granted to the Union's bankers by way of a Bond and Floating charge over the assets of Scottish Rugby Union plc.

10. 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 Union neither enters into transactions of a speculative nature nor trades in financial instruments.

	2016 £000	2015 £000
Financial assets that are debt instruments measured at amortised cost:		
Trade Debtors	5,668	4,413
Other debtors	808	1,043
Financial assets measured at fair value through other comprehensive income:		
Derivative financial instruments	197	151
Financial liabilities measured at amortised cost:		
Bank Loans & Overdraft	5,635	8,072
Trade creditors	2,507	2,163
Other creditors	12,028	10,139

Financial liabilities measured at fair value through other comprehensive income:

Derivative financial instruments	517	9
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Derivative financial instruments- Forward Contracts

The Group enters into forward foreign exchange contracts to mitigate the exchange rate risk for certain future foreign currency receivables. The forward foreign exchange contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the year end spot exchange rates. The fair value of the forward foreign exchange currency contracts, at 31 May 2016 is (£202k) (2015: £151k)

Notes to the Financial Statements

Derivative financial instruments – Interest rate swaps

The Union has a term loan with Bank of Scotland of £5.5m (2015: £6m), with the balance being repayable in full by 30 June 2020. The Union has also entered into an interest rate swap with the Bank of Scotland, which is used to hedge the Group's exposure to interest rate movements on the bank loan facility in relation to £5m (2015: £5.5m) of the term loan. This has fixed the interest rate on these borrowings over the period of the loan at an average rate of 3.491%.

The interest rate swap arrangement has a fair market value, being the net present value of future cash flows due under the swap compared to current interest rates. The fair value of the interest rate swap on 31 May 2016 was (£118k). The fair value of the interest rate swaps in place on 31 May 2015 was (£9k).

11. Provisions for liabilities

	Deferred Tax £000	Tenant Club Residual Fund £000	Total £000
Opening	-	46	46
Transfer during period	-	2	2
Closing	-	48	48

Deferred taxation comprises:

	2016 £000	2015 £000
Accelerated capital allowances	1,567	1,644
Other timing differences	414	362
Trading losses carried forward	(3,033)	(3,419)
	(1,052)	(1,413)
Deferred Tax asset not recognised	1,052	1,413
	-	-

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.

12. Deferred income

	Heritable Property £000	Debenture Premium £000	2016 Total £000	2015 Total £000
Opening	1,567	503	2,070	2,207
Amortisation in period	(31)	(106)	(137)	(137)
Closing	1,536	397	1,933	2,070

Notes to the Financial Statements

13. Ten Year Debentures

Debenture Issue	Class of Debenture	Value Each	Max. No. Authorised	2016 No. issued	2015 No. issued
2009 Debentures	J	£1	500	90	90
	K	£1	1,000	429	429
	L	£1	200	78	78
2012 Debentures	N	£1	1,000	14	14
	O	£1	1,000	180	180
Debentures issued				791	791

The 2009 Debentures are unsecured, interest free and repayable at par on 31 May 2019. The 2012 Debentures are unsecured, interest free and repayable at par on 31 May 2022. Holders of the 2009 and 2012 Debentures have the right to purchase a ticket for any event or match at the stadium for which the Union retains direct control over the allocation of all tickets. In respect of Six Nations matches, the ticket is for a specific seat.

14. Murrayfield Debentures

Class of Debenture	Value Each	No. Authorised	2016 No. Issued	2016 £000	2015 No. Issued	2015 £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			18,180	33,651	18,180	33,651
Issue Costs:						
Opening				2,109		2,191
Amortisation				(81)		(82)
Closing				2,028		2,109
Net Issue Proceeds less amortisation				31,623		31,542

The Murrayfield Debentures are unsecured, rank pari passu and are interest free. Repayment, at par, is at the discretion of the Company on or after 1 January 2043 in respect of the A and C Debentures and 1 January 2044 with regard to the B and Thistle Debentures. Holders have the right to purchase a ticket for any event or match at the stadium for which the Union retains direct control over the allocation of all tickets. In respect of Six Nations matches the ticket is for a specific seat. Thistle and C Debenture holders also have a right to purchase certain matchday hospitality packages.

15. Irredeemable Debentures

The 972 (2015 - 972) Debentures of £100 each (the 1925 Debentures) entitle the holder to purchase two tickets at BT Murrayfield for each match directly controlled by the Union. The debentures are interest free.

