ARMY RUGBY UNION TRUST

England & Wales · Charity number 1149105

Details

Other names	ARU
Status	Registered
Legal form	Charitable company
Company number	08167993
Registered	2012-09-26
Register	View on the Charity Commission register

Contact

Address	Army Sport Control Board Mackenzie Building Fox Lines Queens Avenue Aldershot GU11 2LB
Phone	01252787083
Email	sbates@ascb.uk.com
Website	www.armyrugbyunion.org.uk

Activities

Objects: 1) THE PHYSICAL EFFICIENCY OF THE ARMY BY AFFORDING FACILITIES FOR ALL RANKS TO INDULGE IN SPORT IN GENERAL AND IN RUGBY UNION FOOTBALL IN PARTICULAR.2) MAKING GRANTS TO CHARITIES FOR THE BENEFIT OF MEMBERS, BOTH PAST AND PRESENT, OF HER MAJESTY'S FORCES OR THEIR DEPENDANTS AND THOSE INVOLVED IN THE GAME OF RUGBY UNION FOOTBALL.

Activities: 1. PROMOTING THE PHYSICAL EFFICIENCY OF THE ARMY BY AFFORDING FACILITIES FOR ALL RANKS TO INDULGE IN SPORT IN GENERAL AND IN RUGBY FOOTBALL IN PARTICULAR. 2. MAKING GRANTS TO CHARITIES FOR THE BENEFIT OF MEMBERS, BOTH PAST AND PRESENT OF HER MAJESTY'S FORCES OR THEIR DEPENDENTS

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Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Human Resources, Provides Services, Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body
- **What:** General Charitable Purposes, Amateur Sport, Armed Forces/emergency Service Efficiency
- **Who:** Other Charities Or Voluntary Bodies, Other Defined Groups

Geography

- **Area of benefit:** THROUGHOUT ENGLAND AND WALES
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£1,010,291	£941,236	£2,081,897	2
2023-08-31	£1,135,240	£993,890	£1,995,937	2
2022-08-31	£1,128,008	£795,825	£1,856,047	2
2021-08-31	£127,682	£198,399	-	-
2020-08-31	£401,418	£465,794	-	-

Trustees

Name	Role	Appointed
Dr James Cook	Chair	2023-06-01
Andrew JC Geary OBE		2022-09-01
Giles Malec		2022-09-01
Marc Wilding		2020-09-01

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ARMY RUGBY UNION TRUST

England & Wales - Charity number 1149105

Accounts

REGISTERED COMPANY NUMBER: 08167993 (England and Wales)
REGISTERED CHARITY NUMBER: 1149105

Report of the Trustees and

Financial Statements

for the Year Ended 31 August 2024

for

Army Rugby Union Trust

Turner & Co
Registered Auditors
Chartered Accountants
10a White Hart Parade
London Road
Blackwater
Camberley
Surrey
GU17 9AD

Army Rugby Union Trust

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for the Year Ended 31 August 2024

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Report of the Trustees
for the Year Ended 31 August 2024

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2024. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The aim of the ARU is to promote and foster the game of Rugby Union in the Army and its civilian military communities in accordance with the Laws of the Game promulgated by World Rugby rules, regulations and bylaws issued by the Rugby Football Union (RFU).

Nothing in this constitution shall authorise an application of the property of the Charity for the purposes which are not charitable in accordance with section 7 of the Charities and Trustees Investment (Scotland) Act 2005 and Section 2 of the Charities Act (Northern Ireland) 2008.

To meet the aim the ARU shall pursue the following objectives:

. General - Provide an infrastructure for Army Rugby such that no potential participant is denied the opportunity to play, coach or referee at the highest level possible.

. Governance- The ARU Management Board that is voted into office by its members annually at the Annual General Meeting shall conduct the affairs of the Union in a financially and responsible way, so that it remains compliant with the Charity Commission and Companies House laws and as detailed in the paragraphs below.

. Representative Rugby- Select and maintain at Senior, Women's, Development Academy and Master's levels Fifteen and Sevens team, as appropriate and agreed, to represent the Army. To provide a standard of rugby that will develop and promote those with talent for higher honours. In addition, the ARU shall seek to support the work of the UKAF Rugby Football Club Committee.

. Community Rugby - Organise and run annually, the Army clubs in the UK, the ARU Premiership and Championship leagues to provide a competitive element throughout the season irrespective of the ability of the participants; the rules of thess competitions are reviewed and published annually on the appropriate page of the ARU web site. In addition the ARU may approve or organise other competitions which support the aim of the ARU, including:

- The Inter Corps League Tables
- The Army Inter Corps Fifteens Championship, and
- The Army sevens Tournament.

. Coaching - Maintain a formal coaching structure to improve and thereafter sustain the standards throughout the Army and to provide a structure for the advancement of coaches.

. Referees - maintain the Army Rugby Union Referees Society (ARURS) to improve and sustain the standards of refereeing in the Army. To facilitate the training, development and advancement and referees and to the appropriate links with the UKAF Rugby Referees and other referee's societies.

. Finance - maintain a sound financial base, thereby providing the best service to Rugby Union in the Army, within budget, and in accordance with the priorities agreed by the Management Board.

. Marketing and Engagement - Market the ARU as a positive contributor to the 'lived experience' and the opportunities available to Army sports personnel who seek to compete and succeed at the highest level they can. Where we can, offer ARU representative fixtures to be used as Engagement Events to support the Army's INFORM and ATTRACT.

. Relations with the RFU- Maintain a close and binding relationship with the RFU, taking all appropriate measures to promote Army Rugby at national and international levels, and seeking opportunities to support the RFU' s community rugby initiative.

. Injury and Safety - Promote standards of play and discipline such that all players and officials are placed at the least possible risk, whilst ensuring that all participating teams are fully insured via the RFU insurance scheme.

. Reviews- The Objectives of the ARU are reviewed by the Management Board, as required, and by the Council annually. If agreed, any recommended changes are to be announced at the Annual General Meeting. Agreed objectives based on paragraph 3 and 4 above are to be promulgated to members of Union through the Annual Management Plan.

. Maintaining a diversified leadership approach the Army Rugby Union Charitable Trust maintains on course to continue the development of the strategic plan for the period 2022-2025 which has been modified, at its core will see the development of military community rugby, further enhancing the charity's role ans significance in the local military garrison communities. Going forward we will do this with a clear purpose: "To engage and inspire our military community through rugby."

Conclusion

The Army Rugby Union (ARU) trustees has considered the three year post Covid 19 financial recovery plan and the declining revenue from the Army V Navy ticket sales and considers the company will be able to meet its liabilities as they fall due over the coming 12 month, and hence these financial statements are prepared on a going concern basis.

The ARU trustees acknowledge that their accounts are in a healthy state of affairs however they will monitor the impact the impact of declining revenue from ticket sales and or sponsorship on the activities of the ARU Charitable Trust.

STRATEGIC REPORT

Financial position

The Trust witnessed an excess of income over expenditure for the year ended 31 August 2024 of £85,960.

Investment policy and objectives

The Trust has wide powers of investment. The Director of Finance is restricted in the structure of the investment portfolio by policy decisions made from time to time by the Trustees at the quarterly meetings. The overall investment policy is one of long-term capital growth to maintain the purchasing power of the Trust.

STRATEGIC REPORT

Financial review

Reserves policy

The Management Board continue to endorse a revised Reserve Strategy to grow the Trust's Reserves to cover one year's annual net operating costs. The policy complies with SORP.

The ARU is controlled and directed by the Management Board which should meet at least four times a year to monitor in year performance, to decide policy. The Management Board endorses the annual allocation of funds prepared by the Director of Finance following internal budget screenings to representative teams, community competitions and other charitable bodies as decided appropriate by the Board.

The ARU Trust employs two pensionable permanent staff- the Director of Finance, and the Communications Officer. The full-time Chief Operating Officer and Assistant Operations Officer are employed by the Army Sports Control Board, but they work directly for the ARU Management Board.

Financial and risk management objectives and policies

Risks are considered by the Management Board and the key risks remain the continuing success of the annual Army v Navy game and a loss of sponsorship. The reserve policy is designed to ensure to that sufficient reserves are retained to cover at least one year of operating cost.

Future plans

The management board remain focussed on promoting and governing Rugby Union in the Army through the maintenance of stable structures for the game that enable its successful development at all levels. This is to be achieved by increase levels of funding to the community area of the Trust. The management board endorsed policy of a balanced budget remains extant.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The ARU Management Board is responsible for managing the affairs of the Trust, determine policy and has full power over the use, disposition and investment of the ARU Funds. It meets at least four times per year and each Director, as listed below, takes the lead on their respective area. The Management Board consists of the following appointments:

Chairman
Vice Chairman/ RFU Council Member
Director of Representative Rugby
Director of Marketing
Director of Community Rugby
Director of Rugby Development
Non-Executive Director of Finance
Non-Executive Director of Marketing
Non-Executive Director of Operations
Non-Executive Director of Community Rugby

In addition to the ARU Management Board, the ARU Council acts as a forum at which all elements of the game are represented. Affiliated clubs, within the ARU are entitled to vote at the AGM The bye-laws of the ARU can only be added to, amended, or rescinded with the consent of at least two thirds of the members present at a General Meeting.

Induction and training of new trustees

New appointees' induction training is personalised to meet the requirements of the appointee: with the advent of amendments to the Trustees & Charities Acts,many serving personnel will have already received training/attended courses relating to the Duties of Trustees as part of their professional development or have attended Trustee Training relating to other Charitable activities.

The majority of the ARU officials are serving British Army personnel, with the exception of the ARU secretariat, which is staffed by 4 permanent staff; the ARU Chief Operations Officer and Assistant Operations Officer, funded by the Army Sports Control Board, and the Director of Finance and Communications Officer funded by the charity. The majority of posts within the ARU are advertised on the ARU website inviting volunteers to be considered for selection: all Management Board appointments are re-appointed at the AGM.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

08167993 (England and Wales)

Registered Charity number

1149105

Registered office
Army Rugby Union Mackenzie building
Fox Lines
Queens Avenue
Aldershot
Hampshire
GU11 2LB

Trustees
J Cook Obe Phd Chair Person
A Geary Hm Forces
G Malec Hm Forces
Major G E Stonebridge-Smith MB Hm Forces
A Teasdale Operations Manager
M Wilding Hm Forces

Company Secretary

Auditors
Turner & Co
Registered Auditors
Chartered Accountants
10a White Hart Parade
London Road
Blackwater
Camberley
Surrey
GU17 9AD

STATEMENT OF TRUSTEES' RESPONSIBILITIES
The trustees (who are also the directors of Army Rugby Union Trust for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Turner & Co, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 29 May 2025 and signed on the board's behalf by:

.....

J Cook Obe Phd - Trustee

Opinion

We have audited the financial statements of Army Rugby Union Trust (the 'charitable company') for the year ended 31 August 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2024 and of its incoming resources and application of resources, including its income and expenditure, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information
The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees
As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Enquiry of management, those charged with governance around actual and potential litigation and claims.

Reviewing financial statements disclosure and testing to supporting documentation to assess compliance with applicable laws and regulations and the Associations memorandum.

Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business should they arise.

Reconciling income in total to amount recorded in the company's financial records to ensure completeness of income.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Margaret Turner (Senior Statutory Auditor)
for and on behalf of Turner & Co
Registered Auditors
Chartered Accountants
10a White Hart Parade
London Road
Blackwater
Camberley
Surrey
GU17 9AD

Date: .....

Statement of Financial Activities
for the Year Ended 31 August 2024

	Notes	Unrestricted funds £	Restricted fund £	31.8.24 Total funds £	31.8.23 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	388,767	-	388,767	272,882
Other trading activities	3	564,914	-	564,914	824,287
Investment income	4	56,610	-	56,610	18,575
Other income		-	-	-	19,493
Total		1,010,291	-	1,010,291	1,135,237
EXPENDITURE ON					
Raising funds	5	222,523	-	222,523	99,537
Charitable activities	6				
Charitable activities		718,713	6,662	725,375	894,353
Total		941,236	6,662	947,898	993,890
Net gains/(losses) on investments		23,567	-	23,567	(1,460)
NET INCOME/(EXPENDITURE)		92,622	(6,662)	85,960	139,887
RECONCILIATION OF FUNDS					
Total funds brought forward		1,860,433	135,504	1,995,937	1,856,050
TOTAL FUNDS CARRIED FORWARD		1,953,055	128,842	2,081,897	1,995,937

The notes form part of these financial statements

Balance Sheet
31 August 2024

	Notes	Unrestricted funds £	Restricted fund £	31.8.24 Total funds £	31.8.23 Total funds £
FIXED ASSETS					
Tangible assets	13	152,008	128,842	280,850	295,535
Investments	14	398,175	-	398,175	363,990
		550,183	128,842	679,025	659,525
CURRENT ASSETS					
Stocks	15	-	-	-	110
Debtors	16	1,004	-	1,004	3,488
Cash at bank and in hand		1,461,911	-	1,461,911	1,385,674
		1,462,915	-	1,462,915	1,389,272
CREDITORS					
Amounts falling due within one year	17	(60,043)	-	(60,043)	(52,860)
NET CURRENT ASSETS		1,402,872	-	1,402,872	1,336,412
TOTAL ASSETS LESS CURRENT LIABILITIES		1,953,055	128,842	2,081,897	1,995,937
NET ASSETS		1,953,055	128,842	2,081,897	1,995,937

The notes form part of these financial statements

continued...

Balance Sheet - continued
31 August 2024

FUNDS	18		
Unrestricted funds:			
General fund		1,953,055	1,860,433
Restricted funds:			
Property equipment fund		128,842	135,504
TOTAL FUNDS		2,081,897	1,995,937

The financial statements were approved by the Board of Trustees and authorised for issue on 29 May 2025 and were signed on its behalf by:

.....
J Cook Obe Phd - Trustee

The notes form part of these financial statements

Army Rugby Union Trust

Cash Flow Statement
for the Year Ended 31 August 2024

	Notes	31.8.24 £	31.8.23 £
Cash flows from operating activities			
Cash generated from operations	1	30,244	176,559
Net cash provided by operating activities		30,244	176,559
Cash flows from investing activities			
Purchase of fixed asset investments		(10,617)	-
Sale of fixed asset investments		-	(1,460)
Interest received		43,571	9,531
Dividends received		13,039	9,044
Net cash provided by investing activities		45,993	17,115
Change in cash and cash equivalents in the reporting period		76,237	193,674
Cash and cash equivalents at the beginning of the reporting period		1,385,674	1,192,000
Cash and cash equivalents at the end of the reporting period		1,461,911	1,385,674

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 August 2024

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.8.24 £	31.8.23 £
Net income for the reporting period (as per the Statement of Financial Activities)	85,960	139,887
Adjustments for:		
Depreciation charges	14,685	15,200
Gain on investments	(23,568)	(3,757)
Interest received	(43,571)	(9,531)
Dividends received	(13,039)	(9,044)
Decrease in stocks	110	968
Decrease in debtors	2,484	20,618
Increase in creditors	7,183	22,218
Net cash provided by operations	30,244	176,559

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.23 £	Cash flow £	At 31.8.24 £
Net cash			
Cash at bank and in hand	1,385,674	76,237	1,461,911
	1,385,674	76,237	1,461,911
Total	1,385,674	76,237	1,461,911

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

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

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

Taxation
The charity is exempt from corporation tax on its charitable activities.

Fund accounting
Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

continued...

1. ACCOUNTING POLICIES - continued

Fund accounting
Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits
The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. DONATIONS AND LEGACIES

	31.8.24	31.8.23
	£	£
Gifts	250	-
Donations	388,517	272,882
	388,767	272,882

3. OTHER TRADING ACTIVITIES

	31.8.24	31.8.23
	£	£
Sporting events	540,222	815,586
Shop income	6,000	3,651
Prize money	2,000	-
Affiliation fees	3,020	4,150
Other income	13,672	900
	564,914	824,287

continued...

4. INVESTMENT INCOME

	31.8.24	31.8.23
	£	£
Income from listed investments	7,333	2,366
Other fixed asset inv - UnFII	5,706	6,678
Deposit account interest	43,571	9,531
	56,610	18,575

5. RAISING FUNDS

Raising donations and legacies

	31.8.24	31.8.23
	£	£
Hospitality	6,793	2,710
Advertising	215,730	96,827
	222,523	99,537

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Grant funding of activities (see note 7)	Support costs (see note 8)	Totals
	£	£	£	£
Charitable activities	462,369	63,645	199,361	725,375

7. GRANTS PAYABLE

	31.8.24	31.8.23
	£	£
Charitable activities	63,645	310,492

continued...

