ONE OF THE GREAT PRIVILEGES OF THIS ROLE OF PRESIDENT IS TRAVELLING AROUND OUR RUGBY CLUBS AND SEEING, AT FIRST HAND, THE GREAT WORK THAT IS GOING ON WITH SO MANY ENTHUSIASTIC AND TALENTED YOUNGSTERS ACROSS SCOTLAND.

Early in May I was delighted to be invited to Dalziel Rugby Club’s 21st Festival of Youth Rugby at Dalziel Park in Motherwell, the home of the Dalziel Dragons youth section. A total of 45 teams, from the Primary 3 minis through to their under-18s, enjoyed a fantastic day and it was my privilege to present Dragons trophies and medals to all players in the P4 and P6 groups.

Then, later last month, at the Emirates Airline Edinburgh Sevens, we witnessed 1200 youngsters bringing Murrayfield’s back pitches to life in the Festival of Rugby. Over two days, 120 teams of boys and girls from Primary 6 up to under-18 enjoyed their rugby with their pals, competed for fair play awards and had the chance to parade around the international pitch, proudly sporting their team colours. From the Peebles Piranhas to the Dundee Eagles and Ellon to the Nicolson Institute, it was a great representation of Scotland’s young, enthusiastic rugby talent. And for the under-15 girls from Stornoway’s Nicolson Institute, a first win in the first festival they’d ever entered – definitely worth the trip!

Events like these, and many more held at clubs, schools and parks throughout the country every week, are of supreme importance to encourage and develop grass roots rugby. They really are the life blood of the game and I thank the volunteers, players, parents, coaches and supporters who continue to do their bit to make sure these events happen and keep encouraging the youngsters to take up and enjoy our great game.

On that note, the standard of our school and youth games has also been impressive to witness, giving real grounds for continued optimism for the future of the game.

Turning to the bigger lads, another personal highlight from the season was watching the sevens at Melrose in April, particularly the final game where Melrose won their own tournament – a fantastic occasion and great weekend of rugby. Moving from sevens to fives, this month’s Islay Beach Rugby event was, as ever, a grand spectacle and great fun for all, whether playing or watching from the sidelines in Port Ellen.

Just as being pitchside at these festivals is great for renewing old acquaintances and making new friends, I’ve enjoyed meeting many players, volunteers and coaches at the club dinners I’ve been invited to attend over the last twelve months – and I’m sure they’ve equally enjoyed sharing their opinions on all things rugby with me! The social side of rugby shouldn’t be underestimated, however, as it builds team spirit and a true sense of rugby family, sentiments which were prevalent at Scottish Rugby’s annual Club Awards dinner in May. A great occasion to highlight the achievements of so many at all levels of the game and celebrate some memorable moments from the season.

I wish you all a great summer as, starting with the Rugby World Cup, we look forward to many more memorable moments in the season to come.

Ian McLauchlan
President
Scottish Rugby
As in previous years, this season has undoubtedly had its fair share of highs, lows and challenges both on and off the field.

Our national team, on the back of last summer’s historic tour to Argentina, continued with two out of three victories in the EMC Autumn Tests, including a thrilling win over world cup holders, South Africa, at Murrayfield. Those achievements saw our IRB ranking rise to sixth in the world.

As a consequence, we entered the RBS 6 Nations in great heart and full of optimism. Despite good showings in Paris and London, we disappointed against Wales and Ireland at Murrayfield; however our win over Italy saw us finish fifth in the Six Nations. We were encouraged by the performances of new young players including Joe Ansbro and Ruaridh Jackson and by the blossoming – and sizeable – talents of Richie Gray.

Neither Glasgow nor Edinburgh were able to build on the promise of last year’s performances in the Magners League and Amlin Challenge Cup; however our clubs – Ayr, Melrose and Currie – gave good accounts of themselves in the British & Irish Cup. Scotland’s under-20 side had a disappointing Six Nations as did Scotland Women.

Meanwhile it has beenheartening to watch the development of some of our age grade players. Our under-17 and under-18 teams began their seasons with away victories over their English counterparts and followed up with unbeaten runs at the Wellington Festival, for Scotland under-17, and at the FIRA / AER tournament in France, for Scotland under-18.

I look forward to watching these players progress over the coming years.

Last year’s continued increase in playing figures meant we had exceeded the aim of our strategic plan, ahead of schedule, and we had hoped to issue the new plan during the spring. Given the above international results, however, we felt the initial project — should be revised and thus will be looking to issue that document in the near future, thanks to much hard work done, to date, by many people in this area.

It’s been a very positive year in many parts of the game. We have more men, women and children playing rugby in Scotland than in recent years and in a safe, fun environment. Launched in 2009, Scottish Rugby’s ‘Are you ready to play rugby?’ campaign resulted in a number of changes to the game last season with early results indicating a positive impact on rugby.

Scottish Rugby has been fortunate, again, to benefit from the Scottish Government’s Cashback for Communities funding, whereby the proceeds of crime money is invested in the delivery of free playing and coaching opportunities for children across Scotland. This funding has continued to help us recruit and train more coaches and development officers and has allowed many more youngsters in areas of urban and rural deprivation to be introduced to and take up rugby, so benefitting their health and wellbeing in the process.

As we look to the future, we need to encourage participation in the years ahead we secure new funding to support our clubs to improve their facilities through our newly established club facilities fund. This important investment, secured by Scottish Rugby, from the government, follows our concerted efforts in demonstrating that it is vital to support our great game and our clubs through investment in improved facilities, thereby ensuring the rugby players of the future, along with those currently playing the game, have access to the appropriate facilities.

Scottish Rugby’s financial profile continues to be strong, despite the continued economic downturn. This year we have increased income and investment in all areas of the game for the fifth successive year and reported a surplus of £1.3m for the year. The Board is considering various alternative ways in which the supplies may be utilised.

This continued confidence in our finances has led to us welcoming some significant new sponsors on board this season. Our national team sponsor, Murray, extended their partnership with us until the end of the Six Nations and I would like to thank them for their steadfast support over the last four seasons. Then, in December, we were delighted to announce the arrival of RBS into the squad. In our biggest sponsorship deal to date, they will not only become the main sponsor of our national team but of all our other representative and women’s sides, our leagues and club competitions at all levels. Globally renowned information storage providers, EMC, joined us this season as Test series sponsors. Along with Canterbury, Scottish Rugby is well set with sponsors to help develop the game in our country.
In order to utilise our biggest asset – Murrayfield Stadium – as a venue of choice and so procure more funding for our sport, we have to ensure it is in the best possible condition to stand out in a competitive market. To help achieve its full potential we have improved its appeal with a new main entrance and reception, refurbished Thistle and President’s Suites with an open aspect to the pitch and an ongoing programme of work to build on these improvements. In addition to many exhibitions, meetings and other functions which regularly fill the Suites and Boxes, two stadium concerts are being staged here this summer with plans for more events in the coming year.

Our AGM signals the end of one season and the start of 2011/12. There will be little summer break this year, however, as Scottish Rugby works towards and eagerly anticipates a Rugby World Cup in New Zealand in the autumn. We remain confident that Andy Robinson, his coaching team, the players and the backroom staff, will be well prepared to perform in the tournament and I wish them every success.

Although much of the focus will be on the southern hemisphere in September and October we will, nonetheless, continue with a full programme for our pro teams and club sides alongside the excellent work going on in the community game; this will be a huge challenge on our resources.

Without a doubt, there’s no way our clubs could keep going without the tireless work of volunteers at all levels – whether coaching, refereeing or selling the pies and teas. We’ve worked very hard at Scottish Rugby to come up with ways to help these valued members of the rugby community with funding for facilities, to help train more officials and coaches, with joint initiatives with local authorities to fund development staff to help in clubs and schools and also with awards to recognise all the hard work that goes on through, for example, the Club of the Month awards.

I appreciate that people are always keen to share their views with us on rugby in Scotland; this year has been no different and the issues raised have been just as wide ranging, reflecting the many challenges we face. I was delighted to be invited in the series of President’s Roadshows earlier this season, to hear the views and opinions of many supporters at clubs up and down the country. Once again it was heartening to see, at first hand, all the great work being done at the grass roots of our game by the players, officials, coaches and volunteers who support their clubs so staunchly week in, week out.

As a governing body we may not be able to provide the answers to everything but I would like to underline our commitment and desire to continue to build on the success of recent seasons and to ensure that rugby at all levels continues to flourish in the years ahead.

A personal highlight of this season was our inaugural Hall of Fame evening, where twelve giants of Scottish Rugby took their place in our proud history. It was both uplifting and humbling in equal measure as those who had played their part over the years were considered and honoured, and so many well known faces from the world of rugby converged on Murrayfield for the occasion.

It is memories like these that I will look back on fondly as I come to the end of my tenure as Chairman. I would like to finish by paying tribute to the outstanding job done by the Executive team in restoring the fortunes of Scottish Rugby over the past six years; I would like to thank my colleagues, over the period, on the Board and Council for their support and, most importantly, the hard-working and loyal staff at Scottish Rugby who continue to work tirelessly to grow our great game.

On 14th June 2011 Chief Executive Gordon McKie left Scottish Rugby after almost six years at the helm. During that time he provided great leadership and accountability, and created a stable financial base for the organisation to grow. We thank him sincerely for his extensive efforts in leading the development of our sport at all levels and rebuilding our reputation amongst many of our key stakeholders. A new Chief Executive will be appointed in due course with the post filled, in the interim, by Scottish Rugby’s senior Non-Executive Director and former internationalist, Jock Millican.

I would like to wish my successor Sir Moir Lockhead, the Board, Council and the Executive team every good fortune in taking Scottish Rugby to the next level.

Thank you.

Allan Munro
I AM PLEASED TO REPORT INCREASED INCOME AND INVESTMENT IN ALL AREAS OF THE GAME FOR THE FIFTH SUCCESSIVE YEAR AND A SURPLUS OF £1.3M FOR THE YEAR.

Cash flow remains strong, with average 2010/11 bank borrowings of £14.4m compared to £14.8m in 2009/10. At the same time, we are continuing our programme of investment in Murrayfield Stadium in order to maintain the world-class status of our primary asset.

The main headlines of the Income & Expenditure Account and the Five Year Summary included in pages 48-57 are:

**INCOME**
Income of £35.1m for 2010/11 is £1.5m over the previous year and £9.5m over 2006/07, reflecting significant increases in all of our revenue streams.

Murrayfield Ticket revenues increased from £6.3m in 2009/10 to £8.5m in 2010/11 mainly due to the three RBS 6 Nations fixtures compared to the previous year’s two fixtures and increased income from the 2010 Autumn Tests (New Zealand, South Africa and Samoa) versus the previous year (Australia, Argentina and Fiji). Broadcasting revenues of £11.5m were broadly in line with 2009/10 revenues. Other revenues of £15.1m include income from commercial sponsorship, match hospitality and conferencing activities, professional rugby (primarily from ERC and the Celtic League), merchandising and grant income. The net decrease of £0.5m from the previous year reflects reduced non-rugby event income and income received in 2009 from the British Lions tour which is partly offset by additional professional rugby income and other variances.

**PROFESSIONAL RUGBY**
Our gross investment in Edinburgh Rugby and Glasgow Warriors player and support costs for 2010/11 amounted to £10.0m which is £0.3m above 2009/10 and £2.1m above 2006/07, a substantial increase particularly given that the latter also included the costs of the Border Reivers. At the same time, the net costs of professional rugby have been reduced from £4.6m in 2009/10 to £3.7m in 2010/11 due to the additional professional rugby income.

**INTERNATIONAL RUGBY**
A total of £6.7m was invested in the Scotland team and all other age grade and representative teams including all related support costs. This compares to £6.4m in 2009/10 and £4.1m in 2006/07 which demonstrates our commitment to investment in the development of our national teams.

**COMMUNITY AND PERFORMANCE RUGBY**
Investment in Community and Performance Rugby increased to £4.2m from £3.9m in 2009/10 and £2.3m in 2006/07, reflecting additional regional and performance development expenditure in line with Scottish Rugby strategy.

**COMMERCIAL AND OPERATIONAL**
Commercial and Operational costs of £9.1m, incurred to support the revenue streams, were broadly in line with the previous year’s total of £9.4m and compare to 2006/07 costs of £8.2m.

**CLUB SUPPORT AND DEVELOPMENT**
Direct Club support and related development expenditure of £1.8m for 2010/11 was in line with 2009/10 expenditure and compares to expenditure of £0.6m in 2006/07. This reflects the ongoing funding of joint development officers and direct support to clubs including payment of club accident insurance premiums, club participation monies and club match officials’ expenses.

**OTHER EXPENDITURE**
Interest costs of £0.9m were broadly similar to 2009/10 costs. Depreciation of £1.0m is above the previous year’s £0.9m due to the ongoing capital expenditure investment in Murrayfield Stadium.

The exceptional credit of £0.8m included in the 2009/10 Income and Expenditure statement resulted from the release of the balance of the provision for the future costs of the closure of the Border Reivers pro team, in connection with the Netherdale ground rental agreement and other creditors. The balance was released following final agreement of all payments due to creditors.

Average employee numbers for the year were 283, the same as 2009/10. The notes to the financial statements include a detailed analysis of employees which demonstrates that most Scottish Rugby employees are directly involved in rugby operations.

**CAPITAL EXPENDITURE**
Following previous years’ investments in various areas including big screens, pitch lights and redevelopment of Murrayfield’s training pitches, 2010/11 has seen further improvements including an upgrade to our main function suites, the President’s and Thistle Suites. These suites were created at the time of the construction of the west stand in 1994 and their refurbishment, which was well overdue, is necessary to allow us to continue to generate hospitality and conferencing revenue.