Notes to the Financial Statements

16. Leases

Operating Lease commitments

	2016 £000	2015 £000
Land & Buildings; payable in		
1 year	374	265
2 to 5 years	1,394	1,060
More than 5 years	265	530
	2,033	1,855

17. General Reserve

	2016 £000	2015 £000
Opening	(9,053)	(9,077)
Surplus for the year	836	24
Closing	(8,217)	(9,053)

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

	2016 £000	2015 £000
Operating surplus	1,250	580
Depreciation charge	1,165	1,041
Amortisation charge	15	12
Deferred income amortisation	(137)	(137)
Tenant club residual fund	2	2
(Increase) in debtors	(1,020)	(560)
Increase in creditors	2,298	1,061
	3,573	1,999

19. Reconciliation of net cashflow to movement in net debt

	2016 £000	2015 £000
Increase / (Decrease) in cash in the year	1,939	(2,473)
Amortisation of Murrayfield Debentures	(81)	(82)
Finance Lease	5	4
Repayment of bank loan	500	2,250
Change in net debt during the year	2,363	(301)
Net debt at the beginning of the year	(39,712)	(39,411)
Net debt at the end of the year	(37,349)	(39,712)

Notes to the Financial Statements

20. Analysis of net debt

	31 May 2015	Cash Flows	Other Changes	31 May 2016
	£000	£000	£000	£000
Cash in hand	8	2	-	10
Cash at bank	(2,072)	1,937	-	(135)
Bank loans	(6,000)	500	-	(5,500)
Finance lease due within one year	(5)	2	-	(3)
Finance lease due after one year	(3)	3	-	-
Irredeemable Debentures	(97)	-	-	(97)
Murrayfield Debentures	(31,542)	-	(81)	(31,623)
Ten Year Debentures	(1)	-	-	(1)
	(39,712)	2,444	(81)	(37,349)

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 Union.

21. Related Party Transactions

Three of the directors of Scottish Rugby Union plc, Mike Monro and Edward A Crozier and Jim Littlefair, were also trustees of the Murrayfield Injured Players Foundation during the year. Scottish Rugby Union plc does not charge the charity for any administrative or other support that it provides and made no donation to it in the current year or previous period.

During the period to 9 August 2015, in which Ian Barr was a director of Scottish Rugby Union plc, £1k (year ended 31 May 2015 - £16k) of ad hoc grounds and facility services were purchased from WH & R Barr, a firm in which Mr Barr is managing partner. At the end of the year, £nil (2015 - £nil) was outstanding.

Fergus Neil, a director of Scottish Rugby Union plc acts as a referee performance reviewer for domestic and EPCR, on behalf of Scottish Rugby. The fee payable to Mr Neil for this service in the year was £975 (2015: £1,125).

22. Transition to FRS102

This is the first year that the Union has presented its results under FRS102. The last financial statements prepared under previous UK GAAP were for the year ended 31 May 2015. The date of transition to FRS102 was 1 June 2014. Set out below are the changes in accounting policies which reconcile the surplus for the financial year ended 31 May 2015 and the total equity as at 1 June 2014 and 31 May 2015 between UK GAAP as previously reported and FRS102.

Transition exemptions

The Union has taken the transition exemption under paragraph 35.10(f) of FRS102 in respect of applying hedge accounting to a hedging instrument which exists at the date of transition.

Description of changes in accounting policies made on first-time adoption of FRS102 are as follows:

Notes to the Financial Statements

22. Transition to FRS102 (cont)

Hedge accounting

The Union did not apply hedge accounting under FRS26 of UK GAAP.

As a first-time adopter of FRS102, the Union will perform hedge accounting in accordance with Section 12 of FRS102. The Union will apply hedge accounting for both the foreign exchange and interest rate hedges and also designate both as cash flow hedges. The movement in the fair value of these derivatives, which is considered to be effective, is recognised in other comprehensive income as a result of applying hedge accounting. The ineffective movements are recognised in the income statement.

Public Benefit entity concessionary loans (including debentures)

The Union, as a public benefit group, has elected to recognise off-market loans as concessionary loans and account for them as per Section 34 of FRS102. Under Section 34 of FRS102, concessionary loan arrangements are initially measured at the amount received or paid. In subsequent years, the carrying amount of concessionary loans in the financial statements is adjusted to reflect any accrued interest payable or receivable. To the extent that a loan that has been made is irrecoverable, an impairment loss shall be recognised in the income statement. Under UK GAAP, these debentures were also initially measured at the amount received or paid and in subsequent years, the carrying amount adjusted to reflect any accrued interest payable or receivable. Therefore no adjustments were necessary on transition.

