

SCOTTISH RUGBY UNION (limited by guarantee)
SC748672

Registered Office: Murrayfield Stadium, Edinburgh EH12 5PJ.

Minute of Annual General Meeting of the Scottish Rugby Union ("SRU") held by electronic online meeting platform on Wednesday 27 November 2024 at 6.00 pm.

Present	<p>L Crerar (SRU Board Chair) in the Chair.</p> <p>C Rigby (President), K Wallace (Vice-President), I Barr (Immediate Past President), D Grevemberg, C Black, A Milne, M Manditsch (SRU Board Members & Custodian Directors); R Howat (Company Secretary).</p> <p>Members of the Scottish Rugby Limited ("SRL") Board: J McGuigan (SRL Board Chair); R Davidson, A Whelan, H Swankie; S White (SRL Non-Executive Directors); S Bell (SRL Chief People and Engagement Officer).</p> <p>Members of the Club Rugby Board ("CRB"): M Bruce; I Carse; I Dalglish A Forsyth; M Hay, G McMillan; K Quinn; B Richmond; J Scott; G Scott (SRL Director of Rugby Development); N Sutherland.</p> <p>Club, Associate Body and Associate Club area representatives comprising at opening 125 voting representatives, including 21 by proxy.</p> <p>Also in attendance: members of the press, guests and members of staff.</p>
Distributed for Meeting/ Available via website	<p>Notice of Meeting dated 11 October 2024 including Order of Business; Sample Proxy Form; Minutes of SRU AGM 18 November 2023; SRU Group Annual Report & Financial Statements FY23/24.</p>
Apologies for Absence:	<p>Clubs: Alloa, Lenzie, Montrose, Strathendrick.</p> <p>Past Presidents: A Irvine</p>

1. OPENING & WELCOME

The Chair welcomed all present and introduced those joining him on the platform.

The Meeting was being held on online.

He confirmed that the Meeting was quorate, there being more than one third of the total members' representatives entitled to attend and vote being present either in person (online) or by proxy.

The Chair invited the Secretary to intimate any apologies, which were as noted above.

The Chair made various opening remarks, welcoming the attendees and noted that he held a number of proxy votes for members unable to attend.

The Chair confirmed that representatives attending the Meeting must be members of the clubs or associated bodies which they were representing, unless voting by proxy.

The Chair referred to the Notice of the Meeting dated 11 October 2024 and proposed that it be taken as read. There was no dissent.

He advised that all Resolutions to be proposed at the Meeting would be dealt with on an electronic poll and explained voting arrangements.

The Chair then remarked on:

- the task of passing on the game of rugby union in Scotland in excellent health to future generations;
- the governance model adopted in 2022 being an enabler towards the common purpose of the continued wellbeing, prosperity and brand of Scottish Rugby;
- financial year 2023/24 having been challenging but that a new budgetary and supporting plan was in place and there was cause for optimism; and
- the instruction of an independent review into the higher than expected losses, with thanks to the Chair of that Panel for the work being done. The Panel's Report was expected in Spring 2025.

He then expressed his thanks for the contributions of all Board members, employees and clubs in meeting the challenges of the financial year.

2. PRESIDENT'S ADDRESS

The President reflected on the previous year, the last of his Presidency, with particular note of the following points:

- rugby as a force for good in the community;
- the welcome and support he had received from clubs during his Presidency;
- the award of retrospective caps and plans to award caps to match officials;
- the performance of the men's and women's national teams;
- the emergence of young male and female talent;
- Glasgow Warriors' victory in the URC;
- welcoming the new CEO, due to join in the New Year; and
- the importance of financial sustainability and a return to profitability.

The President concluded by thanking all players, coaches, volunteers, match officials and sponsors for their commitment, efforts and support of the game throughout the season.

3. SCOTTISH RUGBY UPDATE

SRL Chair's Report

The SRL Board Chair, John McGuigan, was invited to address the Meeting and provided a business update.

He highlighted the following:

- his commentary in the introduction to the Annual Report;
- the significance of the sport and the headwinds it faced at a global level including competition with other sports, a more challenging sponsorship and media rights market than in the past, and safety considerations;
- that similar challenges to those faced by Scottish Rugby arose across the game as a whole;
- continued determination to succeed both internationally and at a local level;
- recent successes in the men's and women's senior games as well as at U20s and club level;
- the SRL Board's focus on several key workstreams:

- ensuring a strong executive leadership team was put in place;
- upgrading the stadium, improving the experience for supporters and expanding the use of the stadium for other events; and
- achieving a balanced financial position by FY26/27.

