

SCOTTISH RUGBY UNION
SC748672

MINUTE OF MEETING OF THE BOARD OF SCOTTISH RUGBY UNION

28 OCTOBER 2025 AT 1.30 PM
HELD IN-PERSON AND BY TEAMS AV PLATFORM

BOARDROOM, SCOTTISH GAS MURRAYFIELD

Present:

Lorne Crerar	(LC)	SRU Chair & Custodian Director
Cheryl Black	(CB)	Custodian Director
Maxine Manditsch	(MM)	Custodian Director
Alison Milne	(AM)	Custodian Director
Colin Rigby	(CR)	Immediate Past President & Custodian Director
Hazel Swankie	(HS)	Vice-President & Custodian Director
Keith Wallace	(KW)	President & Custodian Director (by Teams)

Attending:

Megan Gaffney	(MG)	SRU Board Adviser
Robert Howat	(RH)	SRU Company Secretary
John McGuigan	(JM)	SRL Chair
Stuart McInally	(SM)	SRU Board Adviser
Grant Roger	(GR)	Partner, Johnston Carmichael LLP (Auditors)
David White	(DW)	SRL Chief Financial Officer
Alex Williamson	(AW)	SRL Chief Executive

Apologies:

David Grevemberg

1. INTRODUCTION

The Chair noted that a quorum was present and opened the Meeting.

Apologies were received on behalf of David Grevemberg. No conflicts of interest were declared or identified.

Grant Roger of Johnston Carmichael LLP (auditors) was welcomed to the Meeting.

The Chair advised that the primary purpose of the Meeting was to review and if thought fit, approve the financial statements of the Group and Company for the year ended 30 June 2025.

2. MINUTES

The Minutes of the Quarterly Reporting Meeting held on 30 September 2025 would follow separately.

3. ACTION LIST & MATTERS ARISING

The contents of the Action List from the previous Quarterly Reporting meeting of 30 September 2025 were noted. Those relating to the financial statements were noted, as follows:

- (i) *Headcount information* – this had been added to the financial statements. See below.
- (ii) *Custodian benefit declarations* - those still to provide their declarations were encouraged to do so.
- (iii) *Progress accounts and AGM documents with SRU sub-group* – ongoing.

4. **SRU GROUP ACCOUNTS – FINANCIAL YEAR 2024/25**

LC referred to the papers circulated for the Meeting, which included draft financial statements for the Group and Company and the Auditors' Report.

GR was invited to present the Audit Report.

4.1 **Audit Report**

GR referred to the circulated Report to SRU and SRL on the audit for the 12-month period to 30 June 2025.

All the items outstanding at the time of circulation of the Report had since been cleared, except for those to be addressed at the Meeting (fraud risk and other final confirmations and representation letter approval).

GR confirmed that he had also met with the SRU Board's sub-group to discuss the draft audit report.

Recognising that SRU's role as the parent company was principally one of oversight and that the bulk of activity was conducted by Scottish Rugby Limited (SRL), the Report predominantly related to SRL activity but also included an additional section on SRU-specific matters.

The Report was taken as read. GR commented on the following elements.

Revenue recognition - testing had been conducted on the material income streams in the Group – being Ticketing, Broadcast Income (income from 6 Nations), Commercial Income (National Team and Pro teams), Competition Income (URC and EPCR), Hospitality, and Other Income (largely grants and merchandise).

Detailed commentary had been provided in the Report on each of these, with outcomes summarised as follows:

Ticket Income - no issues noted with completeness, occurrence, accuracy or cut-off of ticket revenue.

Broadcasting Income - this mostly related to Six Nations. Reference was made to the revenue recognition policy applied in prior years, under which only 50% of this revenue had been accrued at year-end. An unadjusted difference had been applied for FY24/25 to account for the remaining 50%. This was consistent with the adjustment proposed in the prior period. Taking account of improvements in accuracy in 6Ns managements accounts and amounts received, Johnston Carmichael had assessed it as being likely that the amounts forecast would be received and therefore should be recognised in full in future. No significant issues had been noted in occurrence of this revenue stream.

Commercial Income – this focussed on the largest sponsorship contracts and included examination of value-in kind. An unadjusted difference had been proposed relating to the

deferral of Famous Grouse sponsorship income. No significant issues had been noted in occurrence of this revenue stream.

Professional Rugby Income – this was also affected by estimation due to variations between the forecasts from URC and EPCR and amounts received. An accrual of 50% at year-end had been made, which the auditors considered to be a reasonable approach for FY25. Overall, the auditors had received comfort that revenue from this source was being recorded based on the best estimate available at the time of issuing their Report.

Hospitality Income – this included revenue from Elinor and events. The auditors were satisfied that this revenue was recorded accurately, with no issues noted during testing.

Development Income and Grants – no significant issues had been noted.

Other Income - these were smaller amounts, with Johnston Carmichael having obtained comfort that this income was not materially misstated within the financial statements.

Overall, it was considered that revenue was not materially mis-stated.