8. SUPPORT COSTS

	Management	Information technology	Other	Governance costs	Totals
	£	£	£	£	£
Charitable activities	42,897	1,538	131,161	23,765	199,361

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.8.24	31.8.23
	£	£
Auditors' remuneration	20,890	15,000
Auditors' remuneration for non audit work	-	4,137
Depreciation - owned assets	14,685	15,200

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2024 nor for the year ended 31 August 2023.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2024 nor for the year ended 31 August 2023.

11. STAFF COSTS

	31.8.24	31.8.23
	£	£
Wages and salaries	129,615	69,890
Social security costs	738	7,516
Other pension costs	808	9,754
	131,161	87,160

The average monthly number of employees during the year was as follows:

	31.8.24	31.8.23
Director of finance	1	1
Communications officer	1	1
	2	2

continued...

11. STAFF COSTS - continued

No employees received emoluments in excess of £60,000.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted fund £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	272,882	-	272,882
Other trading activities	824,287	-	824,287
Investment income	18,575	-	18,575
Other income	19,493	-	19,493
Total	1,135,237	-	1,135,237
EXPENDITURE ON			
Raising funds	99,537	-	99,537
Charitable activities			
Charitable activities	887,691	6,662	894,353
Total	987,228	6,662	993,890
Net gains/(losses) on investments	(1,460)	-	(1,460)
NET INCOME/(EXPENDITURE)	146,549	(6,662)	139,887
RECONCILIATION OF FUNDS			
Total funds brought forward	1,713,884	142,166	1,856,050
TOTAL FUNDS CARRIED FORWARD	1,860,433	135,504	1,995,937

continued...

13. TANGIBLE FIXED ASSETS

	Short leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 September 2023 and 31 August 2024	364,435	59,661	2,491	426,587
DEPRECIATION				
At 1 September 2023	69,008	59,661	2,383	131,052
Charge for year	14,577	-	108	14,685
At 31 August 2024	83,585	59,661	2,491	145,737
NET BOOK VALUE				
At 31 August 2024	280,850	-	-	280,850
At 31 August 2023	295,427	-	108	295,535

14. FIXED ASSET INVESTMENTS

	Listed investments £	Unlisted investments £	Totals £
MARKET VALUE			
At 1 September 2023	177,495	186,495	363,990
Additions	4,911	5,706	10,617
Revaluations	20,343	3,225	23,568
At 31 August 2024	202,749	195,426	398,175
NET BOOK VALUE			
At 31 August 2024	202,749	195,426	398,175
At 31 August 2023	177,495	186,495	363,990

There were no investment assets outside the UK.

continued...

14. FIXED ASSET INVESTMENTS - continued

Cost or valuation at 31 August 2024 is represented by:

	Listed investments	Unlisted investments	Totals
	£	£	£
Valuation in 2024	75,515	15,148	90,663
Cost	127,234	180,278	307,512
	202,749	195,426	398,175

15. STOCKS

	31.8.24	31.8.23
	£	£
Stocks	-	110

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.24	31.8.23
	£	£
Prepayments and accrued income	1,004	3,488

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.24	31.8.23
	£	£
Other creditors	-	11,881
Accruals and deferred income	60,043	40,979
	60,043	52,860

continued...

18. MOVEMENT IN FUNDS

	At 1.9.23 £	Net movement in funds £	At 31.8.24 £
Unrestricted funds			
General fund	1,860,433	92,622	1,953,055
Restricted funds			
Property equipment fund	135,504	(6,662)	128,842
TOTAL FUNDS	1,995,937	85,960	2,081,897

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,010,291	(941,236)	23,567	92,622
Restricted funds				
Property equipment fund	-	(6,662)	-	(6,662)
TOTAL FUNDS	1,010,291	(947,898)	23,567	85,960

Comparatives for movement in funds

	At 1.9.22 £	Net movement in funds £	At 31.8.23 £
Unrestricted funds			
General fund	1,713,884	146,549	1,860,433
Restricted funds			
Property equipment fund	142,166	(6,662)	135,504
TOTAL FUNDS	1,856,050	139,887	1,995,937

continued...

18. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	1,135,237	(987,228)	(1,460)	146,549
Restricted funds				
Property equipment fund	-	(6,662)	-	(6,662)
TOTAL FUNDS	1,135,237	(993,890)	(1,460)	139,887

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.9.22 £	Net movement in funds £	At 31.8.24 £
Unrestricted funds			
General fund	1,713,884	239,171	1,953,055
Restricted funds			
Property equipment fund	142,166	(13,324)	128,842
TOTAL FUNDS	1,856,050	225,847	2,081,897

continued...

18. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	2,145,528	(1,928,464)	22,107	239,171
Restricted funds				
Property equipment fund	-	(13,324)	-	(13,324)
TOTAL FUNDS	2,145,528	(1,941,788)	22,107	225,847

19. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2024.

Detailed Statement of Financial Activities
for the Year Ended 31 August 2024

	31.8.24 £	31.8.23 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Gifts	250	-
Donations	388,517	272,882
	388,767	272,882
Other trading activities		
Sporting events	540,222	815,586
Shop income	6,000	3,651
Prize money	2,000	-
Affiliation fees	3,020	4,150
Other income	13,672	900
	564,914	824,287
Investment income		
Income from listed investments	7,333	2,366
Other fixed asset inv - UnFII	5,706	6,678
Deposit account interest	43,571	9,531
	56,610	18,575
Other income		
Royalties	-	19,493
Total incoming resources	1,010,291	1,135,237
EXPENDITURE		
Raising donations and legacies		
Hospitality	6,793	2,710
Advertising	215,730	96,827
	222,523	99,537
Charitable activities		
Sporting events	154,131	339,423
Carried forward	154,131	339,423

Detailed Statement of Financial Activities
for the Year Ended 31 August 2024

	31.8.24	31.8.23
	£	£
Charitable activities		
Brought forward	154,131	339,423
Management	3,395	-
Grounds and infrastructure	-	2,301
Clothing formal	128,849	61,600
Training equipment	35,852	6,800
Medical	21,240	1,206
Presentations	7,808	4,348
Accommodation	64,850	7,562
Messing and subsistence	24,052	12,374
Management training	840	1,326
Vehicle leasing	2,302	2,687
Vehicle running costs	71	1,271
Travel	4,294	772
Short leasehold	14,577	14,577
Computer equipment	108	623
Grants to institutions	6,071	17,828
Grants to individuals	57,574	292,664
	526,014	767,362
Support costs		
Management		
Insurance	572	2,263
Light and heat	1,849	471
Telephone	828	837
Postage and stationery	55	2,492
Sundries	37,795	136
Media costs	556	11,110
Website	1,242	1,407
	42,897	18,716
Finance		
Bank charges	-	35
Information technology		
computer and software	1,538	1,943
Other		
Wages	129,615	69,890
Carried forward	129,615	69,890

Detailed Statement of Financial Activities
for the Year Ended 31 August 2024

	31.8.24 £	31.8.23 £
Other		
Brought forward	129,615	69,890
Social security	738	7,516
Pensions	808	9,754
	131,161	87,160
Governance costs		
Auditors' remuneration	20,890	15,000
Auditors' remuneration for non audit work	-	4,137
Accountancy and legal fees	2,875	-
	23,765	19,137
Total resources expended	947,898	993,890
Net income before gains and losses	62,393	141,347
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	23,567	(1,460)
Net income	85,960	139,887

ARMY RUGBY UNION TRUST

England & Wales - Charity number 1149105

Accounts

Army Rugby Union Trust

Annual Report and Financial Statements

For the year ended 31 August 2023

Army Rugby Union Trust

Legal and administrative information

Trustees

Maj Gen JMJ Bennett CBE	Chairman (Resigned 31/05/23)
Brig JP Cook OBE	Chairman (New role 01/06/23)
Maj M Wilding	Director of Community Rugby
Mr D McDermid	Director of Finance (Non-Trustee)
Mr A Leach	Non-Executive Director of Marketing (Resigned 31/05/23)
Mr J Eyre	Operations Manager (Non-Trustee)
Ms A Teasdale	Non-Executive Director of Community Rugby
Mr B W E Facer	Non-Executive Director of Commerce (Resigned 10/02/23)
Andrew Geary	Director of Representative Rugby (Appointed 01/09/2022)
Giles Malec	Director of Marketing (Appointed 01/09/2022)
Mr Wayne Burnard MBE	Director of Rugby Development (Resigned 10/02/2023)
Maj G E Stonebridge-Smith MBE	Director of Rugby Development (Appointed 01/06/2023)

Charity number 1149105

Company number 08167993

Registered office Mackenzie Building
Fox Lines
Queens Avenue
Aldershot
Hampshire
GU11 2LB

Auditor DJH Audit Limited
The Glades
Festival Way
Festival Park
Stoke on Trent
Staffordshire
ST1 5SQ

Army Rugby Union Trust

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Army Rugby Union Trust

Trustees' report (including directors' report and strategic report)

For the year ended 31 August 2023

The trustees present their annual report and financial statements for the year ended 31 August 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the trust's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

The aim of the ARU is to promote and foster the game of Rugby Union in the Army and its civilian and military communities in accordance with the Laws of the Game promulgated by World Rugby rules, regulations and byelaws issued by the Rugby Football Union (RFU).

Nothing in this constitution shall authorise an application of the property of the Charity for the purposes which are not charitable in accordance with section 7 of the Charities and Trustee Investment (Scotland) Act 2005 and section 2 of the Charities Act (Northern Ireland) 2008.

To meet the aim the ARU shall pursue the following objectives:

- General - Provide an infrastructure for Army Rugby such that no potential participant is denied the opportunity to play, coach or referee at the highest level possible.

- Governance - The ARU Management Board that is voted into office by its members annually at the Annual General Meeting shall conduct the affairs of the Union in a financially and responsible way, so that it remains compliant with the Charity Commission and Companies House laws and as detailed in the paragraphs below.

- Representative Rugby — Select and maintain at Senior, Women's, Development Academy and Master's levels Fifteen and Sevens team, as appropriate and agreed, to represent the Army. To provide a standard of rugby that will develop and promote those with talent for higher honours. In addition, the ARU shall seek to support the work of the UKAF Rugby Football Club Committee.

- Community Rugby — Organise and run annually, for Army clubs in the UK, the ARU Premiership and Championship leagues to provide a competitive element throughout the season irrespective of the ability of the participants; the rules of these competitions are reviewed and published annually on the appropriate page of the ARU web site. In addition the ARU may approve or organise other competitions which support the aim of the ARU, including:
    - The Inter Corps League Tables,
    - The Army Inter Corps Fifteens Championship, and
    - The Army Sevens Tournament.

- Coaching — Maintain a formal coaching structure to improve and thereafter sustain the standards throughout the Army and to provide a structure for the advancement of coaches.

- Referees — Maintain the Army Rugby Union Referees Society (ARURS) to improve and sustain the standards of refereeing in the Army. To facilitate the training, development and advancement of referees and to the appropriate links with the UKAF Rugby Referees and other referee's societies.

- Finance — Maintain a sound financial base, thereby providing the best service to Rugby Union in the Army, within budget, and in accordance with the priorities agreed by the Management Board.

- Marketing and Engagement — Market the ARU as a positive contributor to the 'lived experience' and the opportunities available to Army sports personnel who seek to compete and succeed at the highest level they can. Where we can, offer ARU representative fixtures to be used as Engagement Events to support the Army's INFORM and ATTRACT.

- Relations with the RFU — Maintain a close and binding relationship with the RFU, taking all appropriate measures to promote Army Rugby at national and international levels, and seeking opportunities to support the RFU's community rugby initiative.

- Injury and Safety — Promote standards of play and discipline such that all players and officials are placed at the least possible risk, whilst ensuring that all participating teams are fully insured via the RFU insurance scheme.

- Reviews — The Objectives of the ARU are reviewed by the Management Board, as required, and by the Council annually. If agreed, any recommended changes are to be announced at the Annual General Meeting. Agreed objectives based on paragraphs 3 and 4 above are to be promulgated to members of Union through the Annual Management Plan.

- Maintaining a diversified leadership approach the Army Rugby Union Charitable Trust maintains on course to continue the development of the strategic plan for the period 2022 - 2025 which has been modified, at its core will see the development of military community rugby, further enhancing the charity's role and significance in the local military garrison communities. Going forward we will do this with a clear purpose: "To engage and inspire our military community through rugby".

Conclusion
The Army Rugby Union (ARU) trustees has considered the three year post Covid -19 financial recovery plan and the declining revenue from the Army v Navy ticket sales and considers the company will be able to meet its liabilities as they fall due over the coming 12 month, and hence these financial statements are prepared on a going concern basis.

The ARU trustees acknowledge that their accounts are in a healthy state of affairs however they will monitor the impact of declining revenue from ticket sales and or sponsorship on the activities of the ARU Charitable Trust.

Strategic report
The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

Achievements and performance
Financial review
The Trust witnessed an excess of income over expenditure for the year ended 31 August 2023 of £139,890.

The Trust has wide powers of investment. The Director of Finance is restricted in the structure of the investment portfolio by policy decisions made from time to time by the Trustees at the quarterly meetings. The overall investment policy is one of long-term capital growth to maintain the purchasing power of the Trust. The Management Board continue to endorse a revised Reserves Strategy to grow the Trust's Reserves to cover one year's annual net operating costs. The policy complies with SORP.

The ARU is controlled and directed by the Management Board which should meet at least four times a year to monitor in year performance, to decide policy. The Management Board endorses the annual allocation of funds prepared by the Director of Finance following internal budget screenings to representative teams, community competitions and other charitable bodies as decided appropriate by the Board.

The ARU Trust employs two pensionable permanent staff - the Director of Finance, and the Communications Officer. The full-time Chief Operating Officer and Assistant Operations Officer are employed by the Army Sports Control Board, but they work directly for the ARU Management Board.

Risks are considered by the Management Board and the key risks remain the continuing success of the annual Army v Navy game and a loss of sponsorship. The reserve policy is designed to ensure that sufficient reserves are retained to cover at least one year of operating costs.

Plans for future periods

The management board remain focused on promoting and governing Rugby Union in the Army through the maintenance of stable structures for the game that enable its successful development at all levels. This is to be achieved by increased levels of funding to the community area of the Trust. The management board endorsed policy of a balanced budget remains extant.

Structure, governance and management

The ARU is a regulatory body, which on behalf of the President, directs, controls, administers and promotes the sport of Rugby Football Union within the British Army. These powers are laid down in the constitution of the ARU which are incorporated in Games and Sports of the Army. The objects of the ARU are reviewed by the Management Board and specific targets and objectives are laid down in the Management Plan, which is also compatible with the Rugby Football Union Management Plan as the governing body for the sport.

The aim of the ARU is to promote and foster the game of Rugby Union in the Army and its local communities in accordance with the Laws of the Game promulgated by World Rugby and the rules, regulations and byelaws issued by the Rugby Football Union (RFU).

The ARU Management Board is responsible for managing the affairs of the Trust, determine policy and has full power over the use, disposition, and investment of ARU Funds. It meets at least four times per year and each Director, as listed below, takes the lead on their respective area. The Management Board consist of the following appointments:

Chairman
Vice Chairman/RFU Council Member
Director of Representative Rugby
Director of Marketing
Director of Community Rugby
Director of Rugby Development
Non-Executive Director of Finance
Non-Executive Director of Marketing
Non-Executive Director of Operations
Non-Executive Director of Community Rugby

In addition to the ARU Management Board, the ARU Council acts as a forum at which all elements of the game in the Army are represented. Affiliated clubs within the ARU are entitled to vote at the AGM. The by-laws of the ARU can only be added to, amended, or rescinded with the consent of at least two thirds of members present at a General Meeting.

New appointees' induction training is personalised to meet the requirements of the appointee; with the advent of amendments to the Trustees & Charities Acts, many serving personnel will have already received training/attended courses relating to the Duties of Trustees as part of their professional development or have attended Trustee Training relating to other Charitable activities.

The majority of the ARU officials are serving British Army personnel, with the exception of the ARU secretariat. which is staffed by 4 permanent staff; the ARU Chief Operations Officer and Assistant Operations Officer funded by the Army Sports Control Board, and the Director of Finance and Communications Officer funded by the charity. The majority of posts within the ARU are advertised on the ARU website inviting volunteers to be considered for selection; all Management Board appointments are re-appointed at the AGM.

Statement of trustees' responsibilities

The trustees (who are also directors of Army Rugby Union Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Public benefit statement

The activities undertaken by the charity further the charity's purposes for the public benefit. The trustees have had due regard to the Charity Commission's guidance on public benefit.

Disclosure of information to the auditors

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and

- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The trustees' report, including the strategic report, was approved by the Board of Trustees.

