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WILLIAM HILL TRUST SUB-COMMITTEE TUESDAY, 15 JUNE 2021

A MEETING of the WILLIAM HILL TRUST SUB-COMMITTEE will be held VIA MICROSOFT TEAMS on TUESDAY, 15 JUNE 2021 at 9.00 am

J. J. WILKINSON,
Clerk to the Council,

9 June 2021

BUSINESS		
1.	Apologies for Absence.	
2.	Order of Business.	
3.	Declarations of Interest.	
4.	Minute. (Pages 3 - 6) Consider the Minutes of the Meetings held on 23 February and 18 May 2021. (Copies attached.)	2 mins
5.	Budget Monitoring Report for 12 Months to 31 March 2021 (Pages 7 - 14) Consider report by Executive Director Finance & Regulatory. (Copy attached.)	15 mins
6.	Application for Financial Assistance (Pages 15 - 28) Consider application from Melrose Rugby Football Club. (Copy attached.)	10 mins
7.	Any Other Items Previously Circulated.	
8.	Any Other Items which the Chairman Decides are Urgent.	

NOTES

1. Timings given above are only indicative and not intended to inhibit Members' discussions.
2. Members are reminded that, if they have a pecuniary or non-pecuniary interest in any item of business coming before the meeting, that interest should be declared prior to commencement of discussion on that item. Such declaration will be recorded in the Minute of the meeting.

Membership of Committee:- Councillors D. Parker (Chairman), J. Linehan, T. Miers and Community Councillor W Windram

Please direct any enquiries to Louise McGeoch Tel: 01835 825005
Email: lmcgeoch@scotborders.gov.uk

**SCOTTISH BORDERS COUNCIL
WILLIAM HILL TRUST SUB-COMMITTEE**

MINUTE of Meeting of the WILLIAM HILL TRUST SUB-COMMITTEE held via Microsoft Teams on Tuesday, 23 February 2021 at 1.30 p.m.

Present:- Councillors D. Parker (Chairman), T. Miers
In Attendance:- Pensions & Investment Manager, Principal Solicitor, Democratic Services Team Leader

1. **MINUTE.**

There had been circulated copies of the Minute of 15 December 2020.

DECISION

NOTED the Minute.

2. **MONITORING REPORT FOR 9 MONTHS TO 31 DECEMBER 2020 AND PROPOSED BUDGET FOR FINANCIAL YEAR 2021/22**

There had been circulated copies of a report by the Executive Director Finance & Regulatory detailing income and expenditure for the William Hill Trust Fund for nine months to 31 December 2020, a full year projected out-turn for 2020/21 and proposed budget for 2021/22. Appendix 1 provided the actual income and expenditure for 2020/21. This showed a projected surplus of £5,225 for the year, which was slightly higher than the projected surplus figure reported at the 15 December 2020 meeting due to an improvement in the return from the Aegon Investment Fund. Appendix 2 provided a projected balance sheet as at 31 March 2021. It showed a increase in the reserves of £31,064. Appendix 3 showed the value of the Aegon Asset Management Investment Fund to 31 December 2020. The Pensions and Investment Manager outlined the main points contained within the report and highlighted the improved return from the Aegon Investment Fund. In terms of income it was not expected that there would be any income from the Gibson Park Caravan Park given its current closure due to Covid 19 Regulations.

DECISION

AGREED:-

- (a) **the projected income and expenditure for 2020/21 in Appendix 1 to the report;**
- (b) **the proposed budget for 2021/22 as shown in Appendix 1 to the report;**
- (c) **to note the projected balance sheet value as at 31 March 2021 in Appendix 2 to the report; and**
- (d) **to note the current position of the investment in the Aegon Asset Management Fund in Appendix 3 to the report.**

The meeting concluded at 1.40 p.m.

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**SCOTTISH BORDERS COUNCIL
WILLIAM HILL TRUST SUB-COMMITTEE**

MINUTE of Special Meeting of the WILLIAM
HILL TRUST SUB-COMMITTEE held via
Microsoft Teams on Tuesday, 18 May 2021
at 2.00 p.m.

Present:- Councillors D. Parker (Chairman), J.Linehan and T. Miers

In Attendance:- Pensions & Investment Manager, Principal Solicitor, Democratic Services
Officer (F. Walling).