LC asked whether any issues in relation to revenue recognition had arisen at the SRL meeting earlier in the day.

JM confirmed that the SRL Audit & Risk Committee had met the week before and the SRL Board had then met that morning. A similar process to that being conducted by the SRU Board had been followed, with no issues being raised by the Audit Committee or the SRL Board.

Management override - GR confirmed testing had focussed on journal posting and significant estimates. The significant estimates noted had been in relation to the discount rate applied to the deferred consideration from CVC for the Project Light transaction and revenue recognition. Having received the final instalment payment, the CVC element would not feature going forward. The testing had not given rise to any adverse findings.

Completeness and occurrence of costs - the auditors were satisfied with the adequacy of disclosures and that costs had not been materially misstated.

Going concern - forecasts provided by management had been reviewed. No issues had been noted with numerical accuracy of forecasts, and cash balances had been compared and agreed to bank statements.

The auditors were satisfied with the adequacy of disclosures and that there were no significant going concern issues.

Risk of Litigation - from the testing performed no evidence of material risk from litigation had been found.

SRU Element - reference was made to the elements of the audit specific to SRU, which focussed on the recharging between SRU and SRL and including the SRU Custodian time recharged to SRL for services performed by the Directors of SRU.

The approach adopted was consistent with the transfer pricing review undertaken in FY24. Additional time of Custodian Directors recharged was agreed to supporting documentation and agreed as reasonable based on services performed.

Overall, the auditors had obtained comfort revenue recognised in SRU was not materially misstated within the financial statements

RH confirmed that the SRL Board had also approved the issue of a letter of support for SRU in the required terms relating to the remaining inter-company balance.

Taxation - reference was made to the commentary in the Report. No tax charge arose, given the loss in the period and significant carried-forward losses. No deferred tax asset was being recognised. R & D tax credits receivable from HMRC had been recognised.

Audit differences - a summary of adjustments had been provided. Adjusted misstatements had been recognized by management and reflected in the financial statements. The net impact on profit of unadjusted items sat below materiality thresholds, with the auditors comfortable that the journals remain unadjusted and the financial statements were not materially mis-stated as a result.

Internal controls - the auditors were satisfied that the results of the audit indicated the operation of a robust and appropriate system of internal controls within SRL. Recommendations made in prior year had been taken on board and further controls implemented. Some minor matters relating to IT controls within the business had been identified, with management accepting that some work was to be done on this and the Audit Committee would be updated.

Financial Reporting - FRS 102 continued to apply. The auditors were satisfied that the information in the Strategic Report and Directors' Report was consistent with the financial statements and the knowledge obtained by Johnston Carmichael during the audit. Amendments to the standard effective from 1 January 2026 had been set out in the Report.

Independence and ethics - the Report set out various matters to be communicated under applicable audit standards. These were identified by GR and acknowledged by the Directors.

Fraud & fraud risk - no instances of fraud or non-compliance with applicable laws and regulations had been brought to the auditors' attention during the audit, nor had any been encountered by the auditors.

Earlier responses had been obtained from the Custodian Directors in connection with awareness of fraud, attempted fraud and risk of fraud.

Each of the Custodian Directors present re-confirmed that they were not aware of any fraud or attempted fraud or of non-compliance with laws or regulations or of any litigation or any related party transactions or subsequent events that had not already been disclosed.

GR was thanked for his Report.

Reference was then made to the draft financial statements. LC confirmed that the sub-group had considered the draft financial statements, with no significant issues arising.

Questions were taken from the Directors.

In relation to headcount disclosures in the Notes, DW confirmed to LC that the Notes had been updated with corrected classifications after receiving feedback from the sub-group meeting. Total headcount had been included together with department breakdowns.

CR requested that the disposal of SRL's interest in Old Glory and the gain after the full write-down in a prior year be mentioned at the AGM to ensure transparency. **DW**

KW asked that club and schools investment numbers be confirmed and flagged at the AGM, with emphasis on the underlying 16% rise in funding. **DW**

It was confirmed that:

- (i) SRL's draft financial statements had been considered by SRL's Audit & Risk Committee and had been recommended by the Committee to the SRL Board for approval;
- (ii) at the SRL Board meeting earlier that day, the SRL Board had received a similar presentation from Johnston Carmichael in connection with the audit process and outcomes;
- (iii) the CFO had presented the draft SRL financial statements to the SRL Directors and various questions had been dealt with;
- (iv) the terms of a similar letter of representation by the SRL Directors to the auditors had been approved;
- (v) similar assurances in connection with fraud risk and compliance had been provided to the auditors by the SRL Board;
- (vi) the SRL Board had approved the SRL financial statements and given authorisation for these and the accompanying Strategic Report and Directors' Report to be signed on behalf of the SRL Board; and
- (vii) approval had been given for the issue of a comfort letter to SRU for the inter-company balance, in the required terms.