26/09/2024

Brig JP Cook OBE
Chairman

Date: .....

Army Rugby Union Trust

Independent auditor's report

To the Trustees of Army Rugby Union Trust

Opinion

We have audited the financial statements of Army Rugby Union Trust (the 'trust') for the year ended 31 August 2023 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the trust for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our commercial knowledge and experience of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the charity's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report (continued)

To the Trustees of Army Rugby Union Trust

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Gary Neil Chadwick FCCA (Senior Statutory Auditor)
for and on behalf of DJH Audit Limited

7/10/2024

Accountants
Statutory Auditor

The Glades
Festival Way
Festival Park
Stoke on Trent
Staffordshire
ST1 5SQ

Army Rugby Union Trust

Statement of financial activities including income and expenditure account

For the year ended 31 August 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Income and endowments from:							
Donations and sponsorship	3	272,882	-	272,882	224,856	-	224,856
Charitable activities	4	820,639	-	820,639	878,838	-	878,838
Other trading activities	5	3,651	-	3,651	28,558	-	28,558
Investments	6	18,575	-	18,575	2,768	-	2,768
Other income	7	19,493	-	19,493	-	-	-
Total income		1,135,240	-	1,135,240	1,135,020	-	1,135,020
Expenditure on:							
Raising funds	8	99,537	-	99,537	100,570	-	100,570
Charitable activities	9	887,691	6,662	894,353	674,690	2,776	677,466
Total expenditure		987,228	6,662	993,890	775,260	2,776	778,036
Net gains/(losses) on investments	15	(1,460)	-	(1,460)	(3,693)	-	(3,693)
Net movement in funds		146,552	(6,662)	139,890	356,067	(2,776)	353,291
Fund balances at 1 September 2022		1,713,881	142,166	1,856,047	1,357,814	144,942	1,502,756
Fund balances at 31 August 2023		1,860,433	135,504	1,995,937	1,713,881	142,166	1,856,047

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

Army Rugby Union Trust

Statement of financial position

As at 31 August 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	**16**		295,535		310,733
Investments	**17**		363,990		358,773
			659,525		669,506
Current assets					
Stocks	**19**	110		1,077	
Debtors	**20**	3,488		24,106	
Cash at bank and in hand		1,385,674		1,192,000	
		1,389,272		1,217,183	
Creditors: amounts falling due within one year	**21**	(52,860)		(30,642)	
Net current assets			1,336,412		1,186,541
Total assets less current liabilities			1,995,937		1,856,047
Income funds					
Restricted funds	**23**		135,504		142,166
Unrestricted funds					
Designated funds	**24**	1,150,000		950,000	
General unrestricted funds		710,433		763,881	
			1,860,433		1,713,881
			1,995,937		1,856,047

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

The financial statements were approved by the Trustees on 26/9/2024

.....

Brig JP Cook OBE
Chairman

Company registration number 08167993

Army Rugby Union Trust

Statement of cash flows

For the year ended 31 August 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Cash flows from operating activities					
Cash generated from operations	**28**		181,778		336,486
Investing activities					
Purchase of tangible fixed assets		-		(81)	
Investment income received		11,896		2,768	
Net cash generated from investing activities			11,896		2,687
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			193,674		339,173
Cash and cash equivalents at beginning of year			1,192,000		852,827
Cash and cash equivalents at end of year			1,385,674		1,192,000

1 Accounting policies

Charity information

Army Rugby Union Trust is a company, limited by guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are described in the Trustee's Report.

1.1 Accounting convention

The financial statements have been prepared in accordance with the trust's [governing document], the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The trust is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the trust. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

1.4 Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

1 Accounting policies **(Continued)**

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably, and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

Where practicable, gifts in kind donated for distribution to the benefidaries of the charity are included in stock and donations in the financial statements upon receipt. If it Is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed, and an equivalent amount recognised as charitable expenditure.

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised In the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received, and the amount can be measured reliably. If entitlement is not met, then these amounts are deferred.

Income from charitable activities represents income generated from the "Army vs Navy" match.

Investment income is earned through holding assets for investment purposes. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1 Accounting policies **(Continued)**

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	25 years straight line
Fixtures and fittings	25% straight line
Computers	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

The Trustees have reconsidered the useful life of leasehold land and buildings from 60 years to 25 years.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the trust reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies **(Continued)**

1.11 Financial instruments

The trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the trust's balance sheet when the trust becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

Derecognition of financial liabilities

Financial liabilities are derecognised when the trust's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the trust's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and sponsorship

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Donations and gifts	272,882	224,856
Donations and gifts		
MITIE	60,000	32,000
Rugby Football Union	22,382	18,133
Activision	17,500	17,500
DXC	22,500	22,500
SAAB Defence	20,000	6,000
Gifted assets	-	15,000
LEIDOS	-	15,000
Galvion	15,000	6,000
Veolia	15,000	15,000
KBR (UK) Ltd	15,000	15,000
Other	85,500	62,723
	272,882	224,856

4 Charitable activities

	2023	2022
	£	£
Sporting events	815,589	873,769
Prize money	-	1,200
Affiliation fees	4,150	3,800
Other income	900	69
	820,639	878,838

5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Shop income	3,651	28,558

6 Investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Income from listed investments	2,366	2,212
Income from unlisted investments	6,678	-
Interest receivable	9,531	556
	18,575	2,768

7 Other income

	Unrestricted funds	Total
	2023	2022
	£	£
Royalties	19,493	-

8 Raising funds

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Fundraising and publicity		
Hospitality	2,710	42,118
Advertising	96,827	58,452
Fundraising and publicity	99,537	100,570
	99,537	100,570

9 Charitable activities

	Charitable activities 2023 £	Charitable activities 2022 £
Depreciation and impairment	15,200	6,680
Sporting events	339,423	289,115
Management	-	1,496
Grounds and infrastructure	2,301	7,205
Clothing formal	61,600	2,600
Training equipment	6,800	-
Medical	1,206	11,338
Presentations	4,348	5,185
Accomodation	7,562	3,395
Messing and subsistence	12,374	7,633
Management training	1,326	600
Vehicle leasing	2,687	2,687
Vehicle running costs	1,271	2,347
Travel	772	1,267
	456,870	341,548
Grant funding of activities (see note 10)	310,492	214,833
Share of support costs (see note 11)	107,854	109,587
Share of governance costs (see note 11)	19,137	11,498
	894,353	677,466
Analysis by fund		
Unrestricted funds	887,691	674,690
Restricted funds	6,662	2,776
	894,353	677,466

10 Grants payable

	Charitable activities 2023	Charitable activities 2022
	£	£
Grants to institutions (7 grants):		
Academy annual grant	17,828	12,161
Senior XV annual grant	99,259	62,265
Sevens annual grant	34,251	20,229
Veterans annual grant	31,354	17,757
Womens's annual grant	83,102	44,849
ARU Referees society grant	6,808	6,000
Corps annual grant	-	5,544
Community annual grrant	37,890	31,028
Team gift in kind	-	15,000
	310,492	214,833

-

11 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Staff costs	87,160	-	87,160	88,721	-	88,721
Postage and stationery	2,492	-	2,492	1,108	-	1,108
Media costs	11,110	-	11,110	10,536	-	10,536
Telephone	837	-	837	3,198	-	3,198
Website	1,407	-	1,407	1,288	-	1,288
Insurance	2,263	-	2,263	907	-	907
Bank charges	35	-	35	35	-	35
Electricity	471	-	471	374	-	374
Computer and software	1,943	-	1,943	2,898	-	2,898
Miscellaneous purchases	136	-	136	522	-	522
Legal and professional	-	19,137	19,137	-	11,498	11,498
	107,854	19,137	126,991	109,587	11,498	121,085
Analysed between						
Charitable activities	107,854	19,137	126,991	109,587	11,498	121,085

12 Auditor's remuneration

Fees payable to the trust's auditor and associates:	2023 £	2022 £
Audit of the trust's annual accounts	15,000	9,500
Other services to the group		
- Audit of the trust's subsidiaries	-	3,500
Total audit fees	15,000	13,000

13 Trustees

None of the trustees (or any persons connected with them) received any remuneration during the year, but 2 of them were reimbursed a total of £478 travelling expenses (2022- 2 were reimbursed £624).

14 Employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Administrative	2	2

Employment costs	2023 £	2022 £
Wages and salaries	69,890	70,674
Social security costs	7,516	7,564
Other pension costs	9,754	10,483
	87,160	88,721

There were no employees whose annual remuneration was more than £60,000.

15 Net gains/(losses) on investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Revaluation of investments	(1,460)	(3,693)

16 Tangible fixed assets

	Leasehold land and buildings	Fixtures and fittings	Computers	Total
	£	£	£	£
Cost				
At 1 September 2022	364,435	59,661	2,491	426,587
At 31 August 2023	364,435	59,661	2,491	426,587
Depreciation and impairment				
At 1 September 2022	54,431	59,661	1,760	115,852
Depreciation charged in the year	14,577	-	623	15,200
At 31 August 2023	69,008	59,661	2,383	131,052
Carrying amount				
At 31 August 2023	295,427	-	108	295,535
At 31 August 2022	310,002	-	731	310,733

17 Fixed asset investments

	Listed investments	Unlisted investments	Other investments	Total
	£	£		£
Cost or valuation				
At 1 September 2022	178,955	179,817	1	358,773
Valuation changes	(1,460)	6,678	-	5,218
Impairment	-	-	(1)	(1)
At 31 August 2023	177,495	186,495	-	363,990
Carrying amount				
At 31 August 2023	177,495	186,495	-	363,990
At 31 August 2022	178,955	179,817	1	358,773

Other investments comprise:	Notes	2023 £	2022 £
Investments in subsidiaries		-	1

17 Fixed asset investments (Continued)

Holdings in excess of 5% of fund value

	2023	2022
	£	£
Investments at fair value comprise:		
M&G Charifund (Income)	38,929	41,053
M&G Charifund (Accumulated)	138,565	137,902
UST COIF	186,495	179,817
	363,989	358,772

Listed investments included above:	2023	2022
	£	£
Listed investments carrying amount	185,035	178,955

18 Financial instruments

	2023	2022
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	177,495	178,955

19 Stocks

	2023	2022
	£	£
Finished goods and goods for resale	110	1,077

20 Debtors

	2023	2022
Amounts falling due within one year:	£	£
Amounts owed by subsidiary undertakings	-	21,558
Prepayments and accrued income	3,488	2,548
	3,488	24,106

21 Creditors: amounts falling due within one year

	2023	2022
	£	£
Other creditors	11,881	18,108
Accruals and deferred income	40,979	12,534
	52,860	30,642

Deferred income includes £35,000 in respect of sponsorship income relating to next year.

22 Retirement benefit schemes

Defined contribution schemes

The trust operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the trust in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £9,754 (2022 - £10,483).

23 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 September 2021	Resources expended	Balance at 1 September 2022	Resources expended	Balance at 31 August 2023
	£	£	£	£	£
Property and equipment fund	144,942	(2,776)	142,166	(6,662)	135,504

24 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 September 2021	Transfers	Balance at 1 September 2022	Transfers	Balance at 31 August 2023
	£	£	£	£	£
Minimum capital fund	650,000	150,000	800,000	-	800,000
Mens tour fund	100,000	-	100,000	-	100,000
Womens tour fund	50,000	-	-	100,000	100,000
Sevens tour fund	-	-	-	100,000	100,000
Capital fund	-	-	50,000	-	50,000
	800,000	150,000	950,000	200,000	1,150,000

25 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Fund balances at 31 August 2023 are represented by:						
Tangible assets	160,031	135,504	295,535	168,567	142,166	310,733
Investments	363,990	-	363,990	358,773	-	358,773
Current assets/(liabilities)	1,336,412	-	1,336,412	1,186,541	-	1,186,541
	1,860,433	135,504	1,995,937	1,713,881	142,166	1,856,047

26 Operating lease commitments

At the reporting end date the trust had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	448	2,687
Between two and five years	-	448
	448	3,135

27 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

28 Cash generated from operations

	2023	2022
	£	£
Surplus for the year	139,890	353,291
Adjustments for:		
Investment income recognised in statement of financial activities	(18,575)	(2,768)
Fair value gains and losses on investments	1,460	3,693
Depreciation and impairment of tangible fixed assets	15,200	6,680
Movements in working capital:		
Decrease in stocks	967	2,792
Decrease/(increase) in debtors	20,618	(20,483)
Increase/(decrease) in creditors	22,218	(6,719)
Cash generated from operations	181,778	336,486

29 Analysis of changes in net funds

The trust had no debt during the year.

ARMY RUGBY UNION TRUST

England & Wales - Charity number 1149105

Accounts

Charity registration number: 1149105
Company registration number: 08167993 (England and Wales)

djh mitten clarke audit

ARMY RUGBY UNION TRUST

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

djhmittenclarke.co.uk

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The Glades • Festival Way • Stoke-on-Trent • Staffordshire • ST1 5SQ

DJH Mitten Clarke Audit is a trading name of DJH Mitten Clarke Audit Limited. Registered in England and Wales No. 10391979.
A list of our directors and their qualifications can be viewed at our registered office.

ARMY RUGBY UNION TRUST

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

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ARMY RUGBY UNION TRUST

CHARITY REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 AUGUST 2022

Legal and Administrative Detail

1. The Army Rugby Union Trust is a company limited by guarantee and not having a share capital under the Companies Acts 1985 and 1989 (registration number 8167993) and is registered with the Charity Commissioners as a charity (registration number 1149105) under the Charities Act 1993.

2. The Managing Trustees are members of the ARU Management Board and in this period were:

Maj Gen JMJ Bennett CBE	Chairman
Brig JP Cook OBE	Director of Discipline & Governance/ RFU Council Member
Brig (Retired) PJ Allison	Director of Marketing (Resigned 31/08/22)
Brig AW Griffiths	Director of Representative Rugby (Resigned 31/08/22)
Maj M Wilding	Director of Community Rugby
Mr S Bates	Director of Finance (Non-Trustee)
Mr A Leach	Non-Executive Director of Marketing
Mr B W E Facer	Non-Executive Director of Commerce (Resigned 10/02/23)
Col D Rutherford	Non-Executive Director of Finance (Resigned on 31/08/22)
Ms A Teasdale	Non-Executive Director of Community Rugby

3. **Registered Address:**

Army Rugby Union Trust
Mackenzie Building
Fox Lines,
Queens Avenue
Aldershot
Hampshire
GU11 2LB

4. **Bankers:**

The Royal Bank of Scotland
Holt's Farnborough Branch
Lawrie House
Victoria Road
Farnborough
Hants
GU14 7NR

5. **Auditors:**

DJH Mitten Clarke Audit Limited
The Glades
Festival Way
Festival Park
Stoke on Trent
Staffordshire
ST1 5SQ

STRUCTURE, GOVERNANCE AND MANAGEMENT

1. The ARU is a regulatory body, which on behalf of the President, directs, controls, administers and promotes the sport of Rugby Football Union within the British Army. These powers are laid down in the constitution of the ARU which are incorporated in Games and Sports of the Army. The objects of the ARU are reviewed by the Management Board and specific targets and objectives are laid down in the Management Plan, which is also compatible with the Rugby Football Union Management Plan as the governing body for the sport.

2. The aim of the ARU is to promote and foster the game of Rugby Union in the Army and its local communities in accordance with the Laws of the Game promulgated by World Rugby and the rules, regulations and byelaws issued by the Rugby Football Union (RFU).

3. The ARU Management Board is responsible for managing the affairs of the Trust, determine policy and has full power over the use, disposition, and investment of ARU Funds. It meets at least four times per year and each Director, as listed below, takes the lead on their respective area. The Management Board consist of the following appointments:

   Chairman
   Vice Chairman/RFU Council Member
   Director of Representative Rugby
   Director of Marketing
   Director of Finance (Ex Officio-Non-Trustee)
   Director of Community Rugby
   Non-Executive Director of Finance
   Non-Executive Director of Marketing
   Non-Executive Director of Commerce
   Non-Executive Director of Community Rugby

4. In addition to the ARU Management Board, the ARU Council acts as a forum at which all elements of the game in the Army are represented. Affiliated clubs within the ARU are entitled to vote at the AGM. The by-laws of the ARU can only be added to, amended, or rescinded with the consent of at least two thirds of members present at a General Meeting.

5. New appointees' induction training is personalised to meet the requirements of the appointee; with the advent of amendments to the Trustees & Charities Acts, many serving personnel will have already received training/attended courses relating to the Duties of Trustees as part of their professional development or have attended Trustee Training relating to other Charitable activities.