**BORROWINGS AND CASH FLOW**
Borrowing levels show an improvement over the previous year despite the ongoing investment in Murrayfield developments. Average borrowings for the year of £14.4m compare to the previous year’s average of £14.8m. Year end debt of £12.7m is below the April 2010 year end debt of £15.1m mainly due to the financial surplus for the year and various working capital movements.
IDENTIFICATION OF OUR BEST PLAYERS REMAINS A PRIORITY AND THE PERFORMANCE DEPARTMENT IS CONTINUING TO REVIEW THE PATHWAY SYSTEM TO ENSURE PLAYERS ARE SUPPORTED BETTER FOR A LONGER TIME.
Despite challenges at under-20 level, the successes of the age grade programmes at the under-17 and under-18 levels have been a positive development. A number of performance initiatives have been implemented to develop specialist rugby skills for players at all levels. This includes regional and national specialist skills sessions where Scotland’s national team coaches delivered high quality coaching skills to local coaches whilst providing an excellent opportunity for our best young players to be coached by Andy Robinson and his coaching team.

Identification of our best players remains a priority and the performance department is continuing to review the pathway system closely to ensure the correct provision for each player at all stages of their development and during all aspects of their respective programmes.

The alignment of elite development players with the professional teams has allowed our best regional academy players to gain exposure in a pro team environment. This has allowed our best regional academy players to gain exposure in a pro team environment. Three of these players went on to receive the McPhail Scholarship, to train and play in New Zealand based at the Canterbury High Performance Unit. This is an example of the performance department’s focus on further drive initiatives to further develop individual players as well as putting the support structures in place to facilitate this development.

The autumn series concluded with a narrow victory over Samoa at snow-swept Aberdeen, and it was something of a fairy-tale ending for hometown stand-off Ruaridh Jackson whose successful penalty with the last kick of the game secured Scotland’s win. The 2011 RBS 6 Nations Championship began with Scotland scoring three tries in defeat to France in Paris through captain Alastair Kellock, flanker Kelly Brown and back Sean Lamont but the optimism that that performance engendered was rudely shattered by an abject loss to Wales on home soil. Scotland improved in their subsequent two outings but were edged out at home by the Irish and, in spite of a fine individual try by Max Evans departed from Twickenham, so often the graveyard of Scottish hopes, with a defeat to the English.

The campaign ended with a morale-raising win against Italy courtesy of tries by Nick De Luca and Nikki Walker but the lesson of the 2011 tournament was that if Scotland do not deliver their top drawer game then they cannot expect to win matches. Only our best performances will do.

**SCOTLAND**

It was a brief but memorable season for Scotland’s A team as they recorded three victories from three fixtures between November and February. All matches, at Netherdale, benefited from free admission – supporters could also pick up free match programmes while being encouraged to donate to the Bill McLaren Foundation, benefiting the cause by thousands of pounds.

The head coach berth this season was filled by Nick Scrivener with Steve Scott as his deputy. Both Scrivener – then Edinburgh assistant coach – and Scott – then working with the national team as a senior specialist coach – had seen previous coaching duty with the squad, at the IRB Nations Cup in Romania in June. First combatants, on Friday 29 November, were the USA. An eleventh-hour amendment saw Jack Cuthbert moved to the starting XV after Joe Ansbro was taken into the national side. The side produced a stirring second half performance on Friday 28 January to see off an international-laden Irish Wolfhounds before a vocal crowd of 3,346. After a slow-burning start, the Scots scored 23 unanswered points after half-time to record a 32-13 win at the Gala ground. Hefin O’Hare, one of three new A caps, crossed late on and there were standout performances from captain Greig Laidlaw (voted man of the match) and David Blair, who weighed in with five penalties and two conversions.

Overcoming both Italy A and intensely challenging playing conditions, Scotland A then made it three Netherdale wins out of three on Friday 4 February, despite twenty-four hours of almost incessant rain and wind taking their toll on the surface. An early try from Ryan Grant, later voted man of the match for a convincing display in the tight, set the Scots on their way, with two subsequent penalties from David Blair Answered by just one from the Italians to make it 11-3.

**T-B**

The fab three - Ruaridh Jackson, Moray Low and Nikki Walker - pay homage to their match title of the year. The result enabled Scotland to climb to sixth place – their highest ever position in the official IRB world rankings since they had been established in October 2003.

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Last season ran seamlessly into this one as Scotland Women prepared for the 2010 Rugby World Cup in Surrey. After a non-cap victory in July over Ireland, a squad of 26 was pooled with France, Canada and Sweden at the tournament in Guildford from mid August to early September. Defeats to Canada (30-37), France (7-17) and a win over Sweden (32-5) saw the Scots into a fifth place semi final play-off with Canada, the Scots going down 0-41. Despite losing their final fixture, the play-off for seventh place against Ireland (8-8), Scotland’s final eighth position meant a move up of one spot in the world rankings.

The match also saw the retirement of Scotland’s most capped player, Donna Kennedy, her tally of 115 making her the world’s most capped women’s player ever.

An autumn of selection and Scotland Series games led into a capped friendly away against Spain in early January and a new coach in ex internationalist, Karen Findlay. The captain’s armband passed to Susie Brown for the new season with a host of fresh faces in the squad for the RBS 6 Nations.

An experienced French outfit got the better of the new-look Scotland Women’s side (53-3) in the tournament opener while at Butebrae the following weekend, a fast-paced encounter against Wales ended in defeat for the home side (12-41). The third game, against Ireland at Lasswade, saw a much improved Scotland run Ireland close for much of the game, though the final score read 5-22 to the visitors. An outing on the international pitch at Twickenham, taking on their highly experienced English counterparts immediately after the men’s Calcutta Cup fixture similarly ended in defeat (89-0). In the side’s final Six Nations fixture at Meggetland, pressure couldn’t be turned into points with the Italians taking the honours, 0-26. Planning is currently underway to enhance the performance programme as this young side continue their development in the new season.

Long-term improvement of the national side’s competitiveness is the priority, going forward, with the introduction of an under-20s national performance squad underpinning the strategy. From its inaugural season in 2010/11, the squad will provide an environment for the improvement of young players, for the first time enabling them to develop their skills, fitness and playing experience at an elite level in advance of winning full caps for Scotland Women. The under-20s programme is also an opportunity to develop and test coaching talent for the future; the coaching team has an untold pedigree in terms of skills and playing experience in the shape of Donna Kennedy and Claire Cruickshank, and is led by Jules Murciano, who coached Scotland Women A for three years. The side’s first training match in England, against a vastly experienced England under-20 squad, set the benchmark at which the girls should be setting their sights for the future.

The action kicked off at the XIX Commonwealth Games in Delhi in October. Scotland’s 12-man squad having a positive run despite falling short of winning the Plate in a gruelling final against Samoa. The Scots finished sixth, two places above their IRB ranking. The side’s first training match in England, following the Commonwealth Games Stephen Gemmell stepped down as Scotland 7s head coach, after four years in charge. He was replaced by ex-Scotland internationalist Graham Shiel, whose first season in charge saw Scotland lift three Bowl trophies in George, Las Vegas and Twickenham. Scotland also reached the Bowl final in Edinburgh but were denied a fourth trophy by a competent Kenyan side.

The hiatus between the Commonwealth Games and the HSBC Sevens World Series also saw Scotland 7s captain, Scott Forrest, bow out due to ongoing injury. However, Scotland boasted a strong selection of professional, academy and club players across the year with the likes of Struan Dewar, Michael Fedo, Dougie Fyfe, Graham Fisken, Andrew Sken, Fraser Harkness and Scott Riddell all making the step into elite rugby from the club game. Sken, of Watsonians, had a fantastic debut sevens season recording a total of 201 points which placed him fifth in the series points table. Andrew Turnbull crossed the threshold of 100 tries and Jim Thompson was joint top try scorer in Edinburgh after making six touchdowns across the two days.

The season is also an opportunity to develop and test coaching talent in terms of skills and playing experience in the shape of Donna Kennedy and Claire Cruickshank, and is led by Jules Murciano, who coached Scotland Women A for three years. The side’s first training match in England, against a vastly experienced England under-20 squad, set the benchmark at which the girls should be setting their sights for the future.

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For future rugby success, there was significant investment in the playing squad with the re-signing of Alastair Kellock, Jon Welsh, Ruaridh Jackson, John Barclay, Richie Gray, Moray Low, Bernardo Stortoni, Colin Aramburu, Alex Dunbar, Aly Muldowney, Henry Pygros, Duncan Weir, and any other player mentioned in the text. At the same time, head coach Sean Lineen worked hard to add new faces Federico Aramburu, Alex Dunbar, Henry Pygros, Duncan Weir, Ryan Grant, Ryan Wilson, Robert Harley and Tom Ryder, the loan signing from Saracens who would later return to Firhill as a permanent addition.

The level of competition in both tournaments in which Warriors play improves every year, and with theMagners League providing the Heineken Cup champions from three of the previous five seasons – plus the introduction of two new Italian teams (Benetton Treviso and Aironi Rugby) – the scene was set for another demanding season. Although finishing a disappointing 11th, the campaign began with a morale boosting 22-19 victory over Leinster (

Many congratulations should once again go to Warriors captain, Alastair Kellock, on fighting back from a long-term injury to lead Scotland Scotland national team with more players on Andy Robinson's teamsheet than from any other club – a source of pride both to deprivéd of the services of four established Scotland internationals, our

core leadership group of Kellock, Beattie, Chris Cusiter and Graeme Morrison. Add to this list long-term injury lay-offs to Warriors stalwart, James Eddie and Scotland cap Rob Dewey, and a picture of frustrated ambition emerges. It wasn’t all doom and gloom, however, as the club registered three wins from six in Pool 6 of the Heineken Cup. Home and away victories over the Dragons and a memorable 20-10 Firhill success over Wasps meant 12 points and third place behind the High Wycombe outfit and four-time Heineken Cup Champions, Toulouse. Home victories in the Magners League were also recorded against Ospreys, Aironi and Treviso with one victory on the road at Aironi. In terms of local bragging rights, pride remained intact when the Warriors retained the Greaves Sports 1872 Cup by one point, an aggregate, with a 30-18 home win over Edinburgh in front of 7,062 spectators, albeit losing the return leg at Murrayfield, 28-17.

Glasgow Warriors continued to make a significant contribution to the Scotland national team with more players on Andy Robinson’s teamsheet than from any other club – a source of pride both to supporters and all the Warriors staff at our Scotstoun training base. Many congratulations should once again go to Warriors captain, Alastair Kellock, on fighting back from a long-term injury to lead Scotland throughout the 2011 RBS 6 Nations Championship.

With the help of the Warriors supporters and sponsors, whom all at the club would once again like to thank for their tremendous backing over the last 12 months, we will continue to deliver a team and club of which this great city can be proud.

### Performance Player Development Programme
Scottish Rugby made a number of changes to the way in which its Performance Player Development Programme was structured this season as part of a co-ordinated approach to better prepare the talent of tomorrow. Nationally, forty-seven players were selected for the programme (formerly the National Academy) in a process that involved the Scotland team, pro team coaches, Scottish Rugby’s performance staff and Scotland age-grade coaches. Seventeen of these players were contracted to Scottish Rugby as part of the newly formed Elite Development Squads, which replaced the previous Central Academy. These players were aligned to and based with one of the two professional teams, Edinburgh and Glasgow Warriors, to enhance their development and have the appropriate opportunities to train and play in the professional environment. To support the development needs of these players, dedicated Elite Development Staff (coach, physio and strength and conditioning coach) were appointed with the responsibility to develop and monitor individual player development plans for each player. Throughout the season a number played Magners League and Heineken Cup rugby and one, Tom Brown, received a full-time contract with Edinburgh.

As part of their individual development plans, three Elite Development Players – Harry Leonard, George Turner and Grant Gilchrist – all received the John Macphall Scholarship, as part of an extended partnership with The Robertson Scholarship Trust, the Macphail family and Scottish Rugby. This has given all three players the opportunity to spend 14 weeks in the Canterbury Crusaders International High Performance Unit in Christchurch, New Zealand. A further 30 players were selected into our Tier 3 programme and supported through the Institute Support Network, at a local level throughout the country. Each player’s development was backed by individual player plans and supported locally by their respective Institutes in areas such as psychology, strength and conditioning, performance lifestyle, medical, nutrition and physiology. During the season Tier 3 players Murray McConnell, Mark Bennett and Harry Leonard were all rewarded for their performances by being promoted and gaining Elite Development contracts; nine more players were selected into the Elite Development Squads within our pro teams for season 2011/12. Throughout the year, clubs and schools continued to play an important role in all the players’ progress with their training and playing regularly in these environments whilst continuing with their specific player development skills and conditioning programmes.

### Exiles
The Exiles programme completed its fourth season with six players being offered Academy contracts, a sure sign that there has been substantial growth. A programme for potential under-20 players, which included games against Belgium and Newcastle Falcons A, culminated in nineteen players being included in the national under-20 extended squad, with ten making the final cut. With an emphasis on skills and the development of decision making amongst players, the under-17 and under-18 programmes led to good performances on the field and, subsequently, much recognition for the players at international level as eleven were included in these Scotland age grade sides.

As the programme has matured, an exciting development has occurred this year with some players choosing to continue their rugby in Scotland at Premier 1 and Premier 2 levels. This trend will hopefully continue as it provides a great route for Exile players into the senior game.

Future prospects are bright with a developing base of players, an increasing number of committed volunteers keen to assist, and an improved geographical spread of activity across the country.

**T-B:** George Turner, Harry Leonard and Grant Gilchrist recipients of this year’s Macphall Scholarship; Director of Performance, Graham Lowe, at a coaching day; John Barclay for Glasgow Warriors; Al Kellock with the 1872 Cup; won by Glasgow; Gregor Townsend of a High Performance coaching day.
SCOTLAND UNDER-20

Head coach Peter Wright and fellow coaches Bryan Easson (backs) and Simon Cross (defence) kicked off Scotland under-20’s season with a two-week training camp in January at Murrayfield which culminated in a 73-18 win over Scottish Universities in a trial match.