1. **APPLICATION FOR FINANCIAL ASSISTANCE**

There had been circulated copies of an application for financial assistance, from Melrose Football Club. The application explained that the club was a volunteer based community football club with over 240 players under the age of 14, with one third of the number being girls. The club was seeking a sum of £3,500, towards the cost of a complete upgrade of football kits across the whole club. This would also mean that, for the first time, the club would have the same identity rather than a collection of designs and brands. This would drive take-up in terms of participation and encourage return of those that had stopped due to Covid. For the first time the club would have one identity. The estimated total cost of the project was £6,697.60, the remaining funds being sourced from sponsors and an application to the Community Fund. Members discussed the application and unanimously gave it their support, welcoming the fact that the initiative would give the club a single identity. The application for a grant of £3,500 was approved in full.

DECISION

AGREED to award a grant of £3,500 to Melrose Football Club

The meeting concluded at 2.10 pm

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MONITORING REPORT FOR 12 MONTHS TO 31 MARCH 2021

Report by Executive Director, Finance & Regulatory

WILLIAM HILL TRUST FUND SUB-COMMITTEE

15 JUNE 2021

1 PURPOSE AND SUMMARY

- 1.1 This report provides the details of the income and expenditure for the William Hill Trust Fund for the year 2020/21 including balance sheet values as at 31 March 2021, a full year projected out-turn for 2021/22, and projected balance sheet values as at 31 March 2022.**
- 1.2 Appendix 1 provides the actual income and expenditure for 2020/21. This shows a surplus of £8,915 for the year, which is better than the surplus figure reported at the 23 February 2021 meeting, due to an underspend in the Grants and Donations budget and receipt of donations from other trusts.
- 1.3 Appendix 2 provides an actual balance sheet value as at 31 March 2021. It shows an increase in reserves of £37,249, partly due to the reduction in unrealised loss on the Aegon Asset Management Fund.
- 1.4 Appendix 3 shows the value of the Aegon Asset Management Investment Fund to 31 March 2021.

2 RECOMMENDATIONS

2.1 It is recommended that the Trust Fund Sub-Committee:

- (a) Notes the actual income and expenditure for 2020/21 in Appendix 1;**
- (b) Agrees the projected income & expenditure for 2021/22 in Appendix 1 as the revised budget for 2021/22;**
- (c) Notes the final balance sheet value as at 31 March 2021, and projected balance sheet value as at 31 March 2022 in Appendix 2;**
- (d) Notes the current position of the Aegon Asset Management Investment Fund in Appendix 3.**

3 BACKGROUND

3.1 This report provides the Committee with financial information for the period to 31 March 2021 and projections to 31 March 2022. The report also contains a projected balance sheet for the Trust Fund as at 31 March 2022.

4 FINANCIAL POSITION 2020/21

4.1 Appendix 1 provides detail on income and expenditure for the 2020/21 financial year, which resulted in a surplus of £8,915, as well as projections for 2021/22.

4.2 Income & Expenditure – Non-Property Related Income

- (a) The outturn position shows an amount of £36 relating to interest receivable on cash held by SBC, a drop from projections due to the negative effect on interest rates from COVID-19. Also included are dividends from the Common Good Funds investment in Aegon Asset Management amounting to £7,399 which is slightly ahead of the revised projection of 4.5% return, while less than the overall 5% target and the monthly distribution profile projections provided by Aegon.
- (b) As the full economic recovery from the COVID-19 impact is not yet known the projections for 2021/22 have been retained at 4.5% compared to the target of 5%. The position will be monitored closely with Aegon Asset Management.
- (c) Included within other income for the year is a rebate from Aegon Asset Management of £123 which, along with the £44 received in March 2020, has been re-invested to purchase an additional 166 units. Rebate income received in March 2021 of £44 has been accounted for within income but the corresponding 40 units were not purchased until April 2021.

4.3 Income & Expenditure – Donations from Other Trusts

- (a) Donations from Other Trusts of £1,313 is significantly lower in 2020/21 in comparison to the previous year (2019-20 £12,354), which is as a result of the temporary closure of the Caravan Park under COVID-19 guidelines.
- (b) Projections for 2021/22 have been updated to include donations from the Greenyards Trust and Gibson Park. As the full economic recovery from the COVID-19 impact is not yet known the projections for 2021/22 have been calculated using an average of the previous 3 years' donations.