Mr McGuigan thanked all of Scottish Rugby's people for their commitment to the organisation and the game as a whole.

4. CLUB RUGBY BOARD (CRB) REPORT

The Chair invited the Vice-President, in his capacity as Chair of the Club Rugby Board, to provide an update on the work of the CRB.

Vice-President Wallace reported on governance changes and collaborative working, the tackle height trial, social return on investment, community initiatives including clubhouse surveys in conjunction with Scottish Gas, the Community Game Conference, the development of the new player pathway and the integration of Super Series players back into the club game.

Summaries of rugby development spending from FY23/24 by comparison to FY24/25 were displayed and the Vice-President commented on the approach intended to be adopted towards the Rugby Development budget in future years to assist clubs and schools with clarity and forward planning.

The Chair thanked the Vice-President for his update and noted his thanks to the CRB members, as well as the Discipline, Championship and other Competition Committees for the work they had undertaken.

5. STANDING COMMITTEE ON GOVERNANCE (SCOG)

Bobby Frazer, Chair of SCOG, gave an update on the work of the governance group during the year. 3 main workstreams had been involved:

- (a) Review of composition and remit of the CRB - consultation with clubs and CRB members was underway, with a view to holding a club meeting to test thoughts and proposals, before potentially holding an SGM in early Spring 2025 to consider any recommendations for change.
- (b) Review and consider compliance with applicable UK codes of governance – SCOG was satisfied that Scottish Rugby was compliant.
- (c) Review Relationship Management Agreement between SRU and SRL – this was an ongoing process, with the relationship still settling down, partly due to the number of unfilled positions at SRL executive level but SCOG was confident the relationship would grow and strengthen.

The Chair of SCOG was thanked for his Report.

6. CLUB RUGBY BOARD MEMBERSHIP

The Chair advised that under the Articles of Association of Scottish Rugby Union, the outcome of any CRB elections was to be reported to the membership at the AGM.

John Scott (North) and Duncan Campbell (Midlands) were reported as new CRB representatives. Results for Edinburgh and Borders were pending.

Thanks were expressed for those retiring from the CRB – Murdo Gillanders, Alistair Forsyth, Hazel Swankie and Bob Richmond.

7. LAYING OF FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2024

The Chair noted that the Group and Company Financial Statements for the financial year ending 30 June 2024 had been circulated in advance of the Meeting.

He thanked SRL's Interim Chief Financial Officer, Oliver Colling (OC), for hosting an online briefing on the Financial Statements and invited him to address the Meeting.

The Financial Statements were presented, under reference to the circulated Annual Report, with OC highlighting:

- The background to the financial results - challenges in broadcast and commercial markets for professional sport and rugby – anticipated growth had not been forthcoming.
- The level of loss experienced was uncomfortable – action had been taken to bring the finances back into balance over a 2 year period.
- New initiatives and strategy were being deployed, with the company needing to live within its means and become self-sustaining.
- Strong revenue growth - £73.9m of revenues for the year vs £67.8m.
- Loss of £11.3m was for the 13-month period and included exceptional items for restructure and redundancy costs.
- Like-for-like losses of £8m vs c £10m for a 12-month period in the prior year.
- Ticketing down in the year due to no AutumnTests in a RWC year, and 2 6Ns home fixtures rather than 3.
- Cash position strong at £16.8m.
- Community rugby investment at £9m, a record amount for the community game.
- External economic pressures also affecting other home unions similarly.
- Year 1 of reset programme provided a solid base for new strategy.
- The restructuring and redundancy programme had been completed.
- Capex plan would support essential works on the stadium over the next 2 years, with an enhanced hospitality offering to increase revenues.

References were then made to specific elements of the financial statements to highlight feedback from and questions posed at the earlier online briefing including the recharge to SRL for SRU time, 13 months of trading, exceptional costs, rise in player numbers due to professional contracts for women players, cash balances, accounting for the sale of equity in the 6Ns, and highest paid director remuneration.

Questions on financial matters, including those submitted prior to the Meeting were taken and answers provided via the Chair as follows:

Question (GrangemouthStags) :

Revenue increased by 8% - a laudable achievement - but expenditure increased by 11%. Estimates suggest that the impact of the budget changes to employer national insurance will cost SRU in the region of £6M placing immediate pressure on future expenditure lines. If the past is a guide to the future, how confident should we members be that you will achieve breakeven by 2027?