4.2 Approval of Financial Statements FY24 / 25 and Accompanying Reports

Considering,

- (i) the allocation of powers and responsibilities between SRU and SRL in the Relationship Management Agreement entered into between the 2 organisations and the contents of the inter-company services agreement and intra-group loan agreement;
- (ii) previous discussions and agreement in connection with identification and allocation of costs and recharging between SRU and SRL;
- (iii) the contents of the audit report and the presentation by GR on behalf of Johnston Carmichael;
- (iv) the explanations provided in connection with SRL's financial position and the responses to questions posed by the Custodian Directors;
- (v) the letter of representation to be given to the auditors by the SRL Board;

- (vi) that the SRL Directors had considered and approved the SRL financial statements and in doing so had satisfied themselves that they gave a true and fair view of the assets, liabilities, financial position and profit or loss of that company for the period, including being satisfied that it was appropriate to adopt the going concern basis in preparing those financial statements; and
- (vii) the grant by SRL of the letter of support in the required terms,

the Custodian Directors **AGREED THAT:**

- (i) the Financial Statements, Explanatory Notes and accompanying Reports of Scottish Rugby Union for the financial year ending 30 June 2025 each be and are **APPROVED** as presented at the Meeting and that the SRU Chair and Immediate Past President be and are authorised to sign the Group and Company Balance Sheets on behalf of the Directors;
- (ii) the Company Secretary be and is authorised to sign the SRU Directors' Report and Strategic Report on behalf of the SRU Board;
- (iii) the Letter of Representation from Scottish Rugby Union to Johnston Carmichael LLP be **APPROVED**, and the SRU Chair be authorised to sign it on behalf of the Directors; and
- (iv) the inclusion of the Financial Statements of Scottish Rugby Union in the Annual Report and their distribution to the organisation's members be and is authorised.

5. OTHER MATTERS

5.1 Approach to Pro Team Player Wage Budgets FY26/27

AW referred to the paper included within the Board pack. Player contracting for season 26/27 was underway with resultant cost commitments. As this was a significant part of the 26/27 budget, advance approval for that element of the 26/27 budget was being sought from the SRL and SRU Boards, similar to the process undertaken in the previous year.

A detailed presentation had been made to the SRL Remuneration Committee explaining the contracting process, squad depth, the alignment of recruitment to the new pathways and the objective of key player retention. A small uplift, of [REDACTED – COMMERCIALY CONFIDENTIAL] for each Pro Team, was proposed, taking each team's wage budget to [REDACTED – COMMERCIALY CONFIDENTIAL]. This was estimated to place the teams in mid-table for URC club wage spending, with the continuing objective of over-performing on playing outcomes.

A paper had been provided to the SRL Board earlier in the day although time had prevented that being considered in detail and a separate approval request would be made to the SRL Board.

A pre-approval from the SRU Board was requested. DW commented that the timing of approval processes around the contracting and budget cycle could be improved and this was being examined as part of the intended approach for the 26/27 budget and several years beyond that.

After consideration the request was **APPROVED**, subject to the SRL Board approval being granted.

5.2 Extension of SRL Chair's Term

It was confirmed that the SRL Board had invited JM to continue as an SRL Non-Executive Director and as Chair of the SRL Board for a second 3- year term, commencing on the expiry of his current term in May 2026. This was subject to the approval of the SRU Board.

The rationale for the extension - continuity and stability in progressing the good work being done in returning the organisation to a financially sustainable position, supporting management in delivering strategic outcomes, and building on the relationships formed between the SRU and SRL Boards - was noted.

Following consideration, the Custodian Directors **APPROVED** the proposed extension unanimously, on the terms outlined.

5.3 AGM 2025

The Company Secretary updated the Custodian Directors on AGM planning. Preparation of the Annual Report was on schedule. The usual governance report would be circulated to the SRU sub-group.

CR, as Chair of the SRU Nominations Committee, confirmed that each of the candidates for election at the AGM as a Custodian Directors would be asked to provide personal letters, in addition to their CVs and short videos, to then be made available on the Scottish Rugby website.

CR, RH

5.4 Risk Register Update

The circulated note and update on the approach to Risk Management, including the reallocation of responsibility for risk management and reporting to the Chief Financial Officer, was taken as read.

This also provided an update on recent adjustments to the Register, and a commentary on the principal risks and uncertainties facing the Group, referred to in the draft Strategic Report within the SRU accounts.

There were no comments.

5.3 SRU & SRL Board Dates 2026

The proposed dates were noted, with a request that the main matchdays in 2026 and the date for the community game conference be included.

RH

6. AOB

CB advised, in her capacity as Scottish Rugby Anti-Doping Champion, that she had recently reviewed and had agreed the content of the annual Anti-Doping Report. This would be submitted to the SRL Board at its next meeting.

RH

There was no other business. The Chair thanked those attending for their contributions and closed the Meeting.

Next SRU Board Quarterly Reporting Meeting: Monday 15 December 2025.

**APPROVED BY THE SRU BOARD
5 DECEMBER 2025**