4.4 Income & Expenditure – Grants & Other Donations

The grants and other donations approved and distributed to 31 March 2021, are shown below:

Grant Recipients	Approved	£
Approved and Paid to 31 March 2021		0
Total Paid to 31 March 2021		0
Approved but not yet paid Sports Champion Melrose Primary	Annual	40
Total Grants Approved		40
Approved Budget 2020/21		2,500
<i>(Unallocated)/Over allocated Budget</i>		<i>(2,500)</i>

Following approval of a grant for £3,500 at the Trust Fund meeting on 18 May 2021, it is proposed that the budget for 2021/22 is increased to £5,000.

4.5 Appendix 2 provides the actual balance sheet value as at 31 March 2021, and a projected balance sheet as at 31 March 2022.

4.6 Balance Sheet – Investment Fund

The fund has a 0.78% unrealised gain in market value since investment, largely due to continued volatility in investment markets. Overall, taking account of the income received the fund has achieved a return of 16.84% since investment in February 2018.

The unrealised loss of £28,459 reported at 31 March 2020, which was due to a fall in the overall markets resulting from COVID19, has over the last 12 months been reduced to £125.

4.7 Balance Sheet – Cash Balance

The cash held by the fund is £41,495 at 31 March 2021 and is detailed below:

Cash Balance	£
Opening Balance at 1 April 2020	32,693
Surplus for year from Income & Expenditure Statement	8,915
Net Cash Movement in Debtors/Creditors	54
Rebate Investment in Aegon	(167)
Closing Balance at 31 March 2021	41,495

4.8 Balance Sheet – Capital Reserve

The movements in the Capital Reserves include the unrealised loss for the Aegon Asset Management Fund as at 31 March 2021 but due to the nature of the markets no estimate has been made for the future years' movement.

5 IMPLICATIONS

5.1 Financial

There are no further financial implications other than those explained above in Section 4.

5.2 Risk and Mitigations

There is a risk that investments in the Aegon Asset Management Fund may reduce in value due to market or investment performance. This risk cannot be fully mitigated; however, it is being managed by the selection of a Fund Manager with a clear objective of preserving capital values while aiming to produce returns in line with the benchmark.

5.3 Intergrated Impact Assessment

There is no impact or relevance to Equality Duty or the Fairer Scotland Duty for this report. This is a routine financial monitoring report which forms part of the governance of the management of the Common Good Funds. Nevertheless, a light touch assessment has been conducted and this will be published on SBC's Equality and Diversity Pages of the website as in doing so, signifies that equality, diversity and socio-economic factors have duly been considered when preparing this report.

5.4 Acting Sustainably

Whilst there are no economic, social or environmental effects arising from the proposals contained in this report, there are, through the activities reported upon, positive impacts upon the economy through protection of employment, positive impacts upon the quality of community life and improvements in local amenities and nurturing of local talent. The potential improvement in levels of income through the use of the new investment fund will act to make the Trust Fund more sustainable in the future.

5.5 Carbon Management

There are no effects on carbon emissions arising from the proposals contained in this report.

5.6 Rural Proofing

There are no effects on rural proofing arising from the proposals contained in this report.

5.7 Changes to Scheme of Administration or Scheme of Delegation

There are no changes required to the Scheme of Administration or Scheme of Delegation arising from the proposals contained in this report.

6 CONSULTATION

6.1 The Chief Legal Officer (including as Monitoring Officer), the Chief Officer Audit and Risk, Service Director HR, Communications and the Clerk to the Council have been consulted and their appropriate comments have been incorporated into this report.

Approved by

David Robertson

Executive Director Finance & Regulatory

Signature

Author(s)

Kirsty Robb	Pension and Investment Manager – Tel: 01835 825249
Sara Halliday	Treasury Business Partner – Tel: 01835 824000 Extn 5854

Background Papers:

Previous Minute Reference: William Hill Trust Fund Committee 23 February 2021.

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. We can also give information on other language translations as well as providing additional copies.

Contact us at Pensions & Investment Team, Council Headquarters, Newtown St Boswells, Melrose, TD6 0SA. Tel: 01835 824000 Fax: 01835 825166
Email: t&cteam@scotborders.gov.uk