6. The majority of the ARU officials are serving British Army personnel, with the exception of the ARU secretariat. which is staffed by 4 permanent staff; the ARU Chief Operations Officer and Admin Officer funded by the Army Sports Control Board, and the Director of Finance and Sales Officer funded by the charity. The majority of posts within the ARU are advertised on the ARU website inviting volunteers to be considered for selection; all Management Board appointments are re-appointed at the AGM.

OBJECTIVES

7. The aim of the ARU is to promote and foster the game of Rugby Union in the Army and its civilian and military communities in accordance with the Laws of the Game promulgated by World Rugby rules, regulations and byelaws issued by the Rugby Football Union (RFU).

Nothing in this constitution shall authorise an application of the property of the CIO for the purposes which are not charitable in accordance with [section 7 of the Charities and Trustee Investment (Scotland) Act 2005] and [section 2 of the Charities Act (Northern Ireland) 2008].

To meet the Aim the ARU shall pursue the following objectives:

- General – Provide an infrastructure for Army Rugby such that no potential participant is denied the opportunity to play, coach or referee at the highest level possible.

- Governance – The ARU Management Board that is voted into office by its members annually at the Annual General Meeting shall conduct the affairs of the Union in a financially and responsible way, so that it remains compliant with the Charity Commission and Companies House laws and as detailed in paras 10 – 15 below.

- Representative Rugby – Select and maintain at Senior, Women's, Development Academy and Master's levels Fifteen and Sevens team, as appropriate and agreed, to represent the Army. To provide a standard of rugby that will develop and promote those with talent for higher honours. In addition, the ARU shall seek to support the work of the UKAF Rugby Football Club Committee.

- Community Rugby – Organise and run annually, for Army clubs in the UK, the ARU Premiership and Championship leagues to provide a competitive element throughout the season irrespective of the ability of the participants; the rules of these competitions are reviewed and published annually on the appropriate page of the ARU web site. In addition the ARU may approve or organise other competitions which support the aim of the ARU, including:

    - The Inter Corps League Tables,
    - The Army Inter Corps Fifteens Championship, and
    - The Army Sevens Tournament.

- Coaching – Maintain a formal coaching structure to improve and thereafter sustain the standards throughout the Army and to provide a structure for the advancement of coaches.

- Referees – Maintain the Army Rugby Union Referees Society (ARURS) to improve and sustain the standards of refereeing in the Army. To facilitate the training, development and advancement of referees and to the appropriate links with the UKAF Rugby Referees and other referee's societies.

- Finance – Maintain a sound financial base, thereby providing the best service to Rugby Union in the Army, within budget, and in accordance with the priorities agreed by the Management Board.

- Marketing and Engagement – Market the ARU as a positive contributor to the 'lived experience' and the opportunities available to Army sports personnel who seek to compete and succeed at the highest level they can. Where we can, offer ARU representative fixtures to be used as Engagement Events to support the Army's INFORM and ATTRACT.

- Relations with the RFU – Maintain a close and binding relationship with the RFU, taking all appropriate measures to promote Army Rugby at national and international levels, and seeking opportunities to support the RFU's community rugby initiative.

- Injury and Safety – Promote standards of play and discipline such that all players and officials are placed at the least possible risk, whilst ensuring that all participating teams are fully insured via the RFU insurance scheme.

OBJECTIVES CONT....

- Reviews – The Objectives of the ARU are reviewed by the Management Board, as required, and by the Council annually. If agreed, any recommended changes are to be announced at the Annual General Meeting. Agreed objectives based on paragraphs 3 and 4 above are to be promulgated to members of Union through the Annual Management Plan.

- Maintaining a diversified leadership approach the Army Rugby Union Charitable Trust maintains on course to continue the development of the strategic plan for the period 2022 - 2025 which has been modified, at its core will see the development of military community rugby, further enhancing the charity's role and significance in the local military garrison communities. Going forward we will do this with a clear purpose: ***"To engage and inspire our military community through rugby".***

Conclusion

The Army Rugby Union (ARU) trustees has considered the three year post Covid -19 financial recovery plan and the declining revenue from the Army v Navy ticket sales and considers the company will be able to meet its liabilities as they fall due over the coming 12 month, and hence these financial statements are prepared on a going concern basis.

The ARU trustees will continue to monitor the impact of declining revenue and or sponsorship on the activities of the ARU Charitable Trust.

FINANCIAL REVIEW

9. The Trust witnessed an excess of Income over expenditure for the year ended 31 August 2022 of £328,490.

10. The Trust has wide powers of investment. The Director of Finance is restricted in the structure of the investment portfolio by policy decisions made from time to time by the Trustees at the quarterly meetings. The overall investment policy is one of long-term capital growth to maintain the purchasing power of the Trust. The Management Board continue to endorse a revised Reserves Strategy to grow the Trust's Reserves to cover one year's annual net operating costs. The policy complies with SORP.

11. The ARU is controlled and directed by the Management Board which should meet at least four times a year to monitor in year performance, to decide policy. The Management Board endorses the annual allocation of funds prepared by the Director of Finance following internal budget screenings to representative teams, community competitions and other charitable bodies as decided appropriate by the Board.

12. The ARU Trust employs non-pensionable part-time staff on a regular basis as well as two pensionable permanent staff – the Director of Finance, and the Sales/Media Officer. The full-time Chief Operating Officer and Admin Officer are employed by the Army Sports Control Board, but they work directly for the ARU Management Board.

13. Risks are considered by the Management Board and the key risks remain the continuing success of the annual Army v Navy game and a loss of sponsorship. The reserve policy is designed to ensure that sufficient reserves are retained to cover at least one year of operating costs.

TRUSTEES' RESPONSIBILITIES

14. The trustees (who are also directors of Army Rugby Union Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Public benefit statement
The activities undertaken by the charity further the charity's purposes for the public benefit. The trustees have had due regard to the Charity Commission's guidance on public benefit.

PLANS FOR FUTURE NEEDS

15. The management board remain focused on promoting and governing Rugby Union in the Army through the maintenance of stable structures for the game that enable its successful development at all levels. This is to be achieved by increased levels of funding to the community area of the Trust. The management board endorsed policy of a balanced budget remains extant.

DISCLOSURE OF INFORMATION TO THE AUDITORS

16. We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

    - there is no relevant audit information of which the company's auditors are unaware; and
    - we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

.....

Maj Gen JMJ Bennett CBE
Chairman

21/5/23
.....
Date

Opinion

We have audited the financial statements of the Army Rugby Union Trust (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 August 2022 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the groups and parent charitable company's affairs as at 31 August 2022 and of the group's incoming resources and application of resources, including its income and expenditure, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees annual report , other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 2-4, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the groups and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our commercial knowledge and experience of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the charity's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

The Glades
Festival Way
Festival Park
Stoke on Trent
Staffordshire
ST1 5SQ

25/5/2023

Mr Gary Neil Chadwick FCCA
(Senior Statutory Auditor)
for and on behalf of

DJH MITTEN CLARKE AUDIT LIMITED

Chartered Certified Accountants
Statutory Auditor

ARMY RUGBY UNION TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Income from:					
Donations	2	224,856	-	224,856	99,904
Other trading activities	3	21,546	-	21,546	8,540
Investment income	4	2,768	-	2,768	1,993
Income from charitable activities	5	878,838	-	878,838	17,245
Total income		1,128,008	-	1,128,008	127,682
Expenditure on:					
Raising funds	6	118,359	-	118,359	34,369
Charitable activities	7	674,690	2,776	677,466	164,030
Total expenditure		793,049	2,776	795,825	198,399
Net (loss)/gain on investments	14	(3,693)	-	(3,693)	43,237
Net income / (expenditure)		331,266	(2,776)	328,490	(27,480)
Transfers between funds		-	-	-	-
Net movement in funds		331,266	(2,776)	328,490	(27,480)
Reconciliation of funds:					
Total funds brought forward		1,382,615	144,942	1,527,557	1,555,037
Total funds carried forward	19	1,713,881	142,166	1,856,047	1,527,557

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

ARMY RUGBY UNION TRUST

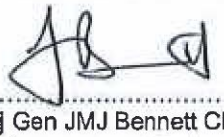
CONSOLIDATED AND CHARITY BALANCE SHEET

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Fixed assets					
Tangible assets	13	**310,733**	317,332	**310,733**	317,332
Investments	14	**358,772**	362,465	**358,773**	362,466
		669,505	679,797	**669,506**	679,798
Current assets					
Stocks	15	**1,077**	17,026	**1,077**	3,869
Debtors	16	**2,548**	3,623	**24,106**	3,623
Cash at bank and in hand		**1,213,559**	857,472	**1,192,000**	852,827
		1,217,184	878,121	**1,217,183**	860,319
Creditors					
Amounts falling due within one year	17	**(30,642)**	(30,361)	**(30,642)**	(37,361)
Net current assets		**1,186,542**	847,760	**1,186,541**	822,958
Net assets		**1,856,047**	1,527,557	**1,856,047**	1,502,756
Funds					
Unrestricted funds	19	**1,713,881**	1,382,615	**1,713,881**	1,357,814
Restricted funds	19	**142,166**	144,942	**142,166**	144,942
		1,856,047	1,527,557	**1,856,047**	1,502,756

The financial statements were approved and authorised for issue by the board of Trustees on .....

Signed on behalf of the board of trustees:



.....

Maj Gen JMJ Bennett CBE

Chairman

21/5/23

.....

Date

The notes on pages 14 to 26 form part of these financial statements

Company registration number: 08167993

ARMY RUGBY UNION TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flow from operating activities	21	353,400	(80,962)
Net cash flow from operating activities		353,400	(80,962)
Cash flow from investing activities			
Payments to acquire tangible assets		(81)	(309)
Interest received		556	89
Dividends received		2,212	1,904
Net cash flow from investing activities		2,687	1,684
Net increase in cash and cash equivalents		356,087	(79,278)
Cash and cash equivalents at start date 1 September 2021		857,472	936,750
Cash and cash equivalents at end date 31 August 2022		1,213,559	857,472
Cash and cash equivalents consist of:			
Cash at bank and in hand		1,213,559	857,472
Cash and cash equivalents at end date 31 August 2022		1,213,559	857,472

1. Summary of significant accounting policies

a) General information and basis of preparation

Army Rugby Union Trust is a company, limited by guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are described in the Trustee's Report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

1. Accounting Policies cont....

c) Income recognition (continued)

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably, and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed, and an equivalent amount recognised as charitable expenditure.

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received, and the amount can be measured reliably. If entitlement is not met, then these amounts are deferred.

Income from trading activities includes income earned from fundraising events and trading activities such as the ARU Shop Limited, to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from charitable activities represents income generated from the "Army vs Navy" match.

Investment income is earned through holding assets for investment purposes. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. It is categorised under the following headings:

Costs of raising funds includes all direct and indirect costs of the Trust's Fundraising Department and all direct and indirect costs of ARU Shop Limited;

1. Accounting Policies cont....

d) Expenditure recognition (continued)

Expenditure on charitable activities includes;

- all direct and indirect costs of delivering the "Army vs Navy" match;
- grants payable and Corps expenses which are charged in the year when the cost is incurred or when the offer is conveyed to the recipient, and;
- Governance costs which are all general running costs not associated with fundraising or charitable activities.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

e) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation except where in the Trustees opinion it is more appropriate to write the asset off in the period in which it is acquired.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Leasehold Property	60 years straight-line basis
Office equipment and furniture	25% straight-line basis

f) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Investments in subsidiaries are measured at cost less impairment.

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

g) Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

h) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1. Accounting Policies cont....

i) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

j) Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease

j) Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Army Rugby Union Trust staff are members of the Army Sport Control Board Pension Scheme. The Scheme is an unfunded multi-employer defined benefit scheme by the Army Sport Control Board Trust Fund and is unable to identify its share of the underlying assets and liabilities.

k) Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

l) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

m) Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2. Income from donations

	Unrestricted funds £	Restricted funds £	Total Funds 2022 £	Total Funds 2021 £
Rugby Football Union	18,133	-	**19,704**	19,704
Sodexo	4,000	-	**4,000**	4,000
Veolia	15,000	-	**15,000**	15,000
KBR (UK) Limited	15,000	-	**15,000**	15,000
LEIDOS	15,000	-	**15,000**	-
Royal British Legion	15,000	-	**15,000**	15,000
SAAB Defence	6,000	-	**6,000**	6,000
CDS	3,000	-	**3,000**	3,000
Army Sports Control Board	10,000	-	**10,000**	5,000
Alford Technologies Ltd	2,000	-	**2,000**	2,000
Marsh Land System	3,200	-	**3,200**	3,200
MITIE	32,000	-	**32,000**	-
Source Tactical	10,500	-	**10,500**	6,000
Galvion	6,000	-	**6,000**	6,000
Gifted assets	15,000	-	**15,000**	-
Activision	17,500	-	**17,500**	-
BT	15,000	-	**15,000**	-
DXC	20,000	-	**20,000**	-
ASL	1,500	-	**1,500**	-
Oddballs	1,023	-	**1,023**	-
	224,856	-	224,856	99,904

3. Income from other trading activities

	Unrestricted funds £	Restricted funds £	Total Funds 2022 £	Total Funds 2021 £
ARU Shop sales	21,546	-	**21,546**	8,540
	21,546	-	**21,546**	8,540

4. Income from investments

a) Dividends including the associated tax credits are credited to the statement of financial activities when they are received.

b) Credit is taken for interest receivable when it falls due for payments.

	Unrestricted funds £	Restricted funds £	Total Funds 2022 £	Total Funds 2021 £
Dividend and investment income	2,212	-	**2,212**	1,904
Bank deposit interest	556	-	**556**	89
	2,768	-	**2,768**	1,993

5. Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total Funds 2022 £	Total Funds 2021 £
Sporting events	873,769	-	**873,769**	14,640
Prize money	1,200	-	**1,200**	1,500
Affiliation fees	3,800	-	**3,800**	1,050
Other income	69	-	**69**	55
	878,838	-	**878,838**	17,245

6. Costs of raising funds

	Unrestricted funds £	Restricted funds £	Total Funds 2022 £	Total Funds 2021 £
ARU Shop cost of sales	17,789	-	**17,789**	11,980
Marketing	58,452	-	**58,452**	22,389
Hospitality	42,118	-	**42,118**	-
	118,359	-	**118,359**	34,369

7. Charitable activities

	Note	Unrestricted funds £	Restricted funds £	Total Funds 2022 £	Total Funds 2021 £
Costs of charitable activities	**8**	338,772	2,776	**341,548**	18,574
Governance costs	**9**	121,085	-	**121,085**	129,655
Grant and donations	**12**	214,833	-	**214,833**	15,801
		674,690	2,776	**677,466**	164,030

8. Analysis of expenditure on charitable activities

	Unrestricted funds £	Restricted funds £	Total Funds 2022 £	Total Funds 2021 £
Management	1,496	-	**1,496**	-
Grounds and infrastructure	7,205	-	**7,205**	1,312
Clothing formal	2,600	-	**2,600**	576
Training equipment	-	-	-	534
Medical	11,338	-	**11,338**	3,130
Presentations	5,185	-	**5,185**	-
Accommodation	3,395	-	**3,395**	180
Messing and subsistence	7,633	-	**7,633**	137
Travel	1,268	-	**1,268**	30
Management training	600	-	**600**	-
Sporting events	289,114	-	**289,114**	2,467
Vehicle leasing	2,687	-	**2,687**	2,687
Vehicle running costs	2,347	-	**2,347**	410
Depreciation	3,904	2,776	**6,680**	7,111
	338,772	2,776	**341,548**	18,574

9. Governance costs

	Unrestricted funds £	Restricted funds £	Total Funds 2022 £	Total Funds 2021 £
Wage costs	78,238	-	**78,238**	77,033
Employer pension costs	10,483	-	**10,483**	10,630
Postage and stationery	1,108	-	**1,108**	2,120
Media costs	10,536	-	**10,536**	5,526
Telephone and fax	3,198	-	**3,198**	3,477
Website	1,288	-	**1,288**	1,141
Insurance	907	-	**907**	1,110
Bank charges	35	-	**35**	70
Professional fees	11,498	-	**11,498**	26,442
Electricity	374	-	**374**	869
Computer and software	2,898	-	**2,898**	349
Miscellaneous purchases	522	-	**522**	888
	121,085	-	**121,085**	129,655

10. Staff costs

No Trustees received remuneration from the charity during the year. Two Trustees received reimbursed travel expenses during the year totalling £624.

The staff costs for the year were as follows:

	2022 £	2021 £
Wages and salaries	**70,674**	69,825
Social security	**7,564**	7,208
Defined contribution pension costs	**10,483**	10,630
	88,721	87,663

No employees had emoluments in excess of £60,000 (2021: Nil).