The youngest member of the Scotland under-20 team, centre Mark Bennett, won’t forget his first cap in a hurry having scored against France the day after his 18th birthday in the opening game of the 2011 Under-20 6 Nations. Bennett’s score however did not herald victory as Scotland were defeated by 49 points to five. The side were then undone (33-3) by their Welsh counterparts at Bridgehaugh the following week. Two disallowed tries meant the side then left Inverness undone (33-3) by their Welsh counterparts at Bridgehaugh the following week. Two disallowed tries meant the side then left Inverness.

The squad’s success continued with a hugely frustrating conclusion at Bridgehaugh the following week as they suffered a 9-7 defeat to their Italian opposition. At Newbury two weeks later. The squad’s 6 Nations campaign came to a hugely frustrating conclusion at Bridgehaugh the following week as they suffered a 9-7 defeat to their Italian opposition.

In May, however, Scotland under-20 secured a morale-boosting 18-15 win over England Counties under-20, in a warm-up match before this month’s IRB Junior World Championship in Italy. The Scots began their Pool C campaign on Friday 10 June with a tie against South Africa in Padova, before moving on to nearby Treviso to tackle England on Tuesday 14 June. Their final group fixture saw them face Ireland in Rovigo on Saturday 18 June, before a ninth place play-off against Tonga beckoned.

SCOTLAND UNDER-18

After returning from a two-week tour to Spain where the Scotland under-18 squad played Spain under-18, a training squad was selected to play top New Zealand rugby school, Palmerston North HS, in a two-week training camp in January at Murrayfield which culminated in a 73-18 win over Scottish Universities in a trial match.

The age graders played their fifth, final and only home fixture at Selkirk RFC when a crowd of over 500 saw them take on France under-17 on 1 May. This was certainly the biggest team – in size – the side had met during their short season and the toughest fixture as the home side were defeated 5-25 by a physical French outfit.

Players will now go forward for consideration into the under-18 programme.

SCOTLAND UNDER-17

Following national selection fixtures and two weekends in camp the squad, under the direction of new head coach Davy Wilson, travelled to Leeds to take on the full England under-17 team on 10 April. The young Scots dominated the game, coming away with a 30-10 win, setting them up well for participation in the following week in the Wellington International Festival in Berksheire.

The squad, comprising of players hailing from Oban to Orkney and Melrose to Muckle Academy, proceeded to beat allcomers over the course of their Festival week where they took on and defeated France A (32-10), England Blues (38-10) and England Reds (35-0). On their return north of the border, members of the squad were guests at Edinburgh’s Magners League game against the Dragons on 22 April, taking part in a trackside question and answer session.

COACHING

The coach development department delivered over 20 UKCC Level 1 courses in venues from Shetland to Stornoway and Cumnock to Meadowmill. Six Level 2 courses have also been delivered as well as the season-long Level 3 course for fifteen candidates which included assessment visits of them coaching in their clubs or schools.

Work continues with Stirling University and our 3 Union partners in preparation for the launch of the UKCC Level 4 qualification which, at this stage, will be aimed at high performance coaches.

Developing players is not just about improving skills but also ensuring they are suitably conditioned to play the game. In conjunction with the Strength & Conditioning team, we run Strength and Conditioning Levels 1 and 2 (joint award by the UK Strength & Conditioning association) as well as Speed Development modules.

Alongside the regional development teams, our three Coach Development Officers also delivered CPD updates over a variety of age groups on ten topics.

Since its launch in 2010 the Club Coach Co-ordinator scheme (CCC) has gone from strength to strength. The relationship between the CCCs and the Coach Development Officers continues to be hugely important and should lead to an increased number of qualified coaches working at every age group.

This season saw the launch of the Key National Themes booklet and CDrom aimed at those coaching players aged 12 to 16. A Top Coaches DVD was also produced and distributed to every club and school, while the next DVD resource – aimed at Premier club coaches and containing footage of this season’s High Performance Coaching Day delivered by our national team coaches – will be distributed to clubs by the start of the new season.

Coach development staff have also been helping the International Rugby Board (IRB) to develop the IRB RugbyReady suite of resources. This material will be reflected in a new manual and updated web site and will also feature in the 2011/12 RugbyReady courses which are mandatory for every coach in Scotland.

Throughout the season workshops have been run in conjunction with the University of Stirling and supported by sportscotland. Aimed at current and future high performance coaches, these Coaching Matters workshops were delivered by a series of experts with topics ranging from analysing your own coaching to creating high performance environments.

During the summer months Scottish coaches are taking up opportunities around the world as part of their ongoing development. This month the 6 Nations Coaching Conference in Italy was attended by Ian Lineen, Ben Fisher, Ally Donaldson, Alex Duncan, Mark McKenzie and Davy Wilson; Peter Wright, Bryan Easson and Simon Cross attended the under-20 Junior World Cup, also in Italy earlier in June; Peter Wright will spend two weeks in July in South Africa on the IRB Tops Course; and Iain Monaghan is currently in New Zealand working with the Canterbury Crusaders High Performance Unit.
Central to the development of the game is the hard work put in by countless volunteers in clubs and schools throughout the country.
COMMUNITY OVERVIEW
This has been a challenging year for clubs and schools across the country, principally due to another year of extreme weather which effectively closed the game down in December and early January. Special mention must go to the competitions team and the national and regional championship committee members who have put a significant amount of effort into ensuring that all competitions were completed. Despite the weather, many initiatives were developed or introduced throughout the season which allowed our clubs and rugby playing schools to further develop and grow the game in partnership with Scottish Rugby, the Scottish Government, local authorities and many local and national sponsors. Central to the development of the game is the hard work put in by countless volunteers in clubs and schools across the country; the community team at Murrayfield continues to appreciate their invaluable work in growing the game in Scotland.

REGIONAL DEVELOPMENT
Scottish Rugby currently has 92 development partnerships in place to help member clubs and local authorities develop the game across their communities. These are all subject to partnership and investment agreements with agreed performance indicators which are monitored by the Regional Development Managers and reviewed on a quarterly and annual basis. The 92 partnerships currently support 75 Club Development Officers and 49 Community Coaches studying with us for their Scottish Vocational Qualifications. This regional workforce introduces and develops rugby across Scotland in clubs and schools (primary and secondary) and helps progress our development programmes across Scotland; for a taste of the activity undertaken this year, read on.

FOOD STANDARDS AGENCY
Working with the active schools network, the regional development team has delivered the Hygiene, Healthy Eating & Activity in Primary Schools (HHEAPS) programme to 6672 primary 5 and 6 pupils in 256 classes in 205 primary schools across Scotland for a fourth year. The programme was created in partnership with The Food Standards Agency in Scotland, and involves development officers delivering a six-week block of rugby to pupils whilst they work through a mission book covering topics such as food hygiene and nutrition. Pupils receive goodies including a gym bag and certificate while the school receives a pack of equipment and a framed Scotland team photo.

To date, over 20,000 pupils have completed the programme with schools in all of Scotland’s 32 local authorities taking part. The programme has proved invaluable in helping development officers take rugby into new primary schools. It also enhances the service that Scottish Rugby offers by making a contribution to the health agenda and helping improve participants’ knowledge of nutrition and food hygiene. In several areas, HHEAPS festivals have been run to bring all the participating schools together at a local club or secondary school.

YOUTH COACHING COURSE
The Youth Coaching Course has been specially designed to prepare those aged 15 to 19 for voluntary coaching roles and is sponsored by Cashback for Communities, the Government programme that channels proceeds of crime money into helping young people.

The course can be run in schools, rugby clubs or with community groups. It takes participants through four modules using classroom and practical sessions to build up their understanding, confidence and coaching skills to prepare them for RugbyReady – and possibly, UKCC level 1 – courses.

This season 826 young people have completed the course and gained valuable skills and coaching experience. Already proven successful in recruiting young people on to the SVQ Community Coach programme, it has helped development officers recruit new volunteers to support their schools and community programmes.

G4S STREET RUGBY
Street Rugby aims to engage with young people, introduce them to rugby and, in doing so, provide a diversionary activity to those who might otherwise get involved in anti-social behaviour, or worse. It’s a fun, flexible, non-contact version of the sport that is being taken into neighbourhoods – as advised by Community Safety Partnerships – all over Scotland.

The club development officer and SVQ student network has been working with these Community Safety Partnerships, police and youth projects to push back the boundaries of the sport through the introduction of G4S Street Rugby sessions at hundreds of venues, particularly in areas of rural and urban deprivation. Youth workers, community wardens, police, the fire service, youth groups, Community Safety Partnerships and many other local agencies have helped to make this programme a success. During season 2010/11 the team has carried out over 530 G4S Street Rugby sessions involving over 3000 young people.

T-B: Stirling County girls under-15 celebrate success in the Brewin Dolphin Scottish Girls Bowl; Simon Webster and John Barclay launch the 10th year of Brewin Dolphin competition; Girls’ Festival of Rugby; Semi Final action from the Brewin Dolphin Scottish Schools Cup; Graeme Morrison with youngsters in Kilmarnock.
COMMUNITY

SCOTTISH WIDOWS BANK RUGBY CHAMPIONS

Now in its third year of operation, and run in partnership with Scottish Widows Bank, the initiative aims to increase the number and amount of rugby played in state secondary schools while rewarding the dedicated school staff who give up their spare time to take extra-curricular rugby. The scheme has recruited 36 new schools this season, making a total of 264 schools which have signed up.

These registered rugby champions are rewarded with personal coaching kit while their schools are supplied with specialist rugby equipment for coaching and training – additional equipment is then provided as rugby develops at the school, in accordance with bronze, silver and gold levels of participation. This has resulted in a greater number of state schools introducing rugby to and running extra-curricular rugby for secondary school children.

Recently benefitting from the scheme were Douglas Ewart High School, Gordon Schools Huntly and Ross High School who were rewarded for their inter-mural leagues and club development planning.

The highlight this year has not only been the number of festivals that have taken place across the country and number of children who have enjoyed the coaching but also that one of last year’s Modern Apprentices, Tom Davidson, achieved national distinction. He not only won the Skills Development Scotland Modern Apprentice Award in his category (non traditional aged 16-19) but was also awarded the overall Scottish Modern Apprentice of the Year Award. The ceremony showcased those who have, through their involvement in Modern Apprenticeships, demonstrated initiative, enterprise and outstanding commitment to the improvement of skills development for the Scottish economy. Tom’s success is an outstanding achievement and a first for Scottish Rugby, a national recognition of an excellent programme and of all the support given to it by schools, clubs, councils and other stakeholders.

SVQ COMMUNITY COACHES

The SVQ/Modern Apprentice programme continues to thrive. There are currently 49 Community Coaches – based from Shetland down to Dumfries and Galloway – either in the first or second year of the programme, expecting to complete their qualification in July 2011. They continue to deliver well planned, high quality and exciting sessions in primary and secondary schools and clubs whilst still finding time to complete their portfolio of evidence for their relevant qualification. A number of those leaving the programme are moving on to further or higher education as well as continuing with their coaching in a variety of capacities.

SVQ MODERN APPRENTICE SCOTTISH RUGBY ROYAL BANK RUGBY CHAMPIONS

HIGH AND FURTHER EDUCATION

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COMMUNITY

BRITISH & IRISH CUP
The second season of the British & Irish Cup produced some intense competition with Scotland’s representative sides Ayr, Melrose and Currie all adding to the excitement.
In Pool A, despite running Newport and Plymouth Albion close, Currie finished their tournament outing losing five out of five fixtures and finishing in last position. Registering two wins out of five in Pool B, Melrose recorded a memorable victory over Nottingham and ran Bristol close (26-29) in their final fixture. Meanwhile, in Pool D, Ayr booked their place in the Cup quarter-finals with a superb win over Doncaster Knights (23-17) at a packed Millbrae, following defeats of Llandovery, Birmingham & Solihull, and a draw with Rotherham which put them in second place. They then just missed out on a semi-final slot after losing a thrilling 29-19 encounter with Bristol on the stadium’s back pitches.

FESTIVAL OF RUGBY
The international proceedings took place on the main pitch at Murrayfield for the Emirates Airline Edinburgh Sevens, 1200 school aged children came together for a fun-filled, fair-play Festival of Rugby on the stadium’s back pitches. The event, which ran across the same two days as the Emirates Airline Edinburgh Sevens, saw 120 teams compete on the state-of-the-art training facilities. On day one there were four competitions and awards for under-18 males, under-18 females, under-15 males and under-15 girls. That was the start of a knockout competition with the remainder awarded on a fair-play basis. Selkirk were the winners of the under-18 Cup, beating West of Scotland in a thrilling final which saw the victors sail to a 31-5 triumph. The Fair-Play Awards – for teamwork, conduct and sportsmanship – were won by Oban Lorne / Argyll (under-18 female), Nicolson Institute (under-15 female) and West of Scotland (under-15 male). This was the first ever competition that Nicolson Institute girls team had entered, making the long journey south from Stornoway even more worthwhile than initially anticipated.
On day two, a further two competitions were hosted for P6 and P7 boys and girls. In the former age group, Portobello came out on top and Gala Mini Maroons were the victors in the P7 tournament. The Festival was enjoyed by the friends and families of all the competing teams, as well as many of the sevens audience for the internationals. Teams also had a chance on both days to parade along the fringes of the international pitch, waving flags which boasted their team colours.

COMPETITIONS
In the face of lengthy periods of appalling weather over the winter months, all cup competitions and league fixtures culminated in May with Melrose RFC crowned Premiership Division 1 champions and Ayr securing the Premier Cup, having faced each other in both fixtures. In a similar situation for the women, Murrayfield Wanderers and Hillhead / Jordanhill not only met in the Sarah Bearey Cup final but also competed against each other in the last game of the season for league honours – while Wanderers won the Cup, Hillhead / Jordanhill topped Premier 1 for the first time in their history.