Answer:

Scottish Rugby is confident that the business is on a trajectory towards a breakeven position in FY 2025-2026, although we recognise it is a challenging target.

There are a number of parts to the financial reset; the most significant of which is the Organisational Design work which has not only removed roles from the business but has implemented a new organisational structure aimed at reducing duplication and increasing efficiency. Following the conclusion of the recent collective consultation on compulsory redundancies, 23 roles have been removed from the business and there are 34 vacancies in the organisation, none of which will be filled unless it is financially prudent to do so.

We are also not replacing a substantial number of roles filled by fixed term contracts as they come to an end during the year. There are also a number of revenue enhancing projects underway as well as a focussed effort to reduce discretionary costs such as travel.

The additional NI burden, following the recent budget, is a further challenge of around £160-170k in the current year and £600-700k in subsequent years. The lowering of the threshold for Employer NI has had a particularly significant impact on our overall staff cost, given the number of Women and Academy players who now come into scope for NI.

Question (Grangemouth Stags) :

Salary costs increased by 9.4% from last accounts and account for 58% of revenue – an increase of 6%. The trajectory for headcount and costs have risen over the past 5 years. Several rounds of restructuring seem to be having little impact on these critical metrics. What is the plan to get this under control?

Answer:

As part of our preparation for the recent restructure, we conducted a headcount analysis comparing 2019 to 2024. Over this period, there was an increase of 49 roles. Of these, 39 were coaches, physiotherapists, strength and conditioning coaches and analysts, reflecting the increased investment and scaling of programmes across the female and male pathways, Scotland Men's U20s, and the Scotland Women's National Team. The remaining 10 roles were distributed across Rugby Development and head office functions.

It is important to note that headcount reporting does not account for vacant positions and does not necessarily reflect the target operating model.

The most recent organisation-wide restructure, aimed at reducing ongoing payroll costs, was finalised this month. As a result, the financial impact will only become evident in future years. This restructure achieved a reduction in roles through a combination of redundancies, non-filling of vacancies and non-renewal of fixed-term contracts. Currently, there are approximately 30 vacancies. A deliberate and phased approach is being taken to address these vacancies, ensuring cost control while aligning with business objectives.

Previous restructures have primarily focused on supporting strategic priorities rather than directly reducing costs or headcount.

The most significant increase in player headcount came in 2022 with the introduction of approximately 30 professional contracts for female players. Meanwhile, the headcount of male contracted squads has remained largely stable in recent years. The primary exception has been the shift in Sevens World Series participation from Scotland to Great Britain, which resulted in a reduction in contracted 7s players.

There being no further questions on the financial statements, the Chair proposed the following as an Ordinary Resolution (Resolution 1):

“THAT the financial statements of the Union for the financial year ended 30 June 2024 be received.”

A vote was taken on a poll, with the results as follows:

Votes cast	100	
Votes for	100	100%
Votes against	0	0%
Votes withheld	3	

The Chair declared that Resolution 1 had been passed.

Thanks were expressed to JM, OC and colleagues.

8. ELECTION OF VICE-PRESIDENT

Hazel Swankie and John Brown had submitted nominations as candidates for Vice-President, with details circulated in advance of the Meeting.

Members were then invited to vote on a poll on the election of the new Vice-President, with the result of the vote being as follows:

John Brown: 28 votes (27.18%)

Hazel Swankie: 75 votes (72.82%)

The Chair declared that Hazel Swankie had been duly elected as Vice-President, congratulated Mrs Swankie and expressed his appreciation to Mr Brown for standing for election.

9. RATIFICATION OF NEW PRESIDENT

The Chair referred to Resolution 2 on the Notice of the Meeting and proposed the resolution as an Ordinary resolution:

“THAT in accordance with Article 30.3 of the Union’s Articles of Association, the succession of Keith Wallace to the office of President of the Union be ratified.”

A vote was then taken, on a poll, with the results as follows:

Votes cast	98	
Votes for	94	95.92%
Votes against	4	4.08%
Votes withheld	3	

The Chair declared that Keith Wallace had been ratified as the new SRU President.

The Chair congratulated Mr Wallace on his appointment and invited him to address the Meeting.

Mr Wallace provided some personal thoughts and expressed his appreciation to the membership, the outgoing CRB members, the outgoing Immediate Past President (Ian Barr) and to Colin Rigby for his service during his Presidency.

10. QUESTIONS

The Chair advised that a number of other questions had been submitted by members in advance of the Meeting. The financial questions had been read out and answered earlier.