The average number of employees during the year was:

Administrative	**2**	2

11. Auditor's remuneration

	2022 £	2021 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	**7,500**	5,975
Fees payable to the charity's auditor for other services:		
Audit of the charity's subsidiaries	**3,500**	2,925

12. Grant and donations

	Unrestricted funds £	Restricted funds £	Total Funds 2022 £	Total Funds 2021 £
Academy annual grant	12,161	-	**12,161**	1,435
Senior XV annual grant	62,265	-	**62,265**	1,300
Sevens annual grant	20,229	-	**20,229**	10,226
Veterans annual grant	17,757	-	**17,757**	1,517
Women's annual grant	44,849	-	**44,849**	(7,889)
ARU Referees society grant	6,000	-	**6,000**	-
Corps annual grant	5,544	-	**5,544**	-
Community annual grant	31,028	-	**31,028**	9,212
Team gift in kind	15,000	-	**15,000**	-
	214,833	-	**214,833**	15,801

13. Tangible Fixed Assets

Group	Leasehold property	Fittings and equipment	Total
	£	£	£
Cost as at 1 September 2021	364,435	68,969	433,404
Additions	-	81	81
Cost as at 31 August 2022	**364,435**	**69,050**	**433,485**
Depreciation as at 1 September 2021	48,384	67,688	116,072
Charge for the year	6,048	632	6,680
Depreciation as at 31 August 2022	**54,432**	**68,320**	**122,752**
Net book value as at 31 August 2022	**310,003**	**730**	**310,733**
Net book value as at 31 August 2021	316,051	1,281	317,332

Charity	Leasehold property	Fittings and equipment	Total
	£	£	£
Cost as at 1 September 2021	364,435	62,068	426,503
Additions	-	81	81
Cost as at 31 August 2022	**364,435**	**62,149**	**426,584**
Depreciation as at 1 September 2021	48,384	60,787	109,171
Charge for the year	6,048	632	6,680
Depreciation as at 31 August 2022	**54,432**	**61,419**	**115,851**
Net book value as at 31 August 2022	**310,003**	**730**	**310,733**
Net book value as at 31 August 2021	316,051	1,281	317,332

14. Fixed asset investments

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Shares held in subsidiary undertakings	-	-	1	1
Unlisted investments	179,817	179,213	179,817	179,213
Listed investments	178,955	183,252	178,955	183,252
	358,772	362,465	358,773	362,466

The Trust holds 1 Ordinary £1 share being the entire share capital of ARU Shop Limited.

Listed and unlisted investments - Group and Charity	2022 £	2021 £
Market value as at 1 September 2021	362,465	319,228
Acquisitions at cost	-	-
Disposal at market value	-	-
Investment income reinvested	-	27
(Loss)/gain on investments	(3,693)	43,120
Market value as at 31 August 2022	358,772	362,465
Holdings in excess of 5% of fund value		
M&G Charifund (Income)	41,053	43,714
M&G Charifund (Accumulated)	137,902	139,538
UST COIF	179,817	179,213
	358,772	362,465

The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the balance sheet date.

15. Stock

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Stock of miscellaneous goods - Trust	**1,077**	3,869	**1,077**	3,869
Shop stock for resale	**-**	13,157	**-**	-
	1,077	17,026	**1,077**	3,869

16. Debtors

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Prepayments	**2,548**	3,623	**2,548**	3,623
Amounts owed by subsidiary	**-**	-	**21,558**	-
	2,548	3,623	**24,106**	3,623

17. Creditors: falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Sundry creditors	**18,108**	18,107	**18,108**	25,107
Accruals and deferred income	**12,534**	12,254	**12,534**	12,254
	30,642	30,361	**30,642**	37,361

18. Contingent liabilities

The trustees are not aware of the existence of any such liabilities.

19. Fund reconciliation

Unrestricted funds

	Balance at 1 September 2021	Income	Expenditure	Gains/(losses)	Balance at 31 August 2022
	£	£	£	£	£
Unrestricted	1,382,615	1,128,008	(793,049)	(3,693)	**1,713,881**
	1,382,615	1,128,008	(793,049)	(3,693)	**1,713,881**

Restricted funds

	Balance at 1 September 2021	Income	Expenditure	Balance at 31 August 2022
	£	£	£	£
Property and equipment fund	144,942	-	(2,776)	**142,166**
	144,942	-	(2,776)	**142,166**

20. Analysis of net assets between funds

	2022	2021
Restricted Funds	£	£
Restricted funds are represented by:		
Fixed assets	**142,166**	144,942
	142,166	144,942

The restricted fund solely relates to the build cost of the Development Centre.

Unrestricted Funds	£	£
Unrestricted funds are represented by:		
Fixed assets	**527,339**	534,855
Net current assets	**1,186,542**	847,760
	1,713,881	1,382,615
Included in the above are the following designated funds:		
Minimum capital fund	**800,000**	650,000
Tour fund	**100,000**	100,000
Capital fund	**50,000**	50,000
	950,000	800,000

21. Reconciliation of net income to net cash flow from operating activities

	2022 £	2021 £
Net incoming resources	**328,490**	(27,480)
Depreciation of tangible assets	**6,680**	7,111
Unrealised (gains)/losses on investments	**3,693**	(43,237)
Investment income	**(2,768)**	(1,993)
(Increase)/decrease in stock	**15,949**	391
(Increase)/decrease in debtors	**8,075**	(1,182)
Decrease in creditors within one year	**(6,719)**	(13,790)
Net cash inflow from operating activities	**353,400**	(80,962)

22. Financial instruments

The carrying amounts of the charity's financial instruments are as follows:

	2022 £	2021 £
Financial assets		
Measured at fair value through net income / expenditure:		
- Fixed asset listed investments (note 14)	**358,772**	362,465
Debt instruments measured at amortised cost:		
- Debtors (note 16)	**-**	-
Financial liabilities		
Measured at amortised cost		
- Creditors (notes 17)	**18,108**	18,107

The income, expenses, net gains, and net losses attributable to the charity's financial instruments are summarised as follows:

	2022 £	2021 £
Net gains and losses (including changes in fair value)		
Financial assets measured at fair value through net income / expenditure	**(3,693)**	43,237

23. Operating lease commitments

Lessee

At the reporting end date, the charity had outstanding commitments for future minimum lease payments under non-cancellable leases, as follows:

	2022 £	2021 £
Within one year	**2,687**	2,687
Between two and five years	**448**	448

ARMY RUGBY UNION TRUST

England & Wales - Charity number 1149105

Accounts

Charity registration number: 1149105
Company registration number: 08167993 (England and Wales)

ARMY RUGBY UNION TRUST

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

ARMY RUGBY UNION TRUST

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

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ARMY RUGBY UNION TRUST

CHARITY REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 AUGUST 2021

Legal and Administrative Detail

1. The Army Rugby Union Trust is a company limited by guarantee and not having a share capital under the Companies Acts 1985 and 1989 (registration number 8167993) and is registered with the Charity Commissioners as a charity (registration number 1149105) under the Charities Act 1993.

2. The Managing Trustees are members of the ARU Management Board and in this period were:

Maj Gen JMJ Bennett CBE	Chairman
Brig JP Cook OBE	Director of Discipline & Governance/ RFU Council Member
Brig (Retired) PJ Allison	Director of Marketing
Brig AW Griffiths	Director of Representative Rugby (Appointed 01/09/20)
Maj M Wilding	Director of Community Rugby (Appointed 01/09/20)
Mr S Bates	Director of Finance (Non-Trustee)
Mr A Leach	Non-Executive Director of Marketing
Mr B W E Facer	Non-Executive Director of Commerce (Appointed 01/09/20)
Col D Rutherford	Non-Executive Director of Finance
Ms A Teasdale	Non-Executive Director of Community Rugby (Appointed 01/09/20)

3. **Registered Address:**

Army Rugby Union Trust
Mackenzie Building
Fox Lines,
Queens Avenue
Aldershot
Hampshire
GU11 2LB

4. **Bankers:**

The Royal Bank of Scotland
Holt's Farnborough Branch
Lawrie House
Victoria Road
Farnborough
Hants
GU14 7NR

5. **Auditors:**

DJH Audit Limited
The Glades
Festival Way
Festival Park
Stoke on Trent
Staffordshire
ST1 5SQ

STRUCTURE, GOVERNANCE AND MANAGEMENT

1. The ARU is a regulatory body, which on behalf of the President, directs, controls, administers and promotes the sport of Rugby Football Union within the British Army. These powers are laid down in the constitution of the ARU which are incorporated in Games and Sports of the Army. The objects of the ARU are reviewed by the Management Board and specific targets and objectives are laid down in the Management Plan, which is also compatible with the Rugby Football Union Management Plan as the governing body for the sport.

2. The aim of the ARU is to promote and foster the game of Rugby Union in the Army and its local communities in accordance with the Laws of the Game promulgated by World Rugby and the rules, regulations and byelaws issued by the Rugby Football Union (RFU).

3. The ARU Management Board is responsible for managing the affairs of the Trust, determine policy and has full power over the use, disposition, and investment of ARU Funds. It meets at least four times per year and each Director, as listed below, takes the lead on their respective area. The Management Board consist of the following appointments:

   Chairman
   Vice Chairman/RFU Council Member
   Director of Representative Rugby
   Director of Marketing
   Director of Finance (Ex Officio-Non-Trustee)
   Director of Community Rugby
   Non-Executive Director of Finance
   Non-Executive Director of Marketing
   Non-Executive Director of Commerce
   Non-Executive Director of Community Rugby

4. In addition to the ARU Management Board, the ARU Council acts as a forum at which all elements of the game in the Army are represented. Affiliated clubs within the ARU are entitled to vote at the AGM. The by-laws of the ARU can only be added to, amended, or rescinded with the consent of at least two thirds of members present at a General Meeting.

5. New appointees' induction training is personalised to meet the requirements of the appointee; with the advent of amendments to the Trustees & Charities Acts, many serving personnel will have already received training/attended courses relating to the Duties of Trustees as part of their professional development or have attended Trustee Training relating to other Charitable activities.

6. The majority of the ARU officials are serving British Army personnel, with the exception of the ARU secretariat. which is staffed by 4 permanent staff; the ARU Chief Operations Officer and Admin Officer funded by the Army Sports Control Board, and the Director of Finance and Sales Officer funded by the charity. The majority of posts within the ARU are advertised on the ARU website inviting volunteers to be considered for selection; all Management Board appointments are re-appointed at the AGM.

OBJECTIVES

7. The aim of the ARU is to promote and foster the game of Rugby Union in the Army and its civilian and military communities in accordance with the Laws of the Game promulgated by World Rugby rules, regulations and byelaws issued by the Rugby Football Union (RFU).

Nothing in this constitution shall authorise an application of the property of the CIO for the purposes which are not charitable in accordance with [section 7 of the Charities and Trustee Investment (Scotland) Act 2005] and [section 2 of the Charities Act (Northern Ireland) 2008].

To meet the Aim the ARU shall pursue the following objectives:

- General – Provide an infrastructure for Army Rugby such that no potential participant is denied the opportunity to play, coach or referee at the highest level possible.

- Governance – The ARU Management Board that is voted into office by its members annually at the Annual General Meeting shall conduct the affairs of the Union in a financially and responsible way, so that it remains compliant with the Charity Commission and Companies House laws and as detailed in paras 10 – 15 below.

- Representative Rugby – Select and maintain at Senior, Women's, Development Academy and Master's levels Fifteen and Sevens team, as appropriate and agreed, to represent the Army. To provide a standard of rugby that will develop and promote those with talent for higher honours. In addition, the ARU shall seek to support the work of the UKAF Rugby Football Club Committee.

- Community Rugby – Organise and run annually, for Army clubs in the UK, the ARU Premiership and Championship leagues to provide a competitive element throughout the season irrespective of the ability of the participants; the rules of these competitions are reviewed and published annually on the appropriate page of the ARU web site. In addition the ARU may approve or organise other competitions which support the aim of the ARU, including:

    - The Inter Corps League Tables,
    - The Army Inter Corps Fifteens Championship, and
    - The Army Sevens Tournament.

- Coaching – Maintain a formal coaching structure to improve and thereafter sustain the standards throughout the Army and to provide a structure for the advancement of coaches.

- Referees – Maintain the Army Rugby Union Referees Society (ARURS) to improve and sustain the standards of refereeing in the Army. To facilitate the training, development and advancement of referees and to the appropriate links with the UKAF Rugby Referees and other referee's societies.

- Finance – Maintain a sound financial base, thereby providing the best service to Rugby Union in the Army, within budget, and in accordance with the priorities agreed by the Management Board.

- Marketing and Engagement – Market the ARU as a positive contributor to the 'lived experience' and the opportunities available to Army sports personnel who seek to compete and succeed at the highest level they can. Where we can, offer ARU representative fixtures to be used as Engagement Events to support the Army's INFORM and ATTRACT.

- Relations with the RFU – Maintain a close and binding relationship with the RFU, taking all appropriate measures to promote Army Rugby at national and international levels, and seeking opportunities to support the RFU's community rugby initiative.

- Injury and Safety – Promote standards of play and discipline such that all players and officials are placed at the least possible risk, whilst ensuring that all participating teams are fully insured via the RFU insurance scheme.

OBJECTIVES CONT....

- Reviews – The Objectives of the ARU are reviewed by the Management Board, as required, and by the Council annually. If agreed, any recommended changes are to be announced at the Annual General Meeting. Agreed objectives based on paragraph 3 and 4 above are to be promulgated to members of Union through the Annual Management Plan.

COVID-19 PANDEMIC RISK ASSESSMENT

8. The Coronavirus (Covid-19) pandemic continues to be a significant risk to the ARU Trust in terms of financial stability. To manage the risk appropriately the finance and governance committee have increased the frequency of meetings and will continue to do so until the risk that Covid-19 poses has reduced. The senior leadership team have also increased their frequency of meetings. The financial impact has been mitigated by reducing non-necessary expenditure and future commitments have been suspended.

The Covid-19 pandemic, lockdown, subsequent Government, National Governing Body (NGB) and Army Sports Control Board restrictions presented significant and unprecedented challenges for the ARU Trust. Through strong leadership the Army Rugby Union Charitable Trust maintains on course to continue the development of the strategic plan for the period 2020 - 2025 which is now well in hand, at its core will see the development of military community rugby, further enhancing the charity's role and significance in the local military garrison communities. Going forward we will do this with a clear purpose: ***"To engage and inspire our military community through rugby".***

It is our ability to support what happens on the pitch, with the work that we have done and continue to do off it that enables us to fulfil our purpose and deliver on our vision. However, the 2020/21 season has not been without its challenges with regards to the playing cohort. These challenges have required the charity's Management Board to take decisive action which they have done in a considered and professional manner having followed Government and National Governing Body (RFU) guidance. Moving forward, the Management Board will need to be clearer in its direction to avoid such events.

Conclusion

On the 11th of March 2020, the World Health Organisation (WHO) declared the Coronavirus (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe.

The Army Rugby Union (ARU) trustees has considered the impact of Covid -19 and considers the company will be able to meet its liabilities as they fall due over the coming 12 month, and hence these financial statements are prepared on a going concern basis.

The ARU trustees will continue to monitor the impact of Coronavirus on the activities of the ARU Charitable Trust.

FINANCIAL REVIEW

9. The Trust witnessed an excess of expenditure over income for the year ended 31 August 2021 of £27,480.

10. The Trust has wide powers of investment. The Director of Finance is restricted in the structure of the investment portfolio by policy decisions made from time to time by the Trustees at the quarterly meetings. The overall investment policy is one of long-term capital growth to maintain the purchasing power of the Trust. The Management Board continue to endorse a revised Reserves Strategy to grow the Trust's Reserves to cover one year's annual net operating costs. The policy complies with SORP.

11. The ARU is controlled and directed by the Management Board which should meet at least four times a year to monitor in year performance, to decide policy. The Management Board endorses the annual allocation of funds prepared by the Director of Finance following internal budget screenings to representative teams, community competitions and other charitable bodies as decided appropriate by the Board.

12. The ARU Trust employs non-pensionable part-time staff on a regular basis as well as two pensionable permanent staff – the Director of Finance, and the Sales/Media Officer. The full-time Chief Operating Officer and Admin Officer are employed by the Army Sports Control Board, but they work directly for the ARU Management Board.

13. Risks are considered by the Management Board and the key risks remain the continuing success of the annual Army v Navy game and a loss of sponsorship. The reserve policy is designed to ensure that sufficient reserves are retained to cover at least one year of operating costs.