Reconciliation of surplus or deficit for the year

	2015
	£000
Surplus for the financial year as previously reported under UK GAAP	24
FRS 102 items	-
Surplus for the financial year under FRS102	24

Reconciliation of other comprehensive income

	2015
	£000
Other comprehensive income for the financial year as previously reported under UK GAAP	-
Change in fair value of interest rate hedging instruments	34
Change in fair value of foreign exchange hedging instruments	90
Other comprehensive income for the financial year under FRS102	124

Reconciliation of equity

	1 June	31 May
	2014	2015
	£000	£000
Total reserves as previously reported under UK GAAP	(8,978)	(8,954)
Change in fair value of interest rate hedging instruments	(43)	(9)
Change in fair value of foreign exchange hedging instruments	61	151
Holiday Pay Accrual	(99)	(99)
Total Reserves as reported under FRS102	(9,059)	(8,911)

Notes to the Financial Statements

22. Transition to FRS102 (cont)

Notes to the reconciliations

Financial instruments

The derivative instruments utilised by the Group are interest rate swaps and foreign currency forward contracts. On transition to FRS102, the Group has adopted hedge accounting for its exposure to both interest rate and foreign exchange risks. As per paragraph 12.23(b) of FRS102, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income.

- (i) The movements in interest rate hedging instruments, designated as cash flow hedges, should be recognised as reserves rather than the profit and loss account under FRS102. Accordingly, the cumulative losses of (£43k) at 1 June 2014 and (£9k) at 31 May 2015 are recognised as a hedging reserve with the corresponding hedging instrument recognised as other financial liability in the balance sheet.
- (ii) The movements in foreign exchange hedging instruments, designated as cash flow hedges, should be recognised in reserves rather than the profit and loss account under FRS102. Accordingly, the cumulative gain £61k at 1 June 2014 and £151k at 31 May 2015 are recognised as a hedging reserve with the corresponding hedging instrument recognised as other financial asset in the balance sheet.

Holiday pay accrual

FRS102 requires short term employee benefits to be charged to the income and expenditure account as the employee service is received. This has resulted in the company recognising a liability for holiday pay of £99k on transition to FRS102. Under UK GAAP holiday pay accruals were not recognised.

Other Adjustments arising on transition to FRS102

In addition to the transition adjustments identified above which affect surplus for the financial year the following adjustments have arisen which have had no effect on net equity or the income & expenditure account but which have affected the presentation of these items on the balance sheet. The main item is:

- (a) Computer software, with a net book value of £50,000 at 1 June 2014, has been reclassified from tangible to intangible assets as required under FRS102. This has no effect on the company's net assets nor on the surplus for the year, except that the previous depreciation charge is now described as amortisation.

23. Scottish Rugby Union Group

The Scottish Rugby Union carries out all of its operations through its wholly owned subsidiary, Scottish Rugby Union plc, the registered office of which is BT Murrayfield Stadium, Edinburgh, EH12 5PJ. For accounting purposes the group is also deemed to include the Thistle Rugby Trust. The group has taken advantage of the exemption conferred by FRS102 from the need to disclose transactions between group entities that have been eliminated on consolidation in these group financial statements.

Five Year Summary

	2016 £000	2015 £000	2014 £000	2013 £000	2012 £000
Income	47,434	44,243	43,730	39,275	38,226
Expenditure:					
International and Professional Rugby	23,988	22,761	23,614	20,884	19,116
Domestic and Performance Rugby	7,509	6,201	4,969	4,701	4,494
Commercial and Operational	10,570	10,876	10,077	8,874	9,207
Club Support and Development	2,937	2,772	2,251	1,932	1,900
Depreciation	1,180	1,053	1,257	1,100	1,131
	46,184	43,663	42,168	37,491	35,848
Operating Surplus	1,250	580	1,562	1,784	2,378
Surplus on sale of Fixed Asset	-	-	-	-	121
Surplus on ordinary activities before interest	1,250	580	1,562	1,784	2,499
Net interest	(404)	(556)	(702)	(926)	(919)
Surplus before taxation	846	24	860	858	1,580
Taxation	(10)	-	-	-	(10)
Surplus for year / period	836	24	860	858	1,570
	Note (1)				
Capital Expenditure	732	1,040	1,558	534	636

Note (1) – 2014 represents a 13 month period, ended 31 May 2014. Other columns represent one year, ended 31 May for 2015 and 2016, and 30 April for other years.

Commentary on the Financial Statements

This section provides a general commentary on the income and expenditure categories for the year ended 31 May 2016.