Question (Grangemouth Stags):

The annual report references player appearances and participation, though shows different numbers for both. The postponement rate in men's rugby is averaging 15 games per week. This seems incongruent with player numbers. Please explain how we can have increased player numbers while running such a level of postponement.

Answer, via the Chair :

The Annual Report show figures for registrations and participation. The participation figures are broken down by both gender and by number of games played. The number of males taking part in rugby fixtures is relatively static (down around 120 players from 2018/19).

There is however a trend for playing players to play in less fixtures than previous generations.

Registrations by players in clubs have increased, the challenge for clubs and Scottish Rugby is to convert the registrations at the club to players playing in matches more frequently by evolving the game to modern lifestyles.

The data has regional variations and variations by level of rugby played which will inform how we support rugby clubs through our regional teams.

Question (Hillfoots RFC):

When will there be a review of the SRUs insurance policies for players? As someone that has had to use the insurance in the last year the full policy documents are not readily available to anyone only a summary and this makes it very difficult to deal with the insurance company as they mention things that are not involved in the summary. Can you also explain why there is no mention of any previous injuries that could affect you claim in the insurance summary? I had an earlier injury unrelated to rugby and was given the all clear to return and play rugby from medical professionals if this is the case would that not mean if any player who has had a previous injury in the past the body part that was previously affected is not covered by your insurance?

Answer, via the Chair:

Scottish Rugby's insurance policies are reviewed each year with a view to ensuring that appropriate cover is obtained at rates which represent good value for money.

As one might expect, the full policy document is both long and technical. A Policy Summary is therefore made available, and an open invitation extended for those with specific queries to contact Scottish Rugby's insurance brokers. This is publicised within the Policy Summary and contact details are provided. Naturally, however - in the light of this query - we will review the Policy Summary once more to see if it could be further improved.

Finally, whilst we cannot talk about individual cases, the exclusion of pre-existing conditions is pretty standard in insurance. The key question is whether the specific injury occurred during the actual match or training session. Where there is doubt about this, an independent medical assessment can be undertaken - this is to ensure that the process is fair for all parties.

Further questions submitted online during the Meeting were then taken:

D Ward (Grangemouth Stags) - noted 2019 staff numbers of 401 and 2024 staff numbers of 507 reported in annual reports – these differed from the numbers quoted by OC earlier and sought explanation of why that was the case.

The Chair advised that this would be examined and a response given later.

D Ward, Grangemouth Stags asked for an explanation of why the 15% club contribution was seen as an obligation, describing it from his understanding, as a requirement arising from the management agreement between SRU Ltd and SR Ltd.

The Vice-President queried the terminology used in the question, seeing no difference between obligation and requirement but in any event the 15% element would be applied in a fair and equitable manner and the outcome would be shared shortly. The Vice-President would check, as Chair of the CRB, via SCOG that the intended approach was consistent with constitutional documents.

P Laverie, Cartha Queens Park asked whether, with the Pathway Programmes being moved to Community Rugby, that portion of the Performance Rugby budget allocated to pathway programmes had been moved to CRB.

The Vice-President advised that the CRB budget was not being increased above the 15% level but was taking in a slightly larger share of costs and seeing an overall net increase in staffing – see earlier slides. The pathways becoming part of Rugby Development was considered to be a positive step facilitating better integration.

A Scott, Hillhead Jordanhill RFC asked how a club might bring forward a motion relating to playing season 2025/26 unless an AGM was held in May or June 2025 prior to the start of the season.

The Company Secretary explained that as a result of the governance reforms implemented in 2022 and the Companies Act 2006, individual motions could no longer be requisitioned but member clubs, with sufficient support, were entitled to requisition a general meeting, for which a motion could then be included. Hillhead Jordanhill were invited to contact the Company Secretary if they needed further assistance or explanation.

B Stewart, Musselburgh RFC asked how the company planned to fund necessary capex required for stadium upgrades, bearing in mind the current balance sheet.

OC explained that some of the activities in the financial reset would generate cash. Planned capex was within cash levels in the bank and cash from those revenue generating activities, and phased over 2 years. Forecasts had been reviewed by the auditors as part of the going concern statement. OC was confident that sufficient capital capital was in place to support the planned work.

11. ANY OTHER BUSINESS AND CLOSE

There being no further questions, the Chair closed the Meeting with thanks to all those present for their attendance and participation.

APPROVED BY THE SRU BOARD
26 June 2025