TRUSTEES' RESPONSIBILITIES

14. The trustees (who are also directors of Army Rugby Union Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Public benefit statement

The activities undertaken by the charity further the charity's purposes for the public benefit. The trustees have had due regard to the Charity Commission's guidance on public benefit.

PLANS FOR FUTURE NEEDS

15. The management board remain focused on promoting and governing Rugby Union in the Army through the maintenance of stable structures for the game that enable its successful development at all levels. This is to be achieved by increased levels of funding to the community area of the Trust. The management board endorsed policy of a balanced budget remains extant.

DISCLOSURE OF INFORMATION TO THE AUDITORS

16. We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.



.....
Maj Gen JMJ Bennett CBE
Chairman

13 Apr 22
.....
Date

Opinion

We have audited the financial statements of the Army Rugby Union Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2021 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 August 2021 and of the group's incoming resources and application of resources, including its income and expenditure, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you were:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or

- the parent charitable company's 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; or

- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 2-4, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the groups and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

The Glades
Festival Way
Festival Park
Stoke on Trent
Staffordshire
ST1 5SQ

Mr Gary Neil Chadwick FCCA
(Senior Statutory Auditor)
for and on behalf of

DJH AUDIT LIMITED

Chartered Certified Accountants
Statutory Auditor

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ARMY RUGBY UNION TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Incoming from:					
Donations	2	**99,904**	**-**	**99,904**	318,272
Other trading activities	3	**8,540**	**-**	**8,540**	22,587
Investment income	4	**1,993**	**-**	**1,993**	3,694
Income from charitable activities	5	**17,245**	**-**	**17,245**	56,865
Total income		**127,682**	**-**	**127,682**	401,418
Expenditure on:					
Raising funds	6	**34,369**	**-**	**34,369**	32,446
Charitable activities	7	**161,254**	**2,776**	**164,030**	433,348
Total expenditure		**195,623**	**2,776**	**198,399**	465,794
Net gain/(loss) on investments	14	**43,237**	**-**	**43,237**	(25,379)
Net income / (expenditure)		**(24,704)**	**(2,776)**	**(27,480)**	(89,755)
Transfers between funds		**-**	**-**	**-**	**-**
Net movement in funds		**(24,704)**	**(2,776)**	**(27,480)**	(89,755)
Reconciliation of funds:					
Total funds brought forward		**1,407,319**	**147,718**	**1,555,037**	1,644,792
Total funds carried forward	19	**1,382,615**	**144,942**	**1,527,557**	1,555,037

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

ARMY RUGBY UNION TRUST

CONSOLIDATED AND CHARITY BALANCE SHEET

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Fixed assets					
Tangible assets	13	**317,332**	324,134	**317,332**	324,134
Investments	14	**362,465**	319,228	**362,466**	319,229
		679,797	643,362	**679,798**	643,363
Current assets					
Stocks	15	**17,026**	16,635	**3,869**	1,858
Debtors	16	**3,623**	2,441	**3,623**	2,420
Cash at bank and in hand		**857,472**	936,750	**852,827**	927,505
		878,121	955,826	**860,319**	931,783
Creditors					
Amounts falling due within one year	17	**(30,361)**	(44,151)	**(37,361)**	(41,351)
Net current assets		**847,760**	911,675	**822,958**	890,432
Net assets		**1,527,557**	1,555,037	**1,502,756**	1,533,795
Funds					
Unrestricted funds	19	**1,382,615**	1,407,319	**1,357,814**	1,406,077
Restricted funds	19	**144,942**	147,718	**144,942**	147,718
		1,527,557	1,555,037	**1,502,756**	1,553,795

The financial statements were approved and authorised for issue by the board of Trustees on 13 Apr 22

Signed on behalf of the board of trustees:

.....

Maj Gen JMJ Bennett CBE
Chairman

13 Apr 22
Date

The notes on pages 14 to 26 form part of these financial statements

Company registration number: 08167993

ARMY RUGBY UNION TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flow from operating activities	21	**(80,962)**	(62,443)
Net cash flow from operating activities		**(80,962)**	(62,443)
Cash flow from investing activities			
Payments to acquire tangible assets		**(309)**	(2,101)
Interest received		**89**	1,440
Dividends received		**1,904**	2,254
Net cash flow from investing activities		**1,684**	1,593
Net increase in cash and cash equivalents		**(79,278)**	(60,850)
Cash and cash equivalents at start date 1 September 2020		**936,750**	997,600
Cash and cash equivalents at end date 31 August 2021		**857,472**	936,750
Cash and cash equivalents consist of:			
Cash at bank and in hand		**857,472**	936,750
Cash and cash equivalents at end date 31 August 2021		**857,472**	936,750

1. Summary of significant accounting policies

a) General information and basis of preparation

Army Rugby Union Trust is a company, limited by guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are described in the Trustee's Report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

1. Accounting Policies cont....

c) Income recognition (continued)

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Income from trading activities includes income earned from fundraising events and trading activities such as the ARU Shop Limited, to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from charitable activities represents income generated from the "Army vs Navy" match.

Investment income is earned through holding assets for investment purposes. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

Costs of raising funds includes include all direct and indirect costs of the Trust's Fundraising Department and all direct and indirect costs of ARU Shop Limited;

1. Accounting Policies cont....

d) Expenditure recognition (continued)

Expenditure on charitable activities includes;

- all direct and indirect costs of delivering the "Army vs Navy" match;
- grants payable and Corps expenses which are charged in the year when the cost is incurred or when the offer is conveyed to the recipient, and;
- Governance costs which are all general running costs not associated with fundraising or charitable activities.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

e) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation except where in the Trustees opinion it is more appropriate to write the asset off in the period in which it is acquired.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Leasehold Property	60 years straight-line basis
Office equipment and furniture	25% straight-line basis

f) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Investments in subsidiaries are measured at cost less impairment.

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

g) Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

h) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1. Accounting Policies cont....

i) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

j) Pension

Army Rugby Union Trust staff are members of the Army Sport Control Board Pension Scheme. The Scheme is an unfunded multi-employer defined benefit scheme by the Army Sport Control Board Trust Fund and is unable to identify its share of the underlying assets and liabilities.

k) Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

l) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

m) Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2. Income from donations

	Unrestricted funds £	Restricted funds £	Total Funds 2021 £	Total Funds 2020 £
Rugby Football Union	19,704	-	**19,704**	25,772
Sodexo	4,000	-	**4,000**	10,000
Veolia	15,000	-	**15,000**	11,000
KBR (UK) Limited	15,000	-	**15,000**	15,000
LEIDOS	-	-	**-**	15,000
Samurai	-	-	**-**	40,000
Royal British Legion	15,000	-	**15,000**	15,000
Lockheed Martin	-	-	**-**	5,000
SAAB Defence	6,000	-	**6,000**	15,000
Caterpillar	-	-	**-**	5,000
CDS	3,000	-	**3,000**	7,500
Gifted assets	-	-	**-**	36,000
Army Sports Control Board	5,000	-	**5,000**	10,000
Alford Technologies Ltd	2,000	-	**2,000**	5,000
Marsh Land System	3,200	-	**3,200**	8,000
MITIE	-	-	**-**	80,000
Source Tactical	6,000	-	**6,000**	15,000
Galvion	6,000	-	**6,000**	-
	99,904	-	**99,904**	318,272

3. Income from other trading activities

	Unrestricted funds £	Restricted funds £	Total Funds 2021 £	Total Funds 2020 £
ARU shop sales	8,540	-	**8,540**	13,676
Royalties	-	-	**-**	8,911
	8,540	-	**8,540**	22,587

4. Income from investments

a) Dividends including the associated tax credits are credited to the statement of financial activities when they are received.

b) Credit is taken for interest receivable when it falls due for payments.

	Unrestricted funds £	Restricted funds £	Total Funds 2021 £	Total Funds 2020 £
Dividend and investment income	1,904	-	**1,904**	2,254
Bank deposit interest	89	-	**89**	1,440
	1,993	-	**1,993**	3,694

5. Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total Funds 2021 £	Total Funds 2020 £
Sporting events	14,640	-	**14,640**	50,975
Prize money	1,500	-	**1,500**	-
Affiliation fees	1,050	-	**1,050**	4,690
Other Income	55	-	**55**	1,200
	17,245	-	**17,245**	56,865

6. Costs of raising funds

	Unrestricted funds £	Restricted funds £	Total Funds 2021 £	Total Funds 2020 £
ARU Shop cost of sales	11,980	-	**11,980**	15,001
Marketing	22,389	-	**22,389**	17,445
	34,369	-	**34,369**	32,446

7. Charitable activities

	Note	Unrestricted funds £	Restricted funds £	Total Funds 2021 £	Total Funds 2020 £
Costs of charitable activities	8	15,798	2,776	**18,574**	115,121
Governance costs	9	129,655	-	**129,655**	126,295
Grant and donations	12	15,801	-	**15,801**	191,932
		161,254	2,776	**164,030**	433,348

8. Analysis of expenditure on charitable activities

	Unrestricted funds £	Restricted funds £	Total Funds 2021 £	Total Funds 2020 £
Management	-	-	-	646
Grounds and infrastructure	1,312	-	**1,312**	454
Clothing formal	576	-	**576**	286
Playing and training kit	-	-	-	53,883
Training equipment	534	-	**534**	4,908
Medical	3,130	-	**3,130**	12,142
Presentations	-	-	-	2,887
Accommodation	180	-	**180**	3,397
Messing and subsistence	137	-	**137**	1,764
Travel	30	-	**30**	10,948
Management training	-	-	-	745
Discipline	-	-	-	249
Sporting events	2,467	-	**2,467**	11,630
Vehicle leasing	2,687	-	**2,687**	2,849
Vehicle insurance	410	-	**410**	1,299
Depreciation	4,335	2,776	**7,111**	7,034
	15,798	2,776	**18,574**	115,121

9. Governance costs

	Unrestricted funds £	Restricted funds £	Total Funds 2021 £	Total Funds 2020 £
Wage costs	77,033	-	**77,033**	85,267
Employer pension costs	10,630	-	**10,630**	10,310
Postage and stationery	2,120	-	**2,120**	2,210
Media costs	5,526	-	**5,526**	9,163
Telephone and fax	3,477	-	**3,477**	3,301
Website	1,141	-	**1,141**	1,599
Insurance	1,110	-	**1,110**	506
Expendable property	-	-	-	535
Bank charges	70	-	**70**	(14)
Professional fees	26,442	-	**26,442**	8,606
Electricity	869	-	**869**	721
Computer and software	349	-	**349**	3,803
Miscellaneous purchases	888	-	**888**	288
	129,655	-	**129,655**	126,295

10. Staff costs

No Trustees received remuneration from the charity during the year. No Trustees received reimbursed expenses during the year.

The staff costs for the year were as follows:

	2021 £	2020 £
Wages and salaries	**69,825**	77,118
Employment costs	**7,208**	8,149
Pension costs	**10,630**	10,310
	87,663	95,577

No employees had emoluments in excess of £60,000 (2020: Nil).

The average number of employees during the year was:

Administrative	**2**	2

11. Auditor's remuneration

	2021 £	2020 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	**5,975**	5,800
Fees payable to the charity's auditor for other services:		
Audit of the charity's subsidiaries	**2,925**	2,850
Other services	**-**	675

12. Grant and donations

	Unrestricted funds £	Restricted funds £	Total Funds 2021 £	Total Funds 2020 £
Academy annual grant	1,435	-	**1,435**	20,977
Senior XV annual grant	1,300	-	**1,300**	50,468
Sevens annual grant	10,226	-	**10,226**	7,318
Veterans annual grant	1,517	-	**1,517**	14,811
Women's annual grant	(7,889)	-	**(7,889)**	34,943
ARU Referees society grant	-	-	**-**	12,695
Corps annual grant	-	-	**-**	6,242
Community annual grant	9,212	-	**9,212**	22,325
Coaching annual grant	-	-	**-**	6,988
Tours grant	-	-	**-**	8,200
Combined premiership and championship	-	-	**-**	1,965
Love Whitton and IMM Twickenham	-	-	**-**	3,000
St Marys CE Primary School	-	-	**-**	2,000
	15,801	-	**15,801**	191,932

13. Tangible Fixed Assets

Group	Leasehold property	Fittings and equipment	Total
	£	£	£
Cost as at 1 September 2020	364,435	68,660	433,095
Additions	-	309	309
Cost as at 31 August 2021	**364,435**	**68,969**	**433,404**
Depreciation as at 1 September 2020	42,336	66,625	108,961
Charge for the year	6,048	1,063	7,111
Depreciation as at 31 August 2021	**48,384**	**67,688**	**116,072**
Net book value as at 31 August 2021	**316,051**	**1,281**	**317,332**
Net book value as at 31 August 2020	322,099	2,035	324,134

Charity	Leasehold property	Fittings and equipment	Total
	£	£	£
Cost as at 1 September 2020	364,435	61,759	426,194
Additions	-	309	309
Cost as at 31 August 2021	**364,435**	**62,068**	**426,503**
Depreciation as at 1 September 2020	42,336	59,724	102,060
Charge for the year	6,048	1,063	7,111
Depreciation as at 31 August 2021	**48,384**	**60,787**	**109,171**
Net book value as at 31 August 2021	**316,051**	**1,281**	**317,332**
Net book value as at 31 August 2020	322,099	2,035	324,134

14. Fixed asset investments

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Shares held in subsidiary undertakings	-	-	1	1
Listed investments	362,465	319,228	362,465	319,228
	362,465	319,228	362,466	319,229

The Trust holds 1 Ordinary £1 share being the entire share capital of ARU Shop Limited.

Listed Investments - Group and Charity	2021 £	2020 £
Market value as at 1 September 2020	319,228	344,607
Acquisitions at cost	-	-
Disposal at market value	-	-
Investment income reinvested	27	805
(Loss)/gain on investments	43,210	(26,184)
Market value as at 31 August 2021	362,465	319,228

Holdings in excess of 5% of fund value

M&G Charifund (Income)	43,714	34,652
M&G Charifund (Accumulated)	139,538	105,390
UST COIF	179,213	179,186
	362,465	319,228

The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the balance sheet date.

15. Stock

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Stock of miscellaneous goods - Trust	**3,869**	1,858	**3,869**	1,858
Shop stock for resale	**13,157**	14,777	**-**	-
	17,026	16,635	**3,869**	1,858

16. Debtors

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Sundry debtors	**3,623**	2,441	**3,623**	2,420
	3,623	2,441	**3,623**	2,420

17. Creditors: falling due within one year

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Sundry creditors	**18,107**	15,651	**25,107**	15,651
Accruals and deferred income	**12,254**	28,500	**12,254**	25,700
	30,361	44,151	**37,361**	41,351

18. Contingent liabilities

The trustees are not aware of the existence of any such liabilities.

19. Fund reconciliation

Unrestricted funds

	Balance at 1 September 2020	Income	Expenditure	Gains	Balance at 31 August 2021
	£	£	£	£	£
Unrestricted	1,407,319	127,682	(195,623)	43,237	**1,382,615**
	1,407,319	127,682	(195,623)	43,237	**1,382,615**

Restricted funds

	Balance at 1 September 2020	Income	Expenditure	Balance at 31 August 2021
	£	£	£	£
Property and equipment fund	147,718	-	2,776	**144,942**
	147,718	-	2,776	**144,942**

20. Analysis of net assets between funds

	2021	2020
Restricted Funds	£	£
Restricted funds are represented by:		
Fixed assets	**144,942**	147,718
	144,942	147,718

The restricted fund solely relates to the build cost of the Development Centre.