Turnover

Scottish Rugby's turnover comes from a number of areas. National team match ticket sales, including the RBS 6 Nations and other home international matches, pro-club match ticket sales, together with related broadcasting revenue provide a significant element of this. Match day income also includes revenue from pitchside advertising boards, match programmes and revenue from hospitality activities. The sale of merchandise throughout the year is a further important source of income.

Scottish Rugby is grateful for funding from its many sponsors including BT and Macron. All of Scottish Rugby's partners are noted at the back of the Annual Report. Scottish Rugby is also grateful for significant grant funding from World Rugby, sportscotland and the Cashback for Communities programme. Turnover also includes income from European Professional Club Rugby (EPCR) and the Guinness Pro12 League, and from other events held in BT Murrayfield Stadium including dinners, business conferences, concerts and Christmas party nights.

International and Professional Rugby

The expenditure relating to the players, management, medical and strength & conditioning teams involved in International and Professional rugby is within this category. This includes travel, food and accommodation at venues, salaries, kit, laundry costs, travel insurance, training facilities, honours caps and team coach hire for all of the Scotland teams playing at international level. It also includes all Pro-club costs, being players', coaches' and support staff salaries together with kit, travel and other coaching costs, and match day outgoings such as advertising, turnstile staff, ticket printing, venue preparation and entertainment.

Expenditure in the provision of medical services, including physiotherapists, match doctors for the players, crowd doctors, and the medical supplies needed to support players involved in international and professional rugby is included in this category. Also included is the investment in the strength and conditioning personnel who work with the National and Professional teams, together with the associated programme costs.

Domestic and Performance Rugby

Grassroots investment, which is key in helping to develop the players and coaches of the future, as well as maintaining and growing the game, is included in this category. The domestic rugby team, which is supported by sportscotland, together with associated programme costs, including travel, training

and event costs are also included. Similarly, expenditure for the delivery of the programme related to funding from the Cashback for Communities grant is included here.

The investment in The BT Sport Scottish Rugby Academy is included in this category, with costs including coaching, facilities, programmes and players, kit, equipment and match venue and logistics. Specialist coaching costs are included here, as are analysis and other rugby operational support costs. This area also includes investment in the exiles programme.

Referee development, from grassroots to international level, includes the costs of referee coaching, travel to games, kit, and staffing and office expenditure for those employed in this area. Referee costs also include salary, travelling expenses and associated costs for professional refereeing.

Scottish Rugby delivers coaching courses throughout Scotland, including United Kingdom Coaching Certificate (UKCC) ones. The costs of these are included here and the delivery of this programme is part funded by sportscotland. This area also includes the staff in the Coach Development team, training and facility costs, and course resources, as well as tutor and registration fees. The costs of a number of other coaching resources and initiatives, including the on-line training hub, workshops and conferences, and Rugby Right are also part of this area's expenditure.

Finally, the provision of medical services from physiotherapists and doctors, for cover at various domestic and performance rugby events and matches are included here, as are related strength and conditioning costs.

Scottish Rugby is grateful for the support of sportscotland and World Rugby grants which assist in the delivery of a number of the above programmes.

Commercial & Operational

Commercial and Operational costs cover various areas of activity in Scottish Rugby. The running costs of the national stadium are included and these range from pitch repair and preparation to roof and other stadium maintenance, and include security, insurance, rates, electricity, gas and water, all of which continue to ensure that BT Murrayfield remains a suitable, safe, and well maintained venue. Also included are match day and non-match day operational and staff costs, as are other event management and entertainment costs.

Marketing and commercial expenditure is included in this area, where the costs of partnering with, developing and maintaining Scottish Rugby's family of sponsors are recorded. The activation costs of marketing campaigns, promotional materials, media events and other operational activities are

also included here. Similarly included are the costs of other support staff and programmes in the areas of ticketing, HR, procurement, IT, finance, governance and business services. Finally, the costs of the communications and corporate affairs team and related activity across the wide spectra of print, broadcast, web and other social media are part of this category.

Club Support and Development

Scottish Rugby recognises that investment in the sport at grassroots level is a key element in maintaining and growing the game of rugby. Clubs are supported through the payment of Participation Monies, Player Accident Insurance, contributions to cup and league travel costs, the Club Sustainability Fund and the payment of all referees' travel costs across the country. Ticket commissions which clubs receive for sales of international and sevens tickets are included here as are player reward scheme payments, where clubs' contributions to the development of players who have gone on to win academy or professional contracts are acknowledged. The joint funding of Club Development Officers in partnerships with both clubs and local authorities across the country is also part of club support and development expenditure.

Depreciation

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

Registered Office

BT Murrayfield Stadium
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Bankers

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