Both the league and Cup were run in new formats this season following approval of the proposals at last year’s AGM. The second phase of the restructuring is planned to follow next season.

REFEREES
Within the High Performance Referees Group, Scotland’s two professional referees have had an action-packed season. Having been involved in officiating at the women’s Rugby World Cup last summer and the Delhi Commonwealth Games in October, Andrew McNamara was appointed to referee the final of the British & Irish Cup between Bristol and Bedford in May. Meanwhile Andrew MacPherson’s season included being assistant referee at France v Argentina, Magners League and European Cup fixtures.
High Performance referee Neil Paterson is currently in Italy, on duty at the Junior World Championships and, at the match officials selection panel final meeting of the season, two of the Referee Senior Academy members were promoted into the High Performance group, namely

ARE YOU READY TO PLAY RUGBY
Launched in 2009, Scottish Rugby’s Are you ready to play rugby? initiative aims to ensure that everyone involved is prepared appropriately to play, coach, teach and referee the game, and follows a consistent, safe and enjoyable approach on and off the field.
The practical RugbyReady update course is now a prerequisite to coach the game in Scotland and has been delivered to over 5000 coaches in around 90 different schools and clubs throughout the country.
The primary objectives of the course, which combines classroom-based and practical tuitions, aim to identify key aspects of match preparation, correct technique, injury prevention and management, while also recognising the need to develop coaches and coaching at all levels of the game.

All of the safety initiatives introduced in 2009 to reduce the risk of serious injury in rugby were reviewed and updated for season 2010/11. Policy changes were made to U16 males in U18 rugby, U15 girls in U18 rugby, U18 in adult rugby; Player Dispensation; Age Grade Law Variations; Minimum Standards for Coaches, Teachers and Referees; and Injury Management.
Early indications on the impact of the changes in the boys’ game are positive, however it is too early to say if this is a result of the changes that we have made, and conclusions can only be drawn after monitoring injury trends over a number of seasons. Scottish Rugby is currently reviewing all aspects of the policies and updating them for season 2011/12.

James Matthew and Cammy Rudkin; James was earlier involved in the HSBC Sevens World Series, refereeing the Bowl final in Hong Kong and the Plate final in Australia. The number of referees licensed this season has continued to increase and now stands at 3452, with 438 of these officials joining their local referee societies. A drop-off in numbers is expected, however, as a number of those required to renew their licence after the initial three-year period will not renew. This will be offset as the new season gets underway and clubs recruit members to attend the numerous courses provided by the referee development team.

T - B: Max Evans and Kelly Brown with schoolchildren in Stonehaven; coaching at Forrester mini festival; match action at Forrester mini festival; Melrose on their way to Premier 1 victory; Damien Kelly against Ireland in the Club International.
MELROSE WIN THE GUERNSEY SEVENS

RESULTS & AWARDS
### SCOTLAND

#### EMC Autumn Tests 2010
- Scotland 3 – 49 New Zealand (Murrayfield, 13 November 2010)
- Scotland 21 – 17 South Africa (Murrayfield, 20 November 2010)
- Scotland 19 – 16 Samoa (Pittodrie, 27 November 2010)

#### RBS 6 Nations Championship

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#### SCOTLAND A
- Scotland A 25 – 0 USA Eagles (Netherdale, 19 November 2010)
- Scotland A 32 – 13 Ireland A (Netherdale, 28 January 2011)
- Scotland A 11 – 3 Italy A (Netherdale, 4 February 2011)

#### SCOTLAND CLUB INTERNATIONAL
- France Club International 30 – 0 USA Eagles (Orleans, 4 February 2011)
- Scotland Club XV 30 – 32 Ireland Club International (Netherdale, 11 March 2011)

### SCOTLAND 7S

#### Delhi Commonwealth Games 2011
- Day 1 – 11 October 2010: Scotland 26 – 0 Guyana
- Scotland 19 – 17 Canada
- Scotland 0 – 46 New Zealand

- Day 2 – 12 October 2010: Scotland 7 – 10 South Africa
- Scotland 24 – 17 Kenya
- Scotland 0 – 34 Samoa

#### IRB Sevens World Series
- Dubai – 3 & 4 December 2010:
  - Australia 41 – 14 Scotland
  - South Africa 19 – 19 Scotland
  - Scotland 26 – 10 Russia
  - Scotland 22 France (Bowl quarter final)
  - Scotland 17 – 28 Zimbabwe (Bowl semi final)

- George – 10 & 11 December 2010:
  - Scotland 21 – 12 France
  - Scotland 19 – 17 Wales
  - Scotland 28 – 22 France (Bowl quarter final)
  - Scotland 24 – 7 Namibia (Bowl quarter final)
  - Scotland 14 – 10 Portugal (Bowl semi final)
  - Scotland 26 – 0 Russia (Bowl final)

- Wellington – 4 & 5 February 2011:
  - New Zealand 29 – 12 Scotland
  - Argentina 22 – 14 Scotland
  - Scotland 12 – 24 Papua New Guinea
  - USA 7 – 24 Scotland (Bowl quarter final)
  - Scotland 15 Kenya (Bowl semi final)

#### Las Vegas – 12 & 13 February 2011:
- Australia 32 – 7 Scotland
- Fiji 31 – 14 Scotland
- Scotland 21 – 19 Canada
- Canada 28 – 7 Japan (Bowl quarter final)
- Scotland 17 – 12 Wales (Bowl semi final)
- Canada 14 – 19 Scotland (Bowl final)

- Hong Kong – 25, 26 & 27 March 2011:
  - Scotland 12 – 10 Tonga
  - Scotland 40 – 7 Mexico
  - Samoa 31 – 14 Scotland
  - Scotland 14 – 19 Japan (Bowl quarter final)

#### Adelaide – 2 & 3 April 2011:
- England 45 – 7 Scotland
- Argentina 22 – 7 Scotland
- Scotland 19 – 14 Papua New Guinea
- Scotland 28 – 0 Cook Islands (Bowl quarter final)
- USA 29 – 19 Scotland (Bowl semi final)

#### Twickenham – 21 & 22 May 2011:
- Samoa 19 – 15 Scotland
- Australia 24 – 23 Scotland
- Scotland 12 – 25 Canada
- Portugal 0 – 26 Scotland (Bowl quarter final)
- Spain 17 – 18 Scotland (Bowl semi final)
- Scotland 21 – 19 Kenya (Bowl final)

#### Edinburgh – 28 & 29 May 2011:
- Fiji 12 – 14 Scotland
- Samoa 33 – 10 Scotland
- Australia 45 – 7 USA
- Scotland 26 – 14 Canada (Bowl quarter final)
- Argentina 7 – 22 Scotland (Bowl semi final)
- Scotland 14 – 21 Kenya (Bowl final)

### SCOTLAND 7S LIFT THE BOWL AT THE EMIRATES AIRLINE LONDON SEVENS
RESULTS & AWARDS

SCOTLAND U20
U20 RBS 6 Nations Championship

Italy U20 9 – 28 Scotland U20 (Stadio XXV Aprile, 4 February 2011)
Scotland U20 3 – 11 Wales U20 (Stirling County RFC, 11 February 2011)
Scotland U20 0 – 15 Ireland U20 (Tulloch Caledonia Stadium, 25 February 2011)
Scotland U20 7 – 9 Italy U20 (Stirling County RFC, 18 March 2011)

IRB Junior World Championship Warm-ups

Scotland U20A 15 – 33 Japan U20 (Murrayfield back pitches, 20 April 2011)
Scotland U20 18 – 15 England (West Park Leeds RFC, 6 May 2011)

IRB Junior World Championship (Pool C)

South Africa U20 10 – 3 Romania U20 (Vic Bigorre, 16 April 2011)
South Africa U18 17 – 12 Italy U18 (Laloubere, 23 April 2011)

SCOTLAND U18
Scotland U18 13 – 20 Japan Schools (Braidholm, 20 March 2011)

U18 6 Nations 2011

England U18 21 – 26 Scotland U18 (Headingley Stadium, 27 March 2011)
Scotland U18 12 – 31 Ireland U18 (Braidholm, 3 April 2011)
Wales U18 45 – 29 Scotland U18 (St Helen’s, 10 April 2011)

FIRA / AER Tier 1 competition

Scotland U18 65 – 3 Romania U18 (Vic Bigorre, 16 April 2011)
Scotland U18 87 – 3 Germany U18 (Lourdes, 19 April 2011)
Scotland U18 17 – 12 Italy U18 (Laloubere, 23 April 2011)

SCOTLAND U17
England U17 10 – 30 Scotland U17 (Leeds, 10 April 2011)

Wellington Festival 2011

Scotland U17 32 – 10 France A (17 April 2011)
Scotland U17 38 – 10 England Blues (19 April 2011)
England Reds 0 – 35 Scotland U17 (22 April 2011)

Scotland U17 5 – 25 France U17 (Selkirk RFC, 1 May 2011)

T - B: Scotland under-20 take on Ireland under-20; Scotland under-18 against England under-18; Scotland under-17’s Cameron Jeffrey against England; Scotland Women score against Wales at Bummber; Lauren Harris touches down for Scotland Women against Ireland Women.

SCOTLAND WOMEN

Women’s Rugby World Cup 2010 (Pool C)

<table>
<thead>
<tr>
<th>Pos</th>
<th>Team</th>
<th>Played</th>
<th>W</th>
<th>D</th>
<th>L</th>
<th>F:A</th>
<th>Diff</th>
<th>Bonus</th>
<th>Pts</th>
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<tbody>
<tr>
<td>1</td>
<td>France Women</td>
<td>3</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>55:24</td>
<td>31</td>
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<td>2</td>
<td>Canada Women</td>
<td>3</td>
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<td>0</td>
<td>1</td>
<td>85:43</td>
<td>42</td>
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<td>1</td>
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<td>49:59</td>
<td>-10</td>
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<td>4</td>
<td>Sweden Women</td>
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<td>24:87</td>
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Canada Women 37 – 10 Scotland Women (Surrey Sports Park, 20 August 2010)
France Women 17 – 7 Scotland Women (Surrey Sports Park, 24 August 2010)
Scotland Women 32 – 5 Sweden Women (Surrey Sports Park, 28 August 2010)
Scotland Women 0 – 41 Canada Women (Surrey Sports Park, 31 August 2010) (5th place play-off)
Scotland Women 8 – 32 Ireland Women (Surrey Sport Park, 5 September 2010) (7th place play-off)

Scotland Women 0 – 26 Italy Women (Meggetland, 20 March 2011)

Women’s 6 Nations 2011

<table>
<thead>
<tr>
<th>Pos</th>
<th>Team</th>
<th>Played</th>
<th>W</th>
<th>D</th>
<th>L</th>
<th>F:A</th>
<th>Diff</th>
<th>Bonus</th>
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<td>5</td>
<td>0</td>
<td>0</td>
<td>223:8</td>
<td>215</td>
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<td>2</td>
<td>France Women</td>
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<td>4</td>
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<td>113:51</td>
<td>62</td>
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<td></td>
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<tr>
<td>3</td>
<td>Ireland Women</td>
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<td>2</td>
<td>0</td>
<td>3</td>
<td>74:70</td>
<td>-4</td>
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<td>3</td>
<td>64:72</td>
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<td>5</td>
<td>Italy Women</td>
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<td>68:130</td>
<td>-62</td>
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<td>6</td>
<td>Scotland Women</td>
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<td>5</td>
<td>20:231</td>
<td>-211</td>
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France Women 53 – 3 Scotland Women (Stade Eric Durand, 4 February 2011)
Scotland Women 12 – 41 Wales Women (Bummber, 13 February 2011)
Scotland Women 5 – 22 Ireland Women (Lasswade RFC, 26 February 2011)
England Women 89 – 0 Scotland Women (Twickenham, 13 March 2011)
Scotland Women 0 – 26 Italy Women (Meggetland, 20 March 2011)

Women’s Club Players of the Season: Hannah Rossion, Kirsten Daly and Maggie Smith
RESULTS & AWARDS

PROFESSIONAL TEAMS

Magners League 2010/11

<table>
<thead>
<tr>
<th>Team</th>
<th>P</th>
<th>W</th>
<th>D</th>
<th>L</th>
<th>F:A</th>
<th>Diff</th>
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<th>Pts</th>
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<td>0</td>
<td>3</td>
<td>496</td>
<td>327</td>
<td>169</td>
<td>5</td>
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<tr>
<td>2 Leinster</td>
<td>22</td>
<td>15</td>
<td>1</td>
<td>6</td>
<td>495</td>
<td>336</td>
<td>199</td>
<td>5</td>
</tr>
<tr>
<td>3 Ulster</td>
<td>22</td>
<td>15</td>
<td>1</td>
<td>6</td>
<td>480</td>
<td>418</td>
<td>62</td>
<td>3</td>
</tr>
<tr>
<td>4 Ospreys</td>
<td>22</td>
<td>12</td>
<td>1</td>
<td>9</td>
<td>553</td>
<td>418</td>
<td>135</td>
<td>6</td>
</tr>
<tr>
<td>5 Scarlets</td>
<td>22</td>
<td>12</td>
<td>1</td>
<td>9</td>
<td>503</td>
<td>453</td>
<td>50</td>
<td>5</td>
</tr>
<tr>
<td>6 Blues</td>
<td>22</td>
<td>13</td>
<td>1</td>
<td>8</td>
<td>479</td>
<td>392</td>
<td>87</td>
<td>3</td>
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<tr>
<td>7 Dragons</td>
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<td>10</td>
<td>1</td>
<td>11</td>
<td>444</td>
<td>462</td>
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<td>3</td>
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<td>8 Edinburgh</td>
<td>22</td>
<td>9</td>
<td>0</td>
<td>13</td>
<td>421</td>
<td>460</td>
<td>-39</td>
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<tr>
<td>9 Connacht</td>
<td>22</td>
<td>7</td>
<td>1</td>
<td>14</td>
<td>394</td>
<td>459</td>
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<td>10 Treviso</td>
<td>22</td>
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<td>13</td>
<td>374</td>
<td>502</td>
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<tr>
<td>11 Warriors</td>
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<td>6</td>
<td>1</td>
<td>15</td>
<td>401</td>
<td>543</td>
<td>-142</td>
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</tr>
<tr>
<td>12 Aironi</td>
<td>22</td>
<td>1</td>
<td>0</td>
<td>21</td>
<td>247</td>
<td>517</td>
<td>-270</td>
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</table>