Unrestricted Funds	£	£
Unrestricted funds are represented by:		
Fixed assets	**534,855**	495,644
Net current assets	**847,760**	911,675
	1,382,615	1,407,319
Included in the above are the following designated funds:		
Minimum capital fund	**650,000**	650,000
Tour fund	**100,000**	150,000
Capital fund	**50,000**	50,000
	800,000	850,000

21. Reconciliation of net income to net cash flow from operating activities

	2021 £	2020 £
Net incoming resources	**(27,480)**	(89,755)
Depreciation of tangible assets	**7,111**	7,034
Gifted assets	**-**	-
Unrealised (gains)/losses on investments	**(43,237)**	25,379
Investment income	**(1,993)**	(3,694)
(Increase)/decrease in stock	**(391)**	4,700
(Increase)/decrease in debtors	**(1,182)**	10,514
Decrease in creditors within one year	**(13,790)**	(16,621)
Net cash inflow from operating activities	**(80,962)**	(62,443)

22. Financial instruments

The carrying amounts of the charity's financial instruments are as follows:

	2021 £	2020 £
Financial assets		
Measured at fair value through net income / expenditure:		
- Fixed asset listed investments (note 14)	**362,465**	319,228
Debt instruments measured at amortised cost:		
- Debtors (note 16)	**-**	21
Financial liabilities		
Measured at amortised cost		
- Creditors (notes 17)	**18,107**	15,651

The income, expenses, net gains and net losses attributable to the charity's financial instruments are summarised as follows:

	2021 £	2020 £
Net gains and losses (including changes in fair value)		
Financial assets measured at fair value through net income / expenditure	**43,237**	(25,379)

23. Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable leases, as follows:

	2021 £	2020 £
Within one year	**2,687**	2,687
Between two and five years	**448**	3,135

ARMY RUGBY UNION TRUST

England & Wales - Charity number 1149105

Accounts

Charity registration number: 1149105
Company registration number: 08167993 (England and Wales)

DJH
PROFESSIONAL BUSINESS SERVICES

ARMY RUGBY UNION TRUST

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

DJH Accountants Limited
Porthill Lodge, High Street,
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ACCA
Registered as auditors by the Association of Chartered Certified Accountants. Registered in England No: 5572090

ARMY RUGBY UNION TRUST

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

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ARMY RUGBY UNION TRUST

CHARITY REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 AUGUST 2020

Legal and Administrative Detail

1. The Army Rugby Union Trust is a company limited by guarantee and not having a share capital under the Companies Acts 1985 and 1989 (registration number 8167993) and is registered with the Charity Commissioners as a charity (registration number 1149105) under the Charities Act 1993.

2. The Managing Trustees are members of the ARU Management Board and in this period were:

Maj Gen JMJ Bennett CBE	Chairman
Brig JP Cook OBE	Director of Discipline & Governance/ RFU Council Member
Brig (Retired) PJ Allison	Director of Marketing
Brig AW Griffiths	Director of Representative Rugby (Appointed 01/09/20)
Col AJ Fitzpatrick MBE	Director of Senior Rugby (Resigned 31/08/20)
Maj M Wilding	Director of Community Rugby (Appointed 01/09/20)
Lt Col J Kennedy	Director Academy Rugby (Resigned 31/08/20)
Lt Col M Beynon MBE	Director of Master's Rugby (Resigned 31/08/20)
Maj C Maxwell	Director of Women's Rugby (Resigned 31/08/20)
Maj CJ Rattenbury	Director of Discipline & Governance (Resigned 31/08/20)
Mr S Bates	Director of Finance (Non Trustee)
Mr A Leach	Non-Executive Director of Marketing
Ms B Hobday	Non-Executive Director of Commerce (Resigned 31/08/20)
Mr B W E Facer	Non-Executive Director of Commerce (Appointed 01/09/20)
Col D Rutherford	Non-Executive Director of Finance
Ms A Teasdale	Non-Executive Director of Community Rugby (Appointed 01/09/20)

3. **Registered Address:**

Army Rugby Union Trust
Mackenzie Building
Fox Lines,
Queens Avenue
Aldershot
Hampshire
GU11 2LB

4. **Bankers:**

The Royal Bank of Scotland
Holt's Farnborough Branch
Lawrie House
Victoria Road
Farnborough
Hants
GU14 7NR

5. **Auditors:**

DJH Accountants Limited
Porthill Lodge
High Street
Wolstanton
Staffordshire
ST5 0EZ

STRUCTURE, GOVERNANCE AND MANAGEMENT

1. The ARU is a regulatory body, which on behalf of the President, directs, controls, administers and promotes the sport of Rugby Football Union within the Army. These powers are laid down in the constitution of the ARU which are incorporated in Games and Sports of the Army. The objects of the ARU are reviewed by the Management Board and specific targets and objectives are laid down in the Management Plan, which is also compatible with the Rugby Football Union Management Plan as the governing body for the sport.

2. The aim of the ARU is to promote and foster the game of Rugby Union in the Army and its local communities in accordance with the Laws of the Game promulgated by World Rugby and the rules, regulations and bye-laws issued by the Rugby Football Union (RFU).

3. The ARU Management Board is responsible for managing the affairs of the Trust, determine policy and has full power over the use, disposition and investment of ARU Funds. It meets at least four times per year and each Director, as listed below, takes the lead on their respective area. The Management Board consist of the following appointments:

   Chairman
   RFU Council Member
   Director of Marketing
   Director of Finance (Ex Officio-Non-Trustee)
   Director of Senior Rugby
   Director of Academy
   Director of Community Rugby
   Director of Master's Rugby
   Director of Discipline & Governance
   Director of Women's Rugby
   Non-Executive Director of Finance
   Non-Executive Director of Marketing
   Non-Executive Director of Commerce

4. In addition to the ARU Management Board, the ARU Council acts as a forum at which all elements of the game in the Army are represented. Affiliated clubs within the ARU are entitled to vote at the AGM. The by-laws of the ARU can only be added to, amended or rescinded with the consent of at least two thirds of members present at a General Meeting.

5. New appointees induction training is personalised to meet the requirements of the appointee; with the advent of amendments to the Trustees & Charities Acts, many serving personnel will have already received training/attended courses relating to the Duties of Trustees as part of their professional development, or have attended Trustee Training relating to other Charitable activities.

6. The majority of the ARU officials are serving British Army personnel, with the exception of the ARU secretariat. which is staffed by 4 permanent staff; the ARU Chief Operations Officer and Admin Officer funded by the Army Sports Control Board, and the Director of Finance and Sales Officer funded by the charity. The majority of posts within the ARU are advertised on the ARU Website inviting volunteers to be considered for selection; all Management Board appointments are re-appointed at the AGM.

OBJECTIVES

7. The aim of the ARU is to promote and foster the game of Rugby Union in the Army and its civilian and military communities in accordance with the Laws of the Game promulgated by World Rugby rules, regulations and bye-laws issued by the Rugby Football Union (RFU).

Nothing in this constitution shall authorise an application of the property of the CIO for the purposes which are not charitable in accordance with [section 7 of the Charities and Trustee Investment (Scotland) Act 2005] and [section 2 of the Charities Act (Northern Ireland) 2008].

To meet the Aim the ARU shall pursue the following objectives:

- General – Provide an infrastructure for Army Rugby such that no potential participant is denied the opportunity to play, coach or referee at the highest level possible.

- Governance – The ARU Management Board that is voted into office by its members annually at the Annual General Meeting shall conduct the affairs of the Union in a financially and responsible way, so that it remains compliant with the Charity Commission and Companies House laws and as detailed in paras 10 – 15 below.

- Representative Rugby – Select and maintain at Senior, Women's, Development Academy and Masters levels Fifteen and Sevens team, as appropriate and agreed, to represent the Army. To provide a standard of rugby that will develop and promote those with talent for higher honours. In addition the ARU shall seek to support the work of the UKAF Rugby Football Club Committee.

- Community Rugby – Organise and run annually, for Army clubs in the UK and BA(G), the ARU Premiership and Championship leagues to provide a competitive element throughout the season irrespective of the ability of the participants; the rules of these competitions are reviewed and published annually on the appropriate page of the ARU web site. In addition the ARU may approve or organize other competitions which support the aim of the ARU, including:

    - The Inter Corps League Tables.
    - The Army Inter Corps Fifteens Championship.
    - The Army Sevens Tournament.

- Coaching – Maintain a formal coaching structure to improve and thereafter sustain the standards throughout the Army and to provide a structure for the advancement of coaches.

- Referees – Maintain the Army Rugby Union Referees Society (ARURS) to improve and sustain the standards of refereeing in the Army. To facilitate the training, development and advancement of referees and to the appropriate links with the UKAF Rugby Referees and other referees societies.

- Finance – Maintain a sound financial base, thereby providing the best service to Rugby Union in the Army, within budget, and in accordance with the priorities agreed by the Management Board.

- Marketing and Engagement – Market the ARU as a positive contributor to the 'lived experience' and the opportunities available to Army sportsmen and women who seek to compete and succeed at the highest level they can. Where we can, offer ARU representative fixtures to be used as Engagement Events to support the Army's INFORM and ATTRACT.

- Relations with the RFU – Maintain a close and binding relationship with the RFU, taking all appropriate measures to promote Army Rugby at national and international levels, and seeking opportunities to support the RFU's community rugby initiative.

- Injury and Safety – Promote standards of play and discipline such that all players and officials are placed at the least possible risk, whilst ensuring that all participating teams are fully insured via the RFU insurance scheme.

OBJECTIVES CONT..

- Reviews – The Objectives of the ARU are reviewed by the Management Board, as required, and by the Council annually. If agreed, any recommended changes are to be announced at the Annual General Meeting. Agreed objectives based on paragraph 3 and 4 above are to be promulgated to members of Union through the Annual Management Plan.

COVID-19 PANDEMIC RISK ASSESSMENT

8. Through strong leadership the Army Rugby Union Charitable Trust has achieved many of the objectives set out in its strategic plan for the period 2015 - 2019. Development of the strategic plan for the period 2020 - 2025 is now well in hand, at its core will see the development of military community rugby, further enhancing the charity's role and significance in the local military garrison communities. To deliver all our rugby offering and provide opportunities for players, we rely on a dedicated and committed group of volunteers (100+). Fulfilling key appointments for each representative/community team and across the broader support network is always a challenge and this continues to be the case. The volunteers provide the coaching, management and first aid for all of the representative/community rugby groups during the season; all these volunteers make things happen. As it is currently difficult to evaluate all of the potential implications of the current COVID -19 Pandemic on the activities of the charity, the Trustees are monitoring expenditure and only entering into activities for which funding has been received.

The consequences of these unprecedented times, with the potential disruptive effect of the Covid-19 Pandemic on the Army Rugby Union's activities, its financial standing, and the action being taken to identify the threats and minimise the risks together with the goals and achievements thus far are continually being considered by the Management Board. The Finance and Governance subcommittee discuss regularly and monitor the situation and make informed decisions where possible. The trustees conclude that at this point in time the general situation both in the UK and throughout the rest of the world is not yet under control and the outcome unknown. The key issues arising for the charity are:

- The financial sustainability is under continual review: the current projections are sustainable and early indication show that there will be continuing support for the ARU Charitable Trust, but the economy and representative/community rugby is under intense pressure;

- The continuing ability to fund raise: there has been severe disruption in the charity's funding to date and this could be a major threat depending on the UK's response in the struggle with the COVID-19 Pandemic;

- Effect on employment of staff and volunteers and their safeguarding: all matters have been addressed including support, but this may be reduced or removed and employment retention threatened;

- Effect and duration of control measures: these are being applied generally, but co-operation is not straightforward and is under strain; and

- Effect on reserves: the level currently held is satisfactory, but the outcome of the above potential threats may have a negative effect on the level of reserves and the available cash in bank.

There is no doubt that like many amateur sports organisations the Army Rugby Union has faced its fair share of challenges because of the global COVID-19 Pandemic. As a result of its professionalism the Management Board through its good governance, diligence and planning has ensured that the charity has been able to appropriately respond to the challenges presented. The Management Board is now focused on recovering from the impact of the COVID-19 Pandemic and ensuring that it can continue as a strong, vibrant, and viable organisation supporting and enhancing the military rugby community. The challenges faced by the charity during the COVID-19 Pandemic and the response from the charity represents everything that is good about rugby and will serve the charity well as it works to grow and promote the game of rugby. Going forward we will do this with a clear purpose: ***"To engage and inspire our military community through rugby".***

COVID-19 PANDEMIC RISK ASSESSMENT CONT ...

It is our ability to support what happens on the pitch, with the work that we have done and continue to do off it that enables us to fulfil our purpose and deliver on our vision. However, the 2019/20 season has not been without its challenges with regards to the playing cohort. These challenges have required the charity's Management Board to take decisive action which they have done in a considered and professional manner. Moving forward, the Management Board will need to be clearer in its direction to avoid such events.

Conclusion

The ARU's extensive volunteer base has been critical to its ability to remain engaged with its membership and the military community during the COVID-19 Pandemic. The great emphasis that the charity places on its volunteers has meant that those volunteers have supported the charity in a variety of ways during the period of closure. It has been good to see the diverse and varied activities, initiatives and events that have been perpetuated by players, members, and volunteers from across the military and civilian communities.

The trustees, in continuing to exercise informed governance, confirm that in their opinion the charity's organisational and control measures are effective and of the highest order. However, the trustees are unable to fully predict the outcome of the current crisis or the going concern position caused by COVID-19 Pandemic and its duration and future threats. Notwithstanding that, a great deal of resource continues to be expended together and in line with strict government measures and governing body guidance and direction. The trustees, through the Finance and Governance subcommittee, are meeting on a regular basis to keep the situation under constant review, given the uncertainty as to the timing or outcome of the COVID-19 Pandemic and the economic consequences continue.

The ARU Charitable Trust has achieved sustained growth over the years, with the exception of this financial year 2019-20 and it is the intention that it will continue to operate in the foreseeable future. The trustees believe that it remains appropriate to prepare the financial statements on a going concern basis. However, the uncertainty around COVID-19 Pandemic constitutes a material uncertainty related to going concern.

FINANCIAL REVIEW

9. The Trust witnessed an excess of expenditure over income for the year ended 31 August 2020 of £89,755.

10. The Trust has wide powers of investment. The Director of Finance is restricted in the structure of the investment portfolio by policy decisions made from time to time by the Trustees at the quarterly meetings. The overall investment policy is one of long term capital growth to maintain the purchasing power of the Trust. The Management Board continue to endorse a revised Reserves Strategy to grow the Trust's Reserves to cover one year's annual net operating costs. The policy complies with SORP.

11. The ARU is controlled and directed by the Management Board which should meet at least four times a year to monitor in year performance, to decide policy. The Management Board endorses the annual allocation of funds prepared by the Director of Finance following internal budget screenings to representative teams, community competitions and other charitable bodies as decided appropriate by the Board.

12. The ARU Trust employs non-pensionable part-time staff on a regular basis as well as three pensionable permanent staff – the Director of Finance, Sales Officer and Rugby Development Officer. The full-time Chief Operating Officer and Admin Officer are employed by the Army Sports Control Board but they work directly for the ARU Management Board.

13. Risks are considered by the Management Board and the key risks remain the continuing success of the annual Army v Navy game and a loss of sponsorship. The reserve policy is designed to ensure that sufficient reserves are retained to cover at least one year of operating costs.

TRUSTEES' RESPONSIBILITIES

14. The trustees (who are also directors of Army Rugby Union Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Public benefit statement
The activities undertaken by the charity further the charity's purposes for the public benefit. The trustees have had due regard to the Charity Commission's guidance on public benefit.

PLANS FOR FUTURE NEEDS

15. The management board remain focused on promoting and governing Rugby Union in the Army through the maintenance of stable structures for the game that enable its successful development at all levels. This is to be achieved by increased levels of funding to the community area of the Trust. The management board endorsed policy of a balanced budget remains extant.

DISCLOSURE OF INFORMATION TO THE AUDITORS

16. We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as company directors.

.....

Maj Gen JMJ Bennett CBE
Chairman

10/2/21
.....
Date

Opinion

We have audited the financial statements of the Army Rugby Union Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2020 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 August 2019 and of the group's incoming resources and application of resources, including its income and expenditure, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you were:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or

- the parent charitable company's 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; or

- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 2-4, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Porthill Lodge
High Street
Wolstanton
Newcastle under Lyme
Staffs ST5 0EZ

24/2/2021

Mr Gary Neil Chadwick FCCA
(Senior Statutory Auditor)
for and on behalf of
DJH ACCOUNTANTS LIMITED

Chartered Certified Accountants
Registered Auditors

ARMY RUGBY UNION TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Incoming from:					
Donations	2	**318,272**	-	**318,272**	320,087
Other trading activities	3	**22,587**	-	**22,587**	54,526
Investment income	4	**3,694**	-	**3,694**	4,732
Income from charitable activities	5	**56,865**	-	**56,865**	1,023,097
Total income		**401,418**	-	**401,418**	1,402,442
Expenditure on:					
Raising funds	6	**32,446**	-	**32,446**	109,031
Charitable activities	7	**430,572**	**2,776**	**433,348**	1,120,976
Total expenditure		**463,018**	**2,776**	**465,794**	1,230,007
Net (loss)/gain on investments	14	**(25,379)**	-	**(25,379)**	1,571
Net income / (expenditure)		**(86,979)**	**(2,776)**	**(89,755)**	174,006
Transfers between funds		-	-	-	-
Net movement in funds		**(86,979)**	**(2,776)**	**(89,755)**	174,006
Reconciliation of funds:					
Total funds brought forward		**1,494,298**	**150,494**	**1,644,792**	1,470,786
Total funds carried forward	19	**1,407,319**	**147,718**	**1,555,037**	1,644,792

All income and expenditure derive from continuing activities.

The statement of financial activities includes all gains and losses recognised during the year.