WILLIAM HILL TRUST FUND

APPENDIX 1

ACTUAL INCOME AND EXPENDITURE 2020/21

	Actuals at 31/03/21	Full Year Approved Budget 2020/21	Over/ (Under) Spend 2020/21	Full Year Approved Budget 2021/22	Full Year Projected Outturn 2021/22	Full Year Projected Over/ (Under) Spend 2021/22	Para Ref	Commentary
	£	£	£	£	£	£		
INCOME								
Non-Property Related Income								
Interest on Cash deposited with Council	(36)	(170)	134	(170)	(170)	0	4.2	
Investment Fund – Dividends Rec'd	(7,399)	(7,385)	(14)	(7,385)	(7,385)	0	4.2	4.5% return
Misc Income	(167)	(170)	3	(170)	(170)	0	4.2	
	(7,602)	(7,725)	123	(7,725)	(7,725)	0		
Donations from Other Trusts								
Greenyards Trust	(256)	0	(256)	0	(295)	(295)	4.3	Ave. 3 year
Gibson Park	(1,057)	0	(1,057)	0	(7,650)	(7,650)	4.3	
	(1,313)	0	(1,313)	0	(7,945)	(7,945)		
TOTAL INCOME	(8,915)	(7,725)	(1,190)	(7,725)	(15,670)	(7,945)		
EXPENDITURE								
Running costs –								
Grants & Other Donations								
General Fund	0	2,500	(2,500)	1,725	5,000	3,275	4.4	
TOTAL EXPENDITURE	0	2,500	(2,500)	1,725	5,000	3,275		
Total Net (Surplus)/Deficit for year	(8,915)	(5,225)	(3,690)	(6,000)	(10,670)	(4,670)		

BALANCE SHEET VALUE AT 31 MARCH 2021

	Opening Balance at 01/04/20	Movement in Year	Closing Balance at 31/03/21	Projected Closing Balance at 31/03/22
	£	£	£	£
Capital in Investment Funds				
Investment Fund Book Value	179,182	167	179,349	179,516
Unrealised Gains/(Loss)	(28,459)	28,334	(125)	(125)
Market Value	150,723	28,501	179,224	179,391
Current Assets				
Debtors	698	(54)	644	644
Cash deposited with SBC	32,693	8,802	41,495	51,998
Total Current Assets	33,391	8,748	42,139	52,642
Current Liabilities				
Creditors	0	0	0	0
Total Current Liabilities	0	0	0	0
Net Assets	184,114	37,249	221,363	232,033
Funded by: Reserves				
Revenue Reserve Fund	(98,245)	(8,915)	(107,160)	(117,830)
Capital Reserve Fund	(85,869)	(28,334)	(114,203)	(114,203)
Total Reserves	(184,114)	(37,249)	(221,363)	(232,033)

INVESTMENTS EXTERNALLY MANAGED

Book value movements	Units	£
Aegon Asset Management Investment (12 February 2018)	137,529	148,903
Aegon Fund Rebate – (2018-2019)	141	152
Aegon Asset Management Investment (February 2020)	26,295	30,000
Aegon Fund rebate – (2019-2020)	114	127
Aegon Fund Rebate – (2020-2021)	166	167
Total Book value as at 31 December 2020	164,245	179,349

Market Value of Investment	£
12 Feb 2018	154,910
31 March 2018	154,910
Fund 1 – Transfer (1 April 2018)	(199)
Fund 2 – Transfer (1 April 2018)	(5,807)
1 April 2018	148,904
31 March 2019	150,088
30 June 2019	152,631
30 September 2019	152,754
31 December 2019	157,931
31 March 2020	150,723
30 June 2020	162,550
30 September 2020	163,673
31 December 2020	176,686
31 March 2021	179,224
Increase/(Decrease) from Total Cash Invested	(125)

Return on Investment from inception	Capital Return %	Total Return %
to 31 March 2018	-0.30	
to 31 March 2019	+3.86	+9.41
to 31 March 2020	-15.16	-5.98
to 30 June 2020	-8.52	+2.76
to 30 September 2020	-7.91	+4.83
to 31 December 2020	-0.61	+14.09
to 31 March 2021	+0.78	+16.84