EDINBURGH

Heineken Cup Pool 1 2010/11

<table>
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<tr>
<th>Team</th>
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<th>W</th>
<th>D</th>
<th>L</th>
<th>F:A</th>
<th>Diff</th>
<th>Bonus</th>
<th>Pts</th>
</tr>
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<tr>
<td>1 Northampton Saints</td>
<td>6</td>
<td>6</td>
<td>0</td>
<td>0</td>
<td>155:87</td>
<td>68</td>
<td>1</td>
<td>25</td>
</tr>
<tr>
<td>2 Cardiff Blues</td>
<td>6</td>
<td>3</td>
<td>0</td>
<td>3</td>
<td>107:13</td>
<td>6</td>
<td>2</td>
<td>14</td>
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<tr>
<td>3 Castres Olympique</td>
<td>6</td>
<td>2</td>
<td>0</td>
<td>4</td>
<td>105:15</td>
<td>-10</td>
<td>3</td>
<td>11</td>
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<tr>
<td>4 Edinburgh Rugby</td>
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<td>0</td>
<td>5</td>
<td>98:150</td>
<td>-52</td>
<td>4</td>
<td>8</td>
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</tbody>
</table>

Cardiff Blues 34 – 23 Edinburgh (Cardiff City Stadium, 4 September 2010) (ML)
Edinburgh 13 – 16 Munster (Murrayfield, 10 September 2010) (ML)
Ulster 29 – 21 Edinburgh (Ravenhill, 17 September 2010) (ML)
Edinburgh 32 – 24 Leinster (Murrayfield, 24 September 2010) (ML)
Aironi 9 – 10 Edinburgh (Stadio Zaffanella, 2 October 2010) (HC)
Cardiff Blues 18 – 17 Edinburgh (Cardiff City Stadium, 9 October 2010) (HC)
Edinburgh 27 – 31 Northampton Saints (Murrayfield, 16 October 2010) (HC)
Edinburgh 21 – 16 Ulster (Murrayfield, 22 October 2010) (ML)
Leinster 19 – 18 Edinburgh (Royal Dublin Society, 30 October 2010) (ML)
Edinburgh 21 – 9 Benetton Treviso (Murrayfield, 5 November 2010) (ML)
Edinburgh 24 – 19 Connacht (Murrayfield, 26 November 2010) (ML)
Ospreys 33 – 16 Edinburgh (Stadio Zaffanella, 4 December 2010) (ML)
Castras Olympique 21 – 16 Edinburgh (Stade Pierre Antoine, 11 December 2010) (HC)
Edinburgh 24 – 22 Castras Olympique (Murrayfield, 19 December 2010) (HC)
Glasgow Warriors 30 – 18 Edinburgh (Firhill, 27 December 2010) (ML)
Edinburgh 28 – 17 Glasgow Warriors (Murrayfield, 2 January 2010) (ML)
Edinburgh 16 – 21 Scarlets (Murrayfield, 8 January 2010) (ML)
Northampton Saints 37 – 0 Edinburgh (Franklin’s Gardens, 14 January 2011) (HC)
Edinburgh 14 – 21 Cardiff Blues (Murrayfield, 22 January 2011) (HC)
Newport Gwent Dragons 30 – 22 Edinburgh (Rodney Parade, 12 February 2011) (ML)
Munster 23 – 13 Edinburgh (Thomond Park, 18 February 2011) (ML)
Scarlets 11 – 3 Edinburgh (Parc y Scarlets, 24 February 2011) (ML)
Edinburgh 11 – 16 Cardiff Blues (Murrayfield, 4 March 2011) (ML)
Edinburgh 23 – 16 Ospreys (Murrayfield, 26 March 2011) (ML)
Connacht 23 – 23 Edinburgh (Sportground, 1 April 2011) (ML)
Edinburgh 32 – 15 Aironi (Murrayfield, 15 April 2011) (ML)
Edinburgh 27 – 15 Newport Gwent Dragons (Murrayfield, 22 April 2011) (ML)
Benetton Treviso 31 – 6 Edinburgh (Stadio Monigo, 6 May 2011) (ML)

Glasgow Warriors

Heineken Cup Pool 2010/11

<table>
<thead>
<tr>
<th>Team</th>
<th>P</th>
<th>W</th>
<th>D</th>
<th>L</th>
<th>F:A</th>
<th>Diff</th>
<th>Bonus</th>
<th>Pts</th>
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<tbody>
<tr>
<td>1 Toulouse</td>
<td>6</td>
<td>5</td>
<td>0</td>
<td>1</td>
<td>155:85</td>
<td>70</td>
<td>5</td>
<td>2 22</td>
</tr>
<tr>
<td>2 London Wasps</td>
<td>6</td>
<td>4</td>
<td>0</td>
<td>2</td>
<td>145:106</td>
<td>39</td>
<td>3</td>
<td>19</td>
</tr>
<tr>
<td>3 Glasgow Warriors</td>
<td>6</td>
<td>3</td>
<td>0</td>
<td>3</td>
<td>116:141</td>
<td>-25</td>
<td>0</td>
<td>12</td>
</tr>
<tr>
<td>4 Newport Gwent Dragons</td>
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<td>0</td>
<td>0</td>
<td>6</td>
<td>77:161</td>
<td>-84</td>
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</table>

Glasgow Warriors 22 – 19 Leinster (Firhill, 3 September 2010) (ML)
Newport Gwent Dragons 23 – 11 Glasgow Warriors (Rodney Parade, 17 September 2010) (ML)
Glasgow Warriors 29 – 43 Munster (Firhill, 24 September 2010) (ML)
Ulster 19 – 17 Glasgow Warriors (Ravenhill, 1 October 2010) (ML)
Glasgow Warriors 21 – 13 Newport Gwent Dragons (Firhill, 8 October 2010) (HC)
Glasgow Warriors 31 – 23 Ospreys (Firhill, 24 October 2010) (ML)
Scarlets 18 – 14 Glasgow Warriors (Parc y Scarlets, 29 October 2010) (ML)
Glasgow Warriors 33 – 8 Aironi (Firhill, 5 November 2010) (ML)
Cardiff Blues 38 – 6 Glasgow Warriors (Cardiff City Stadium, 26 November 2010) (ML)
Glasgow Warriors 16 – 28 Toulouse (Firhill, 10 December 2010) (HC)
Toulouse 36 – 10 Glasgow Warriors (Stade Ernest Wallon, 21 December 2010) (HC)
Glasgow Warriors 30 – 18 Edinburgh (Firhill, 27 December 2010) (ML)
Edinburgh 28 – 17 Glasgow Warriors (Murrayfield, 2 January 2010) (ML)
Munster 22 – 20 Glasgow Warriors (Musgrave Park, 8 January 2010) (ML)
Glasgow Warriors 20 – 10 London Wasps (Firhill, 16 January 2011) (HC)
Newport Gwent Dragons 16 – 23 Glasgow Warriors (Rodney Parade, 23 January 2011) (HC)
Munster 22 – 20 Glasgow Warriors (Musgrave Park, 8 January 2011) (ML)
Glasgow Warriors 15 – 26 Cardiff Blues (Murrayfield, 11 February 2011) (ML)
Connacht 37 – 8 Edinburgh (Sportground, 18 February 2011) (ML)
Glasgow Warriors 16 – 16 Newport Gwent Dragons (Firhill, 25 February 2011) (ML)
Ospreys 37 – 6 Glasgow Warriors (Liberty Stadium, 5 March 2011) (ML)
Glasgow Warriors 25 – 17 Benetton Treviso (Firhill, 18 March 2011) (ML)
Glasgow Warriors 19 – 22 Ulster (Firhill, 25 March 2011) (ML)
Aironi 16 – 17 Glasgow Warriors (Stadio Zaffanella, 2 April 2011) (ML)
Benetton Treviso 18 – 16 Glasgow Warriors (Stadio Monigo, 16 April 2011) (ML)
Glasgow Warriors 29 – 37 Scarlets (Firhill, 22 April 2011) (ML)
Leinster 38 – 3 Glasgow Warriors (Royal Dublin Society, 6 May 2011) (ML)
RESULTS & AWARDS

SCOTTISH CLUB AWARDS 2010/11
Premier 1 Player of the Season
Premier 2 Player of the Season
Premier 3 Player of the Season
National 1 Player of the Season
National 2 Player of the Season
National 3 Player of the Season
Calderonia Regional League Player of the Season
East Regional League Player of the Season
West Regional League Player of the Season
Women’s Premier 1 Player of the Season
Women’s Premier 2 Player of the Season
Women’s National League Player of the Season
Coach of the Season
Referee of the Season
Try of the Season
Spirit of Rugby
Club of the Season
Women’s Club of the Season

YOUTH & SCHOOLS RESULTS
U18 National Youth Cup
U18 National Youth Bowl
U16 National Youth Cup
U16 National Youth Bowl

YOUTH & SCHOOLS RESULTS

LEAGUES
Premier 1
Premier 2
Premier 3
National 1
National 2
National 3
Caledonia 1
Caledonia 2
Caledonia 3
East 1
East 2
West 1
West 2
West 3

Gordon Brown

SCOTTISH RUGBY INAUGURAL HALL OF FAME INDUCTEES 2010
David Bedell-Sivright
GPS Macpherson
Ned Haig
Ken Scotland
Sandy Carmichael
Andy Irvine
Finlay Calder
Bill McLaren
Gavin Hastings
Ian MacGeachan
Jim Telfer
Gordon Brown

SCOTTISH NATIONAL FINALS 2010/11
Cup
Shield
Bowl

WOMEN’S NATIONAL FINALS 2010/11
Sarah Beaney Cup
Plate
Bowl

WOMEN’S LEAGUES
Premier 1 winners
Premier 2 winners
National winners

T - B: Melrose win the Premier 1 trophy. Hillhead / Jordanhill are presented with Women’s Club of the Season. Ayr win the National Cup. Women’s National Bowl winners Cartha Queens Park Inductees and judges of Scottish Rugby’s Hall of Fame. For more photos, see the inside back cover of this report.
Scottish Rugby believes that securing the long-term success of rugby in Scotland requires strong partnerships with government, politicians, local authorities and other public bodies. We have worked hard to develop these relationships and have a positive outlook for season 2011/12 and beyond.

This season Scottish Rugby produced a manifesto which sought to explain the steps taken recently to improve rugby in Scotland, the work we are doing beyond this and how we believe we can provide opportunities to contribute to wider social policies such as health, skills and social inclusion. This publication was distributed primarily to Members of the Scottish Parliament (MSPs) and received widespread cross-party support.

We firmly believe that a co-ordinated response is required for rugby’s needs at all levels of government. Some of the actions outlined in the manifesto were issues Scottish Rugby forged ahead with in advance of the Scottish Parliamentary Elections in May 2011. In addition, there are two key issues which Scottish Rugby continues to focus on: facilities and broadcasting. These are essential to growing the game both in Scotland and on an international stage.

Our vision is to inspire young people and to ensure access to rugby for all; whether it’s during school PE classes, in after-school clubs, on a weekend for a local team, through a Cashback for Communities scheme or simply touch rugby in the park with some friends. We are not necessarily looking for the stars of tomorrow; we simply want a healthier and fitter population.

Richard Simpson (Mid Scotland and Fife) (Scottish Labour): Scotland’s Rugby World Ranking— That the Parliament notes what it considers to be the significant victory by Scotland’s rugby team over the world champions, South Africa, and congratulates Andy Robinson and the entire squad for achieving Scotland’s highest-ever world ranking of sixth.

Liam McArthur (Orkney) (Scottish Liberal Democrats): Bill Hogg OBE— That the Parliament notes with sadness the death of Bill Hogg OBE who played a key role in Scottish Rugby Union (SRU) over many years; recognises the service that he gave to the development of the modern game in Scotland in the various posts that he filled, including treasurer, secretary, and chief executive of the SRU, as the SRU representative on a range of international bodies and as Scotland team secretary; considers also that he never forgot the grassroots of the game, serving George Watson’s College and Watsonian FC over many years as a referee of schoolboy and senior matches; believes that he will be greatly missed by Scotland’s rugby community, and offers its condolences to his family on their loss.

Eileen Smith (Coatbridge and Chryston) (Scottish Labour): Community Youth Rugby— That the Parliament congratulates Scottish Rugby Union (SRU) on the work that it does in promoting rugby in communities; recognises the importance of sport in promoting active and healthy lifestyles in young people; considers that it is crucial that any investment in rugby via the Cashback for Communities initiative is spent fairly in all areas throughout Scotland where youth rugby is being nurtured; welcomes the SRU primary after-school club for all pupils in Coatbridge, which can be a helpful stepping stone between school and club rugby; considers that Charles Fawcett of the Healthy Lifestyle Project in Coatbridge is undertaking excellent work in promoting community rugby and commends him for it; congratulates the community youth rugby S3/4 team on its achievements to date, and wishes it every success in the future.

Tavish Scott: Contribution of Sport to Scotland
As an amendment to motion S4M-00681 in the name of Shona Robison (Contribution of Sport to Scotland), after “standing” insert “recognises the immense contribution of rugby to the Scottish economy but that there are gaps in broadcast coverage of rugby in Scotland and that the level of coverage and investment in the broadcasting of rugby is disproportionately less in Scotland than in other parts of the UK; believes that the Scottish Government should encourage broadcasters to increase the level of rugby on both terrestrial and satellite television;”.