ARMY RUGBY UNION TRUST

CONSOLIDATED AND CHARITY BALANCE SHEET

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Fixed assets					
Tangible assets	13	**324,134**	329,067	**324,134**	329,067
Investments	14	**319,228**	344,607	**319,229**	344,608
		643,362	673,674	**643,363**	673,675
Current assets					
Stocks	15	**16,635**	21,335	**1,858**	1,841
Debtors	16	**2,441**	12,955	**2,420**	11,683
Cash at bank and in hand		**936,750**	997,600	**927,505**	990,525
		955,826	1,031,890	**931,783**	1,004,049
Creditors					
Amounts falling due within one year	17	**(44,151)**	(60,772)	**(41,351)**	(55,500)
Net current assets		**911,675**	971,118	**890,432**	948,549
Net assets		**1,555,037**	1,644,792	**1,533,795**	1,622,224
Funds					
Unrestricted funds	19	**1,407,319**	1,494,298	**1,406,077**	1,471,730
Restricted funds	19	**147,718**	150,494	**147,718**	150,494
		1,555,037	1,644,792	**1,553,795**	1,622,224

The financial statements were approved and authorised for issue by the board of Trustees on 5th Feb 2021

Signed on behalf of the board of trustees:

.....

Maj Gen JMJ Bennett CBE
Chairman

10/2/21
.....
Date

The notes on pages 11 to 23 form part of these financial statements

Company registration number: 08167993

ARMY RUGBY UNION TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flow from operating activities	21	**(62,443)**	177,720
Net cash flow from operating activities		**(62,443)**	177,720
Cash flow from investing activities			
Payments to acquire tangible assets		**(2,101)**	-
Interest received		**1,440**	2,450
Dividends received		**2,254**	2,282
Net cash flow from investing activities		**1,593**	4,732
Net increase in cash and cash equivalents		**(60,850)**	182,452
Cash and cash equivalents at start date 1 September 2019		**997,600**	815,148
Cash and cash equivalents at end date 31 August 2020		**936,750**	997,600
Cash and cash equivalents consists of:			
Cash at bank and in hand		**936,750**	997,600
Cash and cash equivalents at end date 31 August 2020		**936,750**	997,600

1. Summary of significant accounting policies

a) General information and basis of preparation

Army Rugby Union Trust is a company, limited by guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are described in the Trustee's Report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

b) Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

c) Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

1. Accounting Policies cont....

c) Income recognition (continued)

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

Where practicable, gifts in kind donated for distribution to the beneficiaries of the charity are included in stock and donations in the financial statements upon receipt. If it is impracticable to assess the fair value at receipt or if the costs to undertake such a valuation outweigh any benefits, then the fair value is recognised as a component of donations when it is distributed and an equivalent amount recognised as charitable expenditure.

Gifts in kind donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Where estimating the fair value is practicable upon receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impracticable to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

Income from government and other grants are recognised at fair value when the charity has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met then these amounts are deferred.

Income from trading activities includes income earned from fundraising events and trading activities such as the ARU Shop Limited, to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

Income from charitable activities represents income generated from the "Army vs Navy" match.

Investment income is earned through holding assets for investment purposes. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the charity's right to receive payment is established.

d) Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

Costs of raising funds includes include all direct and indirect costs of the Trust's Fundraising Department and all direct and indirect costs of ARU Shop Limited;

1. Accounting Policies cont....

d) Expenditure recognition (continued)

Expenditure on charitable activities includes;

- all direct and indirect costs of delivering the "Army vs Navy" match;
- grants payable and Corps expenses which are charged in the year when the cost is incurred or when the offer is conveyed to the recipient, and;
- Governance costs which are all general running costs not associated with fundraising or charitable activities.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

e) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation except where in the Trustees opinion it is more appropriate to write the asset off in the period in which it is acquired.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Leasehold Property	60 years straight-line basis
Office equipment and furniture	25% straight-line basis

f) Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

Investments in subsidiaries are measured at cost less impairment.

Current asset investments are short term highly liquid investments and are held at fair value. These include cash on deposit and cash equivalents with a maturity of less than one year.

g) Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

h) Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1. Accounting Policies cont....

i) Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

j) Pension

Army Rugby Union Trust staff are members of the Army Sport Control Board Pension Scheme. The Scheme is an unfunded multi-employer defined benefit scheme by the Army Sport Control Board Trust Fund and is unable to identify its share of the underlying assets and liabilities.

k) Taxation

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

l) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

m) Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2. Income from donations

	Unrestricted funds £	Restricted funds £	Total Funds 2020 £	Total Funds 2019 £
Rugby Football Union	25,772	-	**25,772**	32,503
Sodexo	10,000	-	**10,000**	12,000
Veolia	11,000	-	**11,000**	12,422
KBR (UK) Limited	15,000	-	**15,000**	15,000
Amey	-	-	**-**	10,000
LEIDOS	15,000	-	**15,000**	15,000
Team Army	-	-	**-**	5,000
Samurai	40,000	-	**40,000**	40,000
Royal British Legion	15,000	-	**15,000**	15,000
Lockheed Martin	5,000	-	**5,000**	5,000
SAAB Defence	15,000	-	**15,000**	15,000
Nationwide Services	-	-	**-**	2,000
Caterpillar	5,000	-	**5,000**	5,000
CDS	7,500	-	**7,500**	7,500
Gifted assets	36,000	-	**36,000**	36,000
Mr P Sampson	-	-	**-**	700
Army Sports Control Board	10,000	-	**10,000**	8,450
RBS	-	-	**-**	5,500
Alford Technologies Ltd	5,000	-	**5,000**	5,000
Marsh Land System	8,000	-	**8,000**	3,000
Arturius International Ltd	-	-	**-**	30,000
Revision	-	-	**-**	30,000
Avon	-	-	**-**	10,000
N Coyle	-	-	**-**	12
MITIE	80,000	-	**80,000**	-
Source Tactical	15,000	-	**15,000**	-
	318,272	-	**318,272**	320,087

3. Income from other trading activities

	Unrestricted funds £	Restricted funds £	Total Funds 2020 £	Total Funds 2019 £
ARU shop sales	13,676	-	**13,676**	40,783
Royalties	8,911	-	**8,911**	13,743
	22,587	-	**22,587**	54,526

4. Income from investments

a) Dividends including the associated tax credits are credited to the statement of financial Activities when they are received.

b) Credit is taken for interest receivable when it falls due for payments.

	Unrestricted funds £	Restricted funds £	Total Funds 2020 £	Total Funds 2019 £
Dividend and investment income	2,254	-	**2,254**	2,282
Bank deposit interest	1,440	-	**1,440**	2,450
	3,694	-	**3,694**	4,732

5. Income from charitable activities

	Unrestricted funds £	Restricted funds £	Total Funds 2020 £	Total Funds 2019 £
Sporting events	50,975	-	**50,975**	1,015,850
Prize money	-	-	**-**	1,250
Affiliation fees	4,690	-	**4,690**	5,600
Other Income	1,200	-	**1,200**	397
	56,865	-	**56,865**	1,023,097

6. Costs of raising funds

	Unrestricted funds £	Restricted funds £	Total Funds 2020 £	Total Funds 2019 £
ARU Shop cost of sales	12,229	-	**12,229**	41,923
Marketing	17,445	-	**17,445**	67,108
	29,674	-	**29,674**	109,031

7. Charitable activities

	Note	Unrestricted funds £	Restricted funds £	Total Funds 2020 £	Total Funds 2019 £
Costs of charitable activities	**8**	112,345	2,776	**115,121**	536,586
Governance costs	**9**	126,295	-	**126,295**	168,127
Grant and donations	**12**	191,932	-	**191,932**	416,263
		430,572	2,776	**433,348**	1,120,976

8. Analysis of expenditure on charitable activities

	Unrestricted funds £	Restricted funds £	Total Funds 2020 £	Total Funds 2019 £
Management	646	-	**646**	539
Grounds and infrastructure	454	-	**454**	2,703
Clothing formal	286	-	**286**	1,672
Playing and training kit	53,883	-	**53,883**	47,833
Training equipment	4,908	-	**4,908**	1,184
Medical	12,142	-	**12,142**	4,795
Presentations	2,887	-	**2,887**	959
Accommodation	3,397	-	**3,397**	2,088
Messing and subsistence	1,764	-	**1,764**	4,390
Travel	10,948	-	**10,948**	3,638
Management training	745	-	**745**	600
Discipline	249	-	**249**	-
Sporting events	11,630	-	**11,630**	455,898
Purchases	-	-	**-**	83
Vehicle leasing	2,849	-	**2,849**	-
Vehicle insurance	1,299	-	**1,299**	1,714
Depreciation	4,258	2,776	**7,034**	8,490
	112,345	2,776	**115,121**	536,586

9. Governance costs

	Unrestricted funds £	Restricted funds £	Total Funds 2020 £	Total Funds 2019 £
Wage costs	85,267	-	**85,267**	102,546
Employer pension costs	10,310	-	**10,310**	10,682
Postage and stationery	2,210	-	**2,210**	3,661
Media costs	9,163	-	**9,163**	6,329
Telephone and fax	3,301	-	**3,301**	2,660
Website	1,599	-	**1,599**	28,625
Insurance	506	-	**506**	839
Expendable property	535	-	**535**	-
Bank charges	(14)	-	**(14)**	9
Professional fees	8,606	-	**8,606**	8,253
Electricity	721	-	**721**	635
Computer and software	3,803	-	**3,803**	3,888
Miscellaneous purchases	288	-	**288**	-
	126,295	-	**126,295**	168,127

10. Staff costs

No Trustees received remuneration from the charity during the year. Three Trustees received reimbursed expenses totalling £748.

The staff costs for the year were as follows:

	2020 £	2019 £
Wages and salaries	**77,118**	94,065
Employment costs	**8,149**	8,481
Pension costs	**10,310**	10,682
	95,577	113,228

No employees had emoluments in excess of £60,000 (2019: £60,000).

The average number of employees during the year was:

Administrative	**2**	3

11. Auditor's remuneration

	2020 £	2019 £
Fees payable to the charity's auditor for the audit of the charity's annual accounts	**5,800**	5,975
Fees payable to the charity's auditor for other services:		
Audit of the charity's subsidiaries	**2,850**	2,900
Other services	**675**	-

12. Grant and donations

	Unrestricted funds £	Restricted funds £	Total Funds 2020 £	Total Funds 2019 £
Academy annual grant	20,977	-	**20,977**	20,684
Senior XV annual grant	50,468	-	**50,468**	148,189
Sevens annual grant	7,318	-	**7,318**	40,217
Veterans annual grant	14,811	-	**14,811**	23,005
Women's annual grant	34,943	-	**34,943**	45,925
ARU Referees society grant	12,695	-	**12,695**	23,880
Corps annual grant	6,242	-	**6,242**	6,414
Community annual grant	22,325	-	**22,325**	16,345
Coaching annual grant	6,988	-	**6,988**	22,257
Tours grant	8,200	-	**8,200**	27,991
Combined premiership and championship	1,965	-	**1,965**	26,348
Garrison Rugby	-	-	**-**	15,008
Love Whitton & IMM Twickenham	3,000	-	**3,000**	-
St Marys CE Primary School	2,000	-	**2,000**	-
	191,932	-	**191,932**	416,263

13. Tangible Fixed Assets

Group	Leasehold property	Fittings and equipment	Total
	£	£	£
Cost as at 1 September 2019	364,435	66,559	430,994
Additions	-	2,101	2,101
Cost as at 31 August 2020	**364,435**	**68,660**	**433,095**
Depreciation as at 1 September 2019	36,288	65,639	101,927
Charge for the year	6,048	986	7,034
Depreciation as at 31 August 2020	**42,336**	**66,625**	**108,961**
Net book value as at 31 August 2020	**322,099**	**2,035**	**324,134**
Net book value as at 31 August 2019	328,147	920	329,067

Charity	Leasehold property	Fittings and equipment	Total
	£	£	£
Cost as at 1 September 2019	364,435	59,658	424,093
Additions	-	2,101	2,101
Cost as at 31 August 2020	**364,435**	**61,759**	**426,194**
Depreciation as at 1 September 2019	36,288	58,738	95,026
Charge for the year	6,048	986	7,034
Depreciation as at 31 August 2020	**42,336**	**59,724**	**102,060**
Net book value as at 31 August 2020	**322,099**	**2,035**	**324,134**
Net book value as at 31 August 2019	328,147	920	329,067

14. Fixed asset investments

	Group		Charity	
	2020	**2019**	**2020**	**2019**
	£	£	**£**	£
Shares held in subsidiary undertakings	**-**	-	**1**	1
Listed investments	**319,228**	344,607	**319,228**	344,607
	319,228	344,607	**319,229**	344,608

The Trust holds 1 Ordinary £1 share being the entire share capital of ARU Shop Limited.

Listed Investments - Group & Charity		**2020**	**2019**
		£	£
Market value as at 1 September 2019		**344,607**	343,036
Acquisitions at cost		**-**	-
Disposal at market value		**-**	-
Investment income reinvested		**805**	1,147
(Loss)/gain on investments		**(26,184)**	424
Market value as at 31 August 2020		**319,228**	344,607
Holdings in excess of 5% of fund value			
M&G Charifund (Income)	10.9%	**34,652**	42,935
M&G Charifund (Accumulated)	33.0%	**105,390**	123,292
UST COIF	56.1%	**179,186**	178,380
		319,228	344,607

The fair value of listed investments is determined by reference to the quoted price for identical assets in an active market at the balance sheet date.

15. Stock

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Stock of miscellaneous goods - Trust	**1,858**	1,841	**1,858**	1,841
Shop stock for resale	**14,777**	19,494	**-**	-
	16,635	21,335	**1,858**	1,841

16. Debtors

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Sundry debtors	**2,441**	12,955	**2,420**	11,683
	2,441	12,955	**2,420**	11,683

17. Creditors: falling due within one year

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Sundry creditors	**15,651**	34,036	**15,651**	34,036
Accruals and deferred income	**28,500**	26,736	**25,700**	21,464
	44,151	60,772	**41,351**	55,500

18. Contingent liabilities

The trustees are not aware of the existence of any such liabilities.

19. Fund reconciliation

Unrestricted funds

	Balance at 1 September 2019	Income	Expenditure	Gains	Balance at 31 August 2020
	£	£	£	£	£
Unrestricted	1,494,298	401,418	(463,018)	(25,379)	**1,407,319**
	1,494,298	401,418	(463,018)	(25,379)	**1,407,319**

Restricted funds

	Balance at 1 September 2019	Income	Expenditure	Balance at 31 August 2020
	£	£	£	£
Property and equipment fund	150,494	-	2,776	**147,718**
	150,494	-	2,776	**147,718**

20. Analysis of net assets between funds

	2020	2019
Restricted Funds	£	£
Restricted funds are represented by:		
Fixed assets	**147,718**	150,494
	147,718	150,494

The restricted fund solely relates to the build cost of the Development Centre.

Unrestricted Funds	£	£
Unrestricted funds are represented by:		
Fixed assets	**495,644**	523,180
Net current assets	**911,675**	971,118
	1,407,319	1,494,298
Included in the above are the following designated funds:		
Minimum capital fund	**650,000**	650,000
Tour fund	**150,000**	200,000
Capital fund	**50,000**	50,000
	850,000	900,000

21. Reconciliation of net income to net cash flow from operating activities

	2020 £	2019 £
Net incoming resources	**(89,755)**	174,006
Depreciation of tangible assets	**7,034**	8,490
Gifted assets	**-**	-
Unrealised losses/(gains) on investments	**25,379**	(1,571)
Investment income	**(3,694)**	(4,732)
Decrease/(increase) in stock	**4,700**	(1,056)
Decrease in debtors	**10,514**	4,027
Decrease in creditors within one year	**(16,621)**	(1,444)
Net cash inflow from operating activities	**(62,443)**	177,720

22. Financial instruments

The carrying amounts of the charity's financial instruments are as follows:

	2020 £	2019 £
Financial assets		
Measured at fair value through net income / expenditure:		
- Fixed asset listed investments (note 14)	**319,228**	344,607
Debt instruments measured at amortised cost:		
- Debtors (note 16)	**-**	4,622
Financial liabilities		
Measured at amortised cost		
- Creditors (notes 17)	**15,651**	34,036

The income, expenses, net gains and net losses attributable to the charity's financial instruments are summarised as follows:

	2020 £	2019 £
Net gains and losses (including changes in fair value)		
Financial assets measured at fair value through net income / expenditure	**(25,379)**	1,571

23. Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable leases, as follows:

	2020 £	2019 £
Within one year	**2,687**	2,463
Between two and five years	**3,135**	6,047