**WILLIAM HILL TRUST FUND
APPLICATION FOR FINANCIAL ASSISTANCE**

<p><u>Applicant Details</u> Name and Address of Applicant/Organisation:</p> <p>Telephone No:</p>	<p>Melrose Rugby Limited The Greenyards, High Street, Melrose, TD6 9SA.</p> <p>01896 822993</p>
<p>Address to which payment should be made:</p>	<p>Melrose Rugby Limited per above address.</p>
<p><u>Activities</u> Please supply a brief description of the activities of your organisation and the benefits it brings to the local community:</p>	<p>We are the local rugby club for the town of Melrose. With a long history dating back to 1872 we were the founders of seven-a-side rugby and attract large crowds to the area for our annual sevens tournament.</p> <p>We operate around 18 teams across all age groups and levels within the SRU national playing structure, from infants to semi-professional. Our ground, The Greenyards, is recognised worldwide and attracts visitors from around the world to both the town and the region.</p>
<p><u>Assistance Requested</u> Please indicate the sum requested and the purpose for which it will be used:</p>	<p>We are embarking on a series of capital works to bring the grandstand up to current “green book” regulations and works include adding new seats to replace the current benches, additional lighting and improved sound system. All of this, it is hoped, will be carried out in the weeks leading up to the new season starting in August 2021. We would ask for a grant of £10,000 to fund the balance of this important project for the club and the wider body of users.</p>
<p>When will the donation be required:</p>	<p>Over the summer period, probably into July 2021.</p>
<p>If this is a one-off project then please give the following details –</p> <p>Date (s):</p> <p>Estimated total cost:</p> <p>Funds already raised by applicant’s own efforts:</p> <p>Funds raised or expected to be raised from other sources (please state sources):</p>	<p>The seating project is a one off project within the grandstand works.</p> <p>July 2021</p> <p>£21,000 to install 800 seats and replace up to 150 bench spaces.</p> <p>£3,500. Limited activity due to Covid.</p> <p>£7,500 grant applied for from the SRU “recovery” fund.</p>

<p><u>Other information</u> If you have other information which you feel is relevant to this application please provide details including details of any previous assistance given:</p>	<p>The grandstand is an iconic building that is recognised across the rugby world. It is also a heavily used local amenity and we require to carry out these works to ensure that we comply with the tougher legislation around buildings such as this.</p> <p>If unable to reach the full funding needs then we may need to reduce the numbers of seats that we have and that will affect the overall capacity of the grandstand going forward.</p>
<p><u>Declaration</u> I hereby make application for assistance as set out above and certify that the information I have provided is accurate</p> <p>Signed: <i>Graeme S Burgess</i></p> <p>Position Held: Finance Director</p> <p>Date: 18th May 2021</p>	
<p>Note: All applications from organisations MUST be accompanied by a copy of the latest audited accounts</p>	
<p>This completed form, accounts and any supporting details should be submitted to Democratic Services, Scottish Borders Council, Council Headquarters, Newtown St Boswells, TD6 0SA. ComPap@scotborders.gov.uk Telephone 01835 826585</p>	

MELROSE RUGBY LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2020

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2020**

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MELROSE RUGBY LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST MAY 2020

DIRECTORS: H M Pollock
M W Dalrymple
G R Brown (Chairman)
A A Purves
P J D Morris
G S Burgess
M J Locke
J H Shepherd

SECRETARY: H M Pollock

REGISTERED OFFICE: The Greenyards
High Street
Melrose
Roxburghshire
TD6 9SA

REGISTERED NUMBER: SC527032 (Scotland)

ACCOUNTANTS: JRW
Riverside House
Ladhope Vale
Galashiels
Selkirkshire
TD1 1BT

MELROSE RUGBY LTD (REGISTERED NUMBER: SC527032)

**BALANCE SHEET
31ST MAY 2020**

	Notes	2020 £	£	2019 £	£
FIXED ASSETS					
Tangible assets	4		224,580		231,255
CURRENT ASSETS					
Stocks		13,267		8,706	
Debtors	5	143,626		77,333	
Investments	6	1		-	
Cash at bank and in hand		<u>66,256</u>		<u>52,527</u>	
		223,150		138,566	
CREDITORS					
Amounts falling due within one year	7	<u>214,829</u>		<u>105,294</u>	
NET CURRENT ASSETS			<u>8,321</u>		<u>33,272</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			232,901		264,527
CREDITORS					
Amounts falling due after more than one year	8		<u>56,901</u>		<u>-</u>
NET ASSETS			<u>176,000</u>		<u>264,527</u>
RESERVES					
Profit & loss account	9		<u>176,000</u>		<u>264,527</u>
			<u>176,000</u>		<u>264,527</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st May 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st May 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements

MELROSE RUGBY LTD (REGISTERED NUMBER: SC527032)

BALANCE SHEET - continued
31ST MAY 2020

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Profit & Loss Account has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 25th November 2020 and were signed on its behalf by:

G R Brown (Chairman) - Director

G S Burgess - Director

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 2020

1. **STATUTORY INFORMATION**

Melrose Rugby Ltd is a private company, limited by guarantee, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Property	- 2% on cost
Plant and machinery etc	- 15% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Financial assets

Basic financial assets, including trade and other debtors and bank balances, are initially recognised at transaction price. At the end of each reporting period financial assets measured at cost are assessed for evidence of impairment. Any impairment loss is recognised in the Income Statement.