S4M-00681 Shona Robison: Contribution of Sport to Scotland—That the Parliament recognises the important contribution that sport makes to Scotland’s economy, culture and international standing; welcomes the government’s commitment to increase participation in sport and physical activity, thereby creating a lasting legacy for the 2014 Commonwealth Games; notes the benefits to the physical and mental wellbeing of the Scottish people through participation in sport; acknowledges the priority given to increasing physical education in primary and secondary schools, and notes the progress being made in improving community access to sporting facilities.
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. The following financial statements comprise the consolidated financial statements of the Union and its subsidiary.

Business Review
The Union has achieved a surplus after interest for the year of £1.3m. Turnover increased by £1.5m over the previous year for a number of reasons. An increase in 6 Nations ticket revenues through having three home fixtures in 2010/11, higher Autumn Test ticket revenues and increased pro rugby income was partially offset by reduced non-rugby event income, and the absence of income from the British and Irish Lions Tour in 2009.

Average bank borrowings over the financial year amounted to £14.4m which is £0.4m below the previous year. Year end bank borrowings of £12.7m are £2.4m below the previous year level, mainly due to the surplus for the year and various working capital movements. Year on year interest payments fell from £1.0m to £0.9m.

This solid financial performance is enabled by the Union’s robust financial systems which allow effective control over our trading activities and our balance sheet. 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.

Further details are included in the Finance Director’s Review on pages 10 and 11 of the Annual Report.

Financial Risk Management
The Union operates, monitors and evaluates its performance against the objectives of the current five year Strategic Plan. The risk management framework, developed in parallel with the plan, is also now well established with the ongoing identification, evaluation and status of business risk being presented formally to the Audit Committee, Scottish Rugby Board and Council every six months.

Financial Instruments
The Union uses interest rate swaps to reduce its exposure to interest rate movements. Further details of this are noted in the Accounting Policies and in Note 8 to the Accounts. The Union also uses forward sale currency contracts to reduce its exposure to exchange rate movements. Further details of this are noted in the Accounting Policies and in Note 7 to the Accounts.

Financial instruments are not used for speculative purposes.

Charitable and Other Contributions
The Union made no donations for charitable purposes during the year.

Principal Activities
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The Union has achieved a surplus after interest for the year of £1.3m. Turnover increased by £1.5m over the previous year for a number of reasons. An increase in 6 Nations ticket revenues through having three home fixtures in 2010/11, higher Autumn Test ticket revenues and increased pro rugby income was partially offset by reduced non-rugby event income, and the absence of income from the British and Irish Lions Tour in 2009.

Average bank borrowings over the financial year amounted to £14.4m which is £0.4m below the previous year. Year end bank borrowings of £12.7m are £2.4m below the previous year level, mainly due to the surplus for the year and various working capital movements. Year on year interest payments fell from £1.0m to £0.9m.

This solid financial performance is enabled by the Union’s robust financial systems which allow effective control over our trading activities and our balance sheet. 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.

Further details are included in the Finance Director’s Review on pages 10 and 11 of the Annual Report.

Financial Risk Management
The Union operates, monitors and evaluates its performance against the objectives of the current five year Strategic Plan. The risk management framework, developed in parallel with the plan, is also now well established with the ongoing identification, evaluation and status of business risk being presented formally to the Audit Committee, Scottish Rugby Board and Council every six months.

Financial Instruments
The Union uses interest rate swaps to reduce its exposure to interest rate movements. Further details of this are noted in the Accounting Policies and in Note 8 to the Accounts. The Union also uses forward sale currency contracts to reduce its exposure to exchange rate movements. Further details of this are noted in the Accounting Policies and in Note 7 to the Accounts.

Financial instruments are not used for speculative purposes.

Charitable and Other Contributions
The Union made no donations for charitable purposes during the year.

Supplier Payments
Payments to suppliers are normally made on a monthly basis, in line with agreed payment terms which are typically 30 days or payment at the end of the following month. As of 30 April 2011, amounts due to trade creditors represented the annualised equivalent of 24 days purchases (2010 - 34 days).

Charitable and Other Contributions
The Union made no donations for charitable purposes during the year.

Charitable and Other Contributions
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FINANCIAL STATEMENTS
We have audited the financial statements of the Scottish Rugby Union for the year ended 30 April 2011 which comprise the Consolidated Income
and Expenditure Account, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, the Principal Accounting Policies and the related
notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards
(United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors
As explained more fully in the Directors’ Responsibilities Statement set out on page 43, 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 and 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 Union’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.

Scope of the audit of the financial statements
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
principles are appropriate to the Union’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. In addition, we read all the
financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become
aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the Union’s affairs as at 30 April 2011 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.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Scottish Rugby Board Report for the financial year for which the financial statements are prepared is
consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not
  visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors’ remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Kenneth Wilson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
16 June 2011
**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT**

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>2011 £000</th>
<th>2010 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ticket Income</td>
<td></td>
<td>8,529</td>
<td>6,348</td>
</tr>
<tr>
<td>Broadcasting revenues</td>
<td></td>
<td>11,465</td>
<td>11,574</td>
</tr>
<tr>
<td>Other operating income</td>
<td></td>
<td>15,092</td>
<td>15,634</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td></td>
<td>35,086</td>
<td>33,556</td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International and Professional Rugby</td>
<td>16,691</td>
<td>16,128</td>
<td></td>
</tr>
<tr>
<td>Community and Performance Rugby</td>
<td>4,221</td>
<td>3,877</td>
<td></td>
</tr>
<tr>
<td>Commercial and Operational</td>
<td>9,121</td>
<td>9,354</td>
<td></td>
</tr>
<tr>
<td>Club Support and Development</td>
<td>1,805</td>
<td>1,793</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td></td>
<td>1,037</td>
<td>887</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td></td>
<td>32,875</td>
<td>32,039</td>
</tr>
<tr>
<td><strong>Surplus before Exceptional Item</strong></td>
<td>32,875</td>
<td>32,039</td>
<td></td>
</tr>
<tr>
<td>Exceptional Item</td>
<td>1</td>
<td>-</td>
<td>809</td>
</tr>
<tr>
<td><strong>Operating Surplus</strong></td>
<td></td>
<td>2,211</td>
<td>1,517</td>
</tr>
<tr>
<td>Net Interest</td>
<td>3</td>
<td>(923)</td>
<td>(957)</td>
</tr>
<tr>
<td>Surplus on ordinary activities before Taxation</td>
<td>1</td>
<td>1,288</td>
<td>1,369</td>
</tr>
<tr>
<td>Taxation</td>
<td>4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Surplus for the period</strong></td>
<td>15</td>
<td>1,288</td>
<td>1,369</td>
</tr>
</tbody>
</table>

The Union has no recognised gains or losses other than those included in the surplus above and therefore no separate statement of total recognised gains and losses has been presented. All activities are continuing.

There is no difference between the surplus on ordinary activities before taxation and the surplus for the period stated above and their historical cost equivalents.

A commentary on the main items included in each of the above categories is appended to the accounts after the Five Year Financial Summary.

---

**CONSOLIDATED BALANCE SHEET**

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>2011 £000</th>
<th>2010 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>5</td>
<td>40,416</td>
<td>40,445</td>
</tr>
<tr>
<td>Investments</td>
<td>6</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total Fixed Assets</strong></td>
<td></td>
<td>40,418</td>
<td>40,447</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>7</td>
<td>5,197</td>
<td>5,773</td>
</tr>
<tr>
<td>Cash in hand</td>
<td>2</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td></td>
<td>5,199</td>
<td>5,779</td>
</tr>
<tr>
<td><strong>Creditors: amounts falling due within one year</strong></td>
<td>8</td>
<td>(13,823)</td>
<td>(15,512)</td>
</tr>
<tr>
<td><strong>Net Current Liabilities</strong></td>
<td>9</td>
<td>(8,624)</td>
<td>(9,733)</td>
</tr>
<tr>
<td>Provisions for liabilities and charges</td>
<td></td>
<td>(38)</td>
<td>(36)</td>
</tr>
<tr>
<td><strong>Total Current Liabilities and Provisions</strong></td>
<td></td>
<td>31,756</td>
<td>30,678</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Financed by:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creditors: amounts falling due after one year</td>
<td>8</td>
<td>10,341</td>
<td>10,444</td>
</tr>
<tr>
<td>Deferred income</td>
<td>10</td>
<td>2,376</td>
<td>2,565</td>
</tr>
<tr>
<td>Ten Year Debentures</td>
<td>11</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Murrayfield Debentures</td>
<td>12</td>
<td>31,207</td>
<td>31,125</td>
</tr>
<tr>
<td>Irredeemable Debentures</td>
<td>13</td>
<td>97</td>
<td>97</td>
</tr>
<tr>
<td><strong>Total Net Debentures</strong></td>
<td></td>
<td>44,022</td>
<td>44,232</td>
</tr>
<tr>
<td><strong>General Reserve</strong></td>
<td>15</td>
<td>(12,266)</td>
<td>(13,554)</td>
</tr>
<tr>
<td><strong>Total Surplus for the period</strong></td>
<td></td>
<td>31,756</td>
<td>30,678</td>
</tr>
</tbody>
</table>

The Financial Statements on pages 47 to 56 were approved by the Scottish Rugby Board on 16 June 2011 and were signed on its behalf by:

Allan Munro, Chairman

Eamon Hegarty, Finance Director
## Notes to the Financial Statements

### 1. Surplus on ordinary activities before taxation

The surplus on ordinary activities before taxation is stated after crediting:

- Amortisation of deferred income
- Barter transaction sponsorship income

<table>
<thead>
<tr>
<th></th>
<th>2011 £000</th>
<th>2010 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortisation of deferred income</td>
<td>189</td>
<td>189</td>
</tr>
<tr>
<td>Barter transaction sponsorship income</td>
<td>418</td>
<td>418</td>
</tr>
</tbody>
</table>

And after charging:

- Auditors remuneration
- Auditors fees for non-audit services
- Tax compliance
- Tax advisory
- Depreciation charge for the period
- Owned fixed assets

<table>
<thead>
<tr>
<th></th>
<th>2011 £000</th>
<th>2010 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auditors remuneration</td>
<td>25</td>
<td>24</td>
</tr>
<tr>
<td>Auditors fees for non-audit services</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Tax compliance</td>
<td>7</td>
<td>15</td>
</tr>
<tr>
<td>Depreciation charge for the period</td>
<td>1,037</td>
<td>887</td>
</tr>
<tr>
<td>Owned fixed assets</td>
<td>-</td>
<td>760</td>
</tr>
</tbody>
</table>

### 2. Staff Costs

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

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rugby</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional Players</td>
<td>77</td>
<td>73</td>
</tr>
<tr>
<td>Professional Teams – Coaching &amp; Administration</td>
<td>17</td>
<td>17</td>
</tr>
<tr>
<td>National Team – Coaching &amp; Administration</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Community</td>
<td>31</td>
<td>28</td>
</tr>
<tr>
<td>Performance</td>
<td>46</td>
<td>54</td>
</tr>
<tr>
<td>Fitness &amp; Conditioning</td>
<td>16</td>
<td>15</td>
</tr>
<tr>
<td>Medical &amp; Physiotherapy</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>Stadium Operations</td>
<td>210</td>
<td>207</td>
</tr>
<tr>
<td>Administration Support</td>
<td>28</td>
<td>28</td>
</tr>
<tr>
<td>TOTAL</td>
<td>283</td>
<td>283</td>
</tr>
</tbody>
</table>

Within the above figures:

- Community includes Referees, Regional Development Managers, Women’s Rugby and General Rugby Services.
- Performance includes Elite Development Players and Coaches, Regional Academy Coaches, and Age Grade & Other Coaches.
- Stadium Operations includes staff involved in Event Management, Ticketing and Stadium & Pitch Maintenance.
- Administration Support includes Commercial & Marketing, HR & Communications, Finance & IT, Governance and General Administration.
FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

2. Staff Costs (cont)

<table>
<thead>
<tr>
<th>2011 £000</th>
<th>2010 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment costs:</td>
<td></td>
</tr>
<tr>
<td>Wages and salaries</td>
<td>15,264</td>
</tr>
<tr>
<td>Social security costs</td>
<td>1,650</td>
</tr>
<tr>
<td>Other pension costs</td>
<td>318</td>
</tr>
<tr>
<td>Total</td>
<td>17,232</td>
</tr>
</tbody>
</table>

At the year end, the pension accrual was £375k (2010-£291k).

3. Net Interest

<table>
<thead>
<tr>
<th>2011 £000</th>
<th>2010 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest payable on bank borrowings</td>
<td>(841)</td>
</tr>
<tr>
<td>Amortisation of Debenture issue costs</td>
<td>(82)</td>
</tr>
<tr>
<td>Total</td>
<td>(923)</td>
</tr>
</tbody>
</table>

The rates of interest on the Union's term loan borrowings are included in Note 8.

4. Taxation

<table>
<thead>
<tr>
<th>2011 £000</th>
<th>2010 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Tax:</td>
<td></td>
</tr>
<tr>
<td>On profits arising from non-mutual trading</td>
<td>-</td>
</tr>
<tr>
<td>Deferred:</td>
<td></td>
</tr>
<tr>
<td>Origination and reversal of timing differences</td>
<td>741</td>
</tr>
<tr>
<td>Movement in deferred tax unprovided</td>
<td>(741)</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
</tr>
</tbody>
</table>

Factors affecting the current tax charge for the period:

<table>
<thead>
<tr>
<th>2011 £000</th>
<th>2010 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus on ordinary activities before tax</td>
<td>1,288</td>
</tr>
<tr>
<td>Corporation Tax at 27.83% (2010 - 28%)</td>
<td>358</td>
</tr>
</tbody>
</table>

Effects of:

<table>
<thead>
<tr>
<th>2011 £000</th>
<th>2010 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net expenses not deductible for tax purposes</td>
<td>200</td>
</tr>
<tr>
<td>Crystalisation of tax losses</td>
<td>(545)</td>
</tr>
<tr>
<td>Non-taxable mutual profits</td>
<td>(180)</td>
</tr>
<tr>
<td>Depreciation in excess of capital allowances</td>
<td>121</td>
</tr>
<tr>
<td>Movement in other timing differences</td>
<td>46</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
</tr>
</tbody>
</table>

5. Fixed Assets

<table>
<thead>
<tr>
<th></th>
<th>Heritable Property £000</th>
<th>Fixtures &amp; Fittings £000</th>
<th>Other Equipment £000</th>
<th>Assets Under Construction £000</th>
<th>Total £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>Opening</td>
<td>45,597</td>
<td>13,441</td>
<td>3,335</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Transfers</td>
<td>-</td>
<td>8</td>
<td>-</td>
<td>(8)</td>
</tr>
<tr>
<td></td>
<td>Additions</td>
<td>84</td>
<td>698</td>
<td>145</td>
<td>81</td>
</tr>
<tr>
<td>Closing</td>
<td>45,681</td>
<td>14,147</td>
<td>3,280</td>
<td>81</td>
<td>63,189</td>
</tr>
<tr>
<td>Depreciation</td>
<td>Opening</td>
<td>8,340</td>
<td>10,876</td>
<td>2,520</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Charge for period</td>
<td>520</td>
<td>432</td>
<td>85</td>
<td>-</td>
</tr>
<tr>
<td>Closing</td>
<td>8,860</td>
<td>11,308</td>
<td>2,605</td>
<td>-</td>
<td>22,773</td>
</tr>
<tr>
<td>Net Book Value</td>
<td>Closing</td>
<td>36,821</td>
<td>2,839</td>
<td>675</td>
<td>81</td>
</tr>
<tr>
<td></td>
<td>Opening</td>
<td>37,257</td>
<td>2,565</td>
<td>615</td>
<td>8</td>
</tr>
</tbody>
</table>

As part of the Edinburgh tram project and the Water of Leith flood defence scheme, Scottish Rugby was required to provide an area of land at Murrayfield to the City of Edinburgh Council (CEC) under a compulsory purchase order. As part of this, CEC agreed to the construction of a new entrance and gatehouse to Murrayfield Stadium, together with associated engineering and landscaping works, which have now been carried out.

As all these were undertaken and paid for by CEC, the Union has not been able to reliably determine the values involved in these transactions and has accordingly not recorded any accounting entries reflecting these events.

6. 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 holding represents 33% of the company's issued share capital.

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 16.67% of the company's issued share capital.

The Union has entered into a number of forward sale currency contracts to reduce its exposure to exchange rate movements affecting the income it receives in Euro, from ERC and 6 Nations. At the year end, the contracts held were for a total of €14.9m, with settlement dates between 3 May 2011 and 15 May 2013 at an average rate of £0.90:€1. The notional market value of these contracts at 30 April 2011 was £1,432. At 30 April 2010, contracts for a total of £20.8m were held, with settlement dates between 1 June 2010 and 15 May 2011 at an average rate of £0.90:€1. The notional market value of these at 30 April 2010 was £473k.

7. Debtors

<table>
<thead>
<tr>
<th>2011 £000</th>
<th>2010 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts falling due within one year</td>
<td></td>
</tr>
<tr>
<td>Trade debtors</td>
<td>4,546</td>
</tr>
<tr>
<td>Prepayments</td>
<td>397</td>
</tr>
<tr>
<td>Other debtors</td>
<td>254</td>
</tr>
<tr>
<td>Total</td>
<td>5,197</td>
</tr>
</tbody>
</table>

The Union has entered into a number of forward sale currency contracts to reduce its exposure to exchange rate movements affecting the income it receives in Euro, from ERC and 6 Nations. At the year end, the contracts held were for a total of £14.9m, with settlement dates between 3 May 2011 and 15 May 2013 at an average rate of £0.90:€1. The notional market value of these contracts at 30 April 2011 was £1,432. At 30 April 2010, contracts for a total of £20.8m were held, with settlement dates between 1 June 2010 and 15 May 2011 at an average rate of £0.90:€1. The notional market value of these at 30 April 2010 was £473k.

From 1 April 2011, the main rate of UK corporation tax reduced from 28% to 26%. This results in an effective tax rate of 27.83% for the year.
FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

8. Creditors

<table>
<thead>
<tr>
<th>Amounts falling due within one year</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Bank overdrafts</td>
<td>2,791</td>
<td>5,071</td>
</tr>
<tr>
<td>Advance receipts</td>
<td>4,577</td>
<td>4,010</td>
</tr>
<tr>
<td>Trade creditors</td>
<td>942</td>
<td>1,358</td>
</tr>
<tr>
<td>Other tax and social security</td>
<td>1,093</td>
<td>796</td>
</tr>
<tr>
<td>Accruals</td>
<td>4,480</td>
<td>4,277</td>
</tr>
<tr>
<td></td>
<td>13,823</td>
<td>15,512</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Amounts falling due after more than one year</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Bank loans</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Other creditors</td>
<td>341</td>
<td>444</td>
</tr>
<tr>
<td></td>
<td>10,341</td>
<td>10,444</td>
</tr>
</tbody>
</table>

The term loan is repayable in full on 30 November 2012 or earlier if the Union disposes of any property interests. In this event, 75% of the net sale proceeds shall be paid to the Union’s bankers towards repayment of the loan. The Union has entered into an interest rate swap with the Bank of Scotland in relation to £10m (2010 – £50m) of the term loan. This fixed the interest rate on these borrowings at an average of 6.33% (2010 - 6.35%) for 5 years to March 2013, with a break at November 2012 on expiry of the existing loan facility. The average rate of 6.35% results from two separate agreements – one at the rate of 6.38% on £5m LIBOR based borrowings and the other at 6.32% on £5m borrowings tied to bank base rate. Security has been granted to the Union’s bankers by way of a Bond and Floating charge over the assets of Scottish Rugby Union plc. The interest rate swap arrangements have a notional market value, being the present net value of future cash flows due under the swap compared to current interest rates. The market value of the LIBOR interest rate swap on 30 April 2011 was (£372k). The market value of the base rate interest rate swap on 30 April 2011 was (£399k). The respective values on 30 April 2010 were (£463k) and (£483k).

9. Provisions for liabilities and charges

<table>
<thead>
<tr>
<th>Deferred Tax each</th>
<th>Tenant Club Fund (£000)</th>
<th>Total (£000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening</td>
<td>-</td>
<td>36 36</td>
</tr>
<tr>
<td>Transfer during period</td>
<td>-</td>
<td>2 2</td>
</tr>
<tr>
<td>Closing</td>
<td>-</td>
<td>38 38</td>
</tr>
</tbody>
</table>

Deferred taxation comprises:

<table>
<thead>
<tr>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
</tr>
</tbody>
</table>

Accelerated capital allowances: 2,196 2,297
Other timing differences: 529 626
Trading losses carried forward: (5,835) (6,774)
Deferred tax asset not recognised: (3,110) (3,851)

From 1 April 2011, the main rate of UK corporation tax reduced from 28% to 26%. Accordingly all deferred tax balances are now calculated at a rate of 26%. Following due consideration of the availability of tax losses in relation to future anticipated taxable profits, the deferred tax asset has not been recognised.

NOTES TO THE FINANCIAL STATEMENTS

10. Deferred income

<table>
<thead>
<tr>
<th>Heritable Property</th>
<th>Debenture Premium</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening</td>
<td>1,726</td>
<td>839</td>
<td>2,565</td>
</tr>
<tr>
<td>Issue of Debentures</td>
<td>-</td>
<td>-</td>
<td>760</td>
</tr>
<tr>
<td>Amortisation</td>
<td>(31)</td>
<td>(158)</td>
<td>(189)(189)</td>
</tr>
<tr>
<td>Closing</td>
<td>1,695</td>
<td>681</td>
<td>2,376</td>
</tr>
</tbody>
</table>

11. Ten Year Debentures

<table>
<thead>
<tr>
<th>Class of Debenture</th>
<th>Value Each</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>1,200</td>
</tr>
<tr>
<td>B</td>
<td>2,200</td>
</tr>
<tr>
<td>C</td>
<td>3,500</td>
</tr>
<tr>
<td>Thistle</td>
<td>9,900</td>
</tr>
</tbody>
</table>

Debentures issued: 1,203 1,203

The 2002 Ten Year Debentures are unsecured, interest free and repayable at par on 30 April 2012. The 2009 Debentures are unsecured, interest free and repayable at par on 30 April 2019. Holders of the 2002 and 2009 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.

12. Murrayfield Debentures

<table>
<thead>
<tr>
<th>Class of Debenture</th>
<th>Value Each</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>1,200</td>
</tr>
<tr>
<td>B</td>
<td>2,200</td>
</tr>
<tr>
<td>C</td>
<td>3,500</td>
</tr>
<tr>
<td>Thistle</td>
<td>9,900</td>
</tr>
</tbody>
</table>

Debentures issued: 18,180 18,180 18,180

Issue Costs:

<table>
<thead>
<tr>
<th></th>
<th>Opening</th>
<th>Amortisation</th>
<th>Closing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,526</td>
<td>(82)</td>
<td>2,526</td>
</tr>
</tbody>
</table>

Net Issue Proceeds less amortisation: 31,207 31,125

The Murrayfield Debentures are unsecured, rank pari passu and are interest free. Repayment, at par, is at the discretion of the Union 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. Murrayfield Debenture 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 the right to purchase certain matchday hospitality packages.
NOTES TO THE FINANCIAL STATEMENTS

13. Irredeemable Debentures
The 972 (2010 - 972) Debentures of £100 each (the 1925 Debentures) entitle the holder to purchase two tickets at Murrayfield for each match directly controlled by the Union. The debentures are interest free.

14. Leases
Non-cancellable commitments under leases to pay rentals in the year following the year of these accounts are noted below, analysed to the period in which each lease expires.

<table>
<thead>
<tr>
<th>Leases</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and Buildings – Expiring within 2 to 5 years</td>
<td>250</td>
<td>120</td>
</tr>
</tbody>
</table>

15. General Reserve

<table>
<thead>
<tr>
<th>General Reserve</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening</td>
<td>(13,554)</td>
<td>(14,923)</td>
</tr>
<tr>
<td>Surplus for the period</td>
<td>1,288</td>
<td>1,369</td>
</tr>
<tr>
<td>Closing</td>
<td>(12,266)</td>
<td>(13,554)</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus before exceptional items</td>
<td>2,211</td>
<td>1,517</td>
<td>1,128</td>
<td>1,455</td>
<td>1,439</td>
</tr>
<tr>
<td>Exceptional Credit / (charges)</td>
<td>-</td>
<td>809</td>
<td>-</td>
<td>-</td>
<td>(1,758)</td>
</tr>
<tr>
<td>Operating Surplus / (deficit)</td>
<td>2,211</td>
<td>2,326</td>
<td>1,128</td>
<td>1,455</td>
<td>(319)</td>
</tr>
<tr>
<td>Net interest</td>
<td>(923)</td>
<td>(957)</td>
<td>(1,072)</td>
<td>(1,412)</td>
<td>(3,414)</td>
</tr>
<tr>
<td>Surplus / (deficit) before taxation</td>
<td>1,288</td>
<td>1,369</td>
<td>56</td>
<td>43</td>
<td>(1,660)</td>
</tr>
<tr>
<td>Taxation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Surplus / (deficit) for period</td>
<td>1,288</td>
<td>1,369</td>
<td>56</td>
<td>43</td>
<td>(1,660)</td>
</tr>
<tr>
<td>Capital Expenditure</td>
<td>1,008</td>
<td>1,679</td>
<td>707</td>
<td>54</td>
<td>18</td>
</tr>
</tbody>
</table>

17. Analysis of changes in net debt

<table>
<thead>
<tr>
<th>Analysis of changes in net debt</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash in hand</td>
<td>6</td>
<td>(4)</td>
</tr>
<tr>
<td>Overdrafts</td>
<td>(5,071)</td>
<td>2,340</td>
</tr>
<tr>
<td>Bank loans due after 1 year</td>
<td>(10,000)</td>
<td>-</td>
</tr>
<tr>
<td>Irredeemable Debentures</td>
<td>(97)</td>
<td>-</td>
</tr>
<tr>
<td>Murrayfield Debentures</td>
<td>(31,125)</td>
<td>-</td>
</tr>
<tr>
<td>Ten Year Debentures</td>
<td>(1)</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>(46,288)</td>
<td>2,346</td>
</tr>
</tbody>
</table>

18. SRU 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 Murrayfield Stadium, Edinburgh, EH11 1SR. For accounting purposes the group is also deemed to include the Thistle Rugby Trust. The group has taken advantage of the exemption conferred by FRS8 from the need to disclose transactions between group entities that have been eliminated on consolidation in these group accounts.
COMMENTARY ON THE ACCOUNTS

Turnover
Scottish Rugby’s main income is derived from national team ticket sales, including the RBS 6 Nations, the EMC Autumn Tests, the Emirates Airline Edinburgh Sevens Festival and pro team matches, together with related broadcasting revenue. Match day income also includes revenue from pitchside advertising boards, along with revenue from hospitality activities and match programmes.

The sale of merchandise, online and directly from the Scottish Rugby shop and concession outlets, is also an important source of income.

Scottish Rugby is grateful for funding from its many sponsors including the Royal Bank of Scotland, Canterbury and Murray, and for significant grant funding from the International Rugby Board, sportscotland and Cashback for Communities. Turnover also includes Scottish Rugby’s share of income from the Heineken (European Rugby) Cup and the Magners League, and from other events held in Murrayfield Stadium including business conferences, concerts and other sporting events.