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

Financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. These are classed as current liabilities as payment is due within one year or less. If not they are presented as non-current liabilities.

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

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit & Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2020

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 38 (2019 - 28).

4. TANGIBLE FIXED ASSETS

	Property £	Plant and machinery etc £	Totals £
COST			
At 1st June 2019	216,451	44,018	260,469
Additions	-	3,202	3,202
Disposals	-	(1,800)	(1,800)
At 31st May 2020	<u>216,451</u>	<u>45,420</u>	<u>261,871</u>
DEPRECIATION			
At 1st June 2019	12,626	16,588	29,214
Charge for year	4,329	4,427	8,756
Eliminated on disposal	-	(679)	(679)
At 31st May 2020	<u>16,955</u>	<u>20,336</u>	<u>37,291</u>
NET BOOK VALUE			
At 31st May 2020	<u>199,496</u>	<u>25,084</u>	<u>224,580</u>
At 31st May 2019	<u>203,825</u>	<u>27,430</u>	<u>231,255</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	49,061	63,430
Other debtors	<u>94,565</u>	<u>13,903</u>
	<u>143,626</u>	<u>77,333</u>

MELROSE RUGBY LTD (REGISTERED NUMBER: SC527032)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2020**

6. CURRENT ASSET INVESTMENTS	2020	2019
	£	£
Unlisted investments	<u>1</u>	<u>-</u>
7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2020	2019
	£	£
Trade creditors	39,927	41,394
Taxation and social security	27,617	9,246
Other creditors	<u>147,285</u>	<u>54,654</u>
	<u>214,829</u>	<u>105,294</u>
8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2020	2019
	£	£
Taxation and social security	21,823	-
Other creditors	<u>35,078</u>	<u>-</u>
	<u>56,901</u>	<u>-</u>

Included within other creditors is an amount due to G.R. Brown, a director of the company, of £8,000 (2019 £Nil).

This loan is interest free, unsecured and has no set repayment terms.

9. RESERVES	Profit & loss account
	£
At 1st June 2019	264,527
Deficit for the year	<u>(88,527)</u>
At 31st May 2020	<u>176,000</u>

10. RELATED PARTY DISCLOSURES

During the year ended 31st May 2020, Melrose Rugby Ltd acquired goods and services with a total value of £8,531 from a number of local businesses that are considered to be related parties due to members of the Board of Directors being involved in the running of these businesses. In the same period, Melrose Rugby Ltd provided goods and services with a total value of £20,460 to similar related parties.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MAY 2020**

11. COMPANY LIMITED BY GUARANTEE

The company, as incorporated, is limited by guarantee, having no share capital. The liability of each member is restricted to £1.

12. GOING CONCERN

The Covid-19 pandemic has created significant challenges to rugby both across the world and to our own business, causing the cancellation of the annual 7's in April. From the beginning of the outbreak the Board of Directors have acted quickly to reduce costs in the business and to seek support from government and other support schemes to increase resilience. They have built up a cash reserve which they believe will be sufficient to operate the business through to the return of normal trading activities. A number of scenarios have been planned for the 2021 7's event and the Board are satisfied that the business can operate as a going concern.

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS
ON THE UNAUDITED FINANCIAL STATEMENTS OF
MELROSE RUGBY LTD**

The following reproduces the text of the report prepared for the directors in respect of the company's annual unaudited financial statements. In accordance with the Companies Act 2006, the company is only required to file a Balance Sheet. Readers are cautioned that the Income Statement and certain other primary statements and the Report of the Directors are not required to be filed with the Registrar of Companies.

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Melrose Rugby Ltd for the year ended 31st May 2020 which comprise the Profit & Loss Account, Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of ICAS, we are subject to its ethical and other professional requirements which are detailed at <http://www.icas.com/accountspreparationguidance>.

This report is made solely to the Board of Directors of Melrose Rugby Ltd, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Melrose Rugby Ltd and state those matters that we have agreed to state to the Board of Directors of Melrose Rugby Ltd, as a body, in this report in accordance with the requirements of ICAS as detailed at <http://www.icas.com/accountspreparationguidance>. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Melrose Rugby Ltd has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Melrose Rugby Ltd. You consider that Melrose Rugby Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Melrose Rugby Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

JRW
Riverside House
Ladhope Vale
Galashiels
Selkirkshire
TD1 1BT

25th November 2020

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.

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