International and Professional Rugby
The expenditure relating to the players, the management and medical teams involved in international and professional rugby is included in this category. Travelling, food and accommodation at venues, and other expenses incurred in ensuring these teams are best prepared to compete at the highest level across the globe are also included here. As well as salaries, costs include kit, laundry bills, travel insurance, shirt numbering, training facilities, honours caps and team coach hire for the Scotland teams playing at international level.

Pro team costs, in addition to players’ wages, kit, travel and coaching costs, include match day outings such as advertising, Turnbull staff, ticket printing, venue preparation and entertainment.

Expenditure in the provision of medical services, from physiotherapists to match doctors (for the players), crowd doctors (to ensure spectator safety) to the basic materials needed for strapping injuries and dealing with wounds is included in this category. Finally, there are outings relating to the fitness and conditioning personnel generally associated with national and professional teams.

Community and Performance Rugby
Community Rugby supports the grassroots of the game and Scottish Rugby recognises the importance of a well resourced and appropriately funded Community Rugby team to help develop the players and coaches of the future.

A team of thirteen Development Managers, supported by sportscotland, lead community rugby development throughout Scotland – eight Regional Development Managers (RDMs) based in their respective regions, one national post assigned to 17-24 year olds, a Project Manager to oversee the Cashback for Communities programme and a Partnership Manager based at Murrayfield to lead the team. There are also two managers within the women’s game. Other costs include travel, training and the costs of running events.

Scottish Rugby is committed to development within the women’s game and funds two Development Managers and a Performance Development Manager. It also provides financial assistance from grassroots to international level where the team competes in the women’s Rugby World Cup.

Referee development, from grassroots to international level, involves costs from coaching for referees, to travel to games, to kit, to staffing and office expenditure for the nine individuals employed in this area. Referee costs also include salary, travelling expenses and associated costs for Scotland’s two professional referees.

Development of coaches at all levels of the game is vital to future participation and success. Scottish Rugby funds the training of staff to deliver United Kingdom Coaching Certificate (UKCC) courses throughout Scotland to ensure that coaches are properly qualified to coach at all levels, and is grateful for the support of sportscotland who fund the posts of UKCC Coach Education Manager and Coach Education Administrator, and support the costs of course delivery. Expenditure includes training and facility costs as well as tutor and registration fees.

The Player Development team includes a Head of Player Development, a Senior Regional Academy Manager, seven Regional Academy Coaches (RACs), an Exiles Performance Development Manager and Coach, together with Elite Development Coaches in Glasgow and Edinburgh. The team is responsible for programmes to identify and develop the best players in the country, and is part funded by sportscotland and the IRB. In addition to these staffing costs, outgoings include Pathway expenditure, kit, balls, travel and the organisation and running of player development events and camps. The Elite Development Programme, aligned with the pro teams, incurs costs from coaching to kit to player salaries and insurance as it strives to improve performance in the age-grade teams and to produce players for the professional teams.

Also included here is the provision of medical services from physiotherapists and doctors, for cover at various community and performance rugby matches and events held during the season. Strength and conditioning costs for the community and performance game are also included in this category.

Commercial & Operational
The running costs of the national stadium, from purchasing grass seed to funding roof repairs, from security to public liability insurance, from rates to electricity, account for much of the expenditure which ensures that Murrayfield is not only fit for purpose but a safe, well maintained and attractive venue.

Commercial and operational outgoings also include the costs of hosting matches and of staff working behind the scenes to attract supporters to fixtures. Solid marketing and promotion of the game reaps rewards in increased attendances, higher ticket revenue and additional programmes and merchandise sales. Positive relations with the media are vital in the successful promotion of the sport and fixtures, through staff involved in Communications at all levels. Supporting all these services are staff in Finance, IT, HR and other central services where costs are incurred not only through salaries but the outgoings involved in marketing campaigns, promotional materials and activities, and media conferences.

Club Support and Development
In order to help the sport at grassroots level to prosper in a safe environment, clubs are supported through the payment of Participation Monies, Player Accident Insurance, contributions to cup and league travel costs, the Club Facilities Fund to help with grounds and clubhouse improvements and the payment of all referees’ travel costs across the country. Clubs also receive ticket commissions of up to 25% for sales of international tickets.

This category includes the Player Reward Scheme, which makes payment to clubs to acknowledge their contribution to the development of players who have gone on to win an elite development or professional contract. The joint funding of Rugby Development Officers in partnerships with both clubs and local authorities across the country is also part of Club Support and Development expenditure. All these community developments have, with the vital support of local volunteers, contributed to the ongoing growth in player numbers both in traditional rugby-playing areas and in parts of the country previously less associated with the sport.

Depreciation
Depreciation is the annual charge in respect of Scottish Rugby’s fixed assets, primarily the redevelopment costs of Murrayfield Stadium.
A YEAR OF GOVERNANCE

Scottish Rugby Council
- Ian McLauchlan: President
- Peter Wright: Premier 1
- John Davidson: Premier 2
- Ian Smith: Premier 3
- Jim Greenwood: National Leagues
- Jim Stevenson: National Leagues
- Barry Sinclair: Edinburgh Regional League
- Ed Crozier: Glasgow North Regional League
- Bill McMurtrie: Glasgow South Regional League
- Alistair Forsyth: Scottish Borders Regional League
- Don Burns: Midlands Regional League
- Paddy Hart: North Regional League
- Fergus Neil: Scottish Rugby Referees Association
- Bruce Thompson: Schools Division
- Kath Vass: Women’s Rugby Forum
- Bill Nolan: Co-opted member (IRB)
- John Jeffrey: Co-opted member (IRB)
- Malcolm Gilles: Co-opted member (Six Nations)
- Jim Fleming: Co-opted member (ERC)
- Gordon Cox: Co-opted member (FIRA-AER)
- Archie Ferguson: Co-opted member (FIRA-AER)

Secretary to Board and Council
Graham Ireland

GOVERNANCE OF SCOTTISH RUGBY

Scottish Rugby Board 2010/11
The Scottish Rugby Board is responsible for the ongoing management of Scottish Rugby. The Scottish Rugby Board, which also serves as the Board of SRU plc, comprises four non-executive Directors, four representatives of the Scottish Rugby Council and up to four executive Directors. As at the financial year end, the Directors of SRU plc were:
- Allan Munro: Chairman
- Gordon McKie: Chief Executive (resigned 14 June 2011)
- Eamon Hegarty: Finance Director
- Graham Lowe: Director of Performance Rugby
- Gordon Bulloch
- Donald Emslie
- Jock Millican
- Ed Crozier
- John Davidson: (appointed 26 June 2010)
- Jim Greenwood: (appointed 26 June 2010)
- Ian McLauchlan: (appointed 26 June 2010)
- Jim Stevenson, Archie Ferguson and Jim Fleming retired from the Board as Directors on 26 June 2010.

Scottish Rugby Council 2010/11
As at 26 June 2010 Ian McLauchlan was elected as President of the Union and Ian Barnes, Jim O’Neill, Archie Ferguson, Jim Fleming and Norman Anderson were succeeded by Peter Wright, Ian Smith, Fergus Neil and Bruce Thompson respectively as the Premier 1, Premier 3, National League, Referees and Schools representatives on the Council. Further to the change in the Bye Laws at the 2010 AGM, and an open recruitment process, Bill Nolan, John Jeffrey, Malcolm Gilles, Jim Fleming, Gordon Cox and Archie Ferguson were co-opted on to the Council.

The President, Ian McLauchlan, Chaired the Council and John Davidson was elected as the Vice Chair.

Board Committees
During the period, the Board operated four sub-committees to assist in its business. The role and Chairmen of the sub-committees were as follows:
- The Audit Committee, chaired by Jock Millican, is responsible for assisting the Board to discharge its responsibilities for accounting policies, financial reporting, internal control and risk management.
- The Nomination Committee, chaired by Allan Munro, is responsible for making recommendations as to the composition, membership and organisation of the Board and Board Sub-Committees, the recruitment and appraisal of international body representatives and for making recommendations on senior staff appointments to the Board.
- The Property Committee, chaired by Allan Munro, is responsible for making recommendations with regard to the Union’s property assets.
- The Remuneration Committee, chaired by Donald Emslie, is responsible for making recommendations, within agreed terms of reference, on the Union’s remuneration policies.

T-B: Jim Greenwood presents Mari with the National 3 trophy: Allistair Forsyth hands over the National 1 trophy to Lasswade: Kath Vass awards the Sarah Beaney Cup to Murrayfield Wanderers: John Davidson awards the Premier 2 trophy to Edinburgh Accies: Allan Munro, Jim Greenwood and Ross Finnie MSP at the Scottish Parliament.
A YEAR OF GOVERNANCE

GOVERNANCE OF SCOTTISH RUGBY

Compliance with 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.

Development of Corporate Governance
During the period Scottish Rugby’s “Standing Working Party on Bye Laws and Governance”, under the independent Chairmanship of Douglas Hunter, was asked to consider a wide range of constitutional and governance issues. A full report on the issues arising and the Working Party’s views thereon was issued to the member clubs during May 2011.

The Board and Council remain committed to the continuing development of our governance structures in order to meet the needs of our game.

Remuneration and Benefits of Non-Executive and Council Board Representatives
Under the Scottish Rugby’s remuneration policy, the Union offers its non-executive Board members, including Council representatives on the Board, a fee for their service on the Board.

<table>
<thead>
<tr>
<th>BOARD MEMBER</th>
<th>DIRECTOR's FEE</th>
<th>REPRESENTATIVE BODIES FEE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allan Munro</td>
<td>35,000</td>
<td>-</td>
<td>35,000</td>
</tr>
<tr>
<td>Gordon Bulloch</td>
<td>15,000</td>
<td>-</td>
<td>15,000</td>
</tr>
<tr>
<td>Donald Emile</td>
<td>15,000</td>
<td>7,000 (CLA)</td>
<td>22,000</td>
</tr>
<tr>
<td>Jock Millican</td>
<td>15,000</td>
<td>18,000 (6NC)</td>
<td>33,000</td>
</tr>
<tr>
<td>Ed Cressler</td>
<td>15,000</td>
<td>-</td>
<td>15,000</td>
</tr>
<tr>
<td>John Davidson</td>
<td>12,500</td>
<td>-</td>
<td>12,500</td>
</tr>
<tr>
<td>Jim Greenwood</td>
<td>12,500</td>
<td>-</td>
<td>12,500</td>
</tr>
<tr>
<td>Ian McLauchlan</td>
<td>12,500</td>
<td>-</td>
<td>12,500</td>
</tr>
<tr>
<td>Archie Ferguson</td>
<td>2,500</td>
<td>6,000 (6NC)</td>
<td>8,500</td>
</tr>
<tr>
<td>Jim Fleming</td>
<td>2,500</td>
<td>9,803 (ERC)</td>
<td>12,303</td>
</tr>
<tr>
<td>Jim Stevenson</td>
<td>2,500</td>
<td>-</td>
<td>2,500</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COUNCIL MEMBERS</th>
<th>POSITION HELD</th>
<th>PAID BY</th>
<th>VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bill Nolan</td>
<td>IRB Representative</td>
<td>IRB</td>
<td>15,000</td>
</tr>
<tr>
<td>John Jeffrey</td>
<td>IRB Representative</td>
<td>IRB</td>
<td>3,500</td>
</tr>
<tr>
<td>Malcolm Gillies</td>
<td>6NC Representative</td>
<td>6NC</td>
<td>12,000</td>
</tr>
</tbody>
</table>

Notes:
1. Non-Executive Directors are paid an annual fee of £15,000. The Chairman is remunerated at the rate of £35,000 per annum.
2. Members of the Scottish Rugby Council receive no remuneration in respect of this elected role.
3. The International Rugby Board (IRB), Six Nations Committee (6NC), European Rugby Cup Ltd (ERC) and the Celtic League Association (CLA) have a policy of financially compensating the representatives serving on those bodies and the service fees paid to Scottish Rugby representatives serving were as noted. Fees payable by those bodies to Gordon McKie and Allan Munro were disclaimed by the individuals and were retained by Scottish Rugby.
A YEAR IN PICTURES

L - R: Chris Cusiter goes for a whole new ball game at Pittodrie; Clyde Coa of Killie; Richie Gear's flying in Glasgow; Dr James Robson receives a Fellowship from the Royal College of Surgeons in Edinburgh; Greg Laidlaw and Ruaridh Jackson with their debut caps following the match against New Zealand.

L - R: Supporters of the Emirates, Alin Edinburgh Sevens; Scotland Women visit a centre funded by Wooden Spoon during the Rugby World Cup; a moment's silence before the Scotland under-18 v Japan Schools fixture; Ali Kellock goes back to school at Bishopbriggs HS; Scotland under-17 players take part in Edinburgh Rugby's half-time chat at Murrayfield.

L - R: Ayr celebrate National Cup victory; Scotland players celebrate Highland Spring sponsorship; Chris Paterson and Allan Jacobsen help spruce up North Berwick; RBS announce their sponsorship of Scottish Rugby; remembering Bill Hogg OBE at Murrayfield.

L - R: Flying the flag for Scotland 7s; training's no fun for Scotland Women under-20; Glasgow Warriors visit Scotstoun Primary; Edinburgh Rugby celebrate the swings and roundabouts of outrageous 1872 Cup lift; the mini Melrose masterpiece at Murrayfield.
Scottish Rugby wishes to thank Murray:
For their outstanding contribution over the last five seasons

Scottish Rugby welcomes The Royal Bank of Scotland:
Our new main sponsor

Scottish Rugby also wishes to thank the following official partners and sponsors for their contribution during the 2010/11 Season:

KEY RIGHTS PARTNERS

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