

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.

Army Rugby Union Trust

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

For the year ended 31 August 2023

- 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.

Army Rugby Union Trust

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

For the year ended 31 August 2023

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.

Army Rugby Union Trust

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

For the year ended 31 August 2023

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.

Army Rugby Union Trust

Independent auditor's report (continued)

To the Trustees of Army Rugby Union Trust

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

Army Rugby Union Trust

Independent auditor's report (continued)

To the Trustees of Army Rugby Union Trust

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.

Army Rugby Union Trust

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
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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

		Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Notes							
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 £	£	2022 £	£
Fixed assets					
Tangible assets	16		295,535		310,733
Investments	17		363,990		358,773
			<u>659,525</u>		<u>669,506</u>
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	
		<u>1,389,272</u>		<u>1,217,183</u>	
Creditors: amounts falling due within one year	21	(52,860)		(30,642)	
Net current assets			<u>1,336,412</u>		<u>1,186,541</u>
Total assets less current liabilities			<u>1,995,937</u>		<u>1,856,047</u>
Income funds					
Restricted funds	23		135,504		142,166
Unrestricted funds					
Designated funds	24	1,150,000		950,000	
General unrestricted funds		<u>710,433</u>		<u>763,881</u>	
			<u>1,860,433</u>		<u>1,713,881</u>
			<u>1,995,937</u>		<u>1,856,047</u>

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

		2023		2022
	Notes	£	£	£
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

Army Rugby Union Trust

Notes to the financial statements

For the year ended 31 August 2023

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.

Army Rugby Union Trust

Notes to the financial statements (continued)

For the year ended 31 August 2023

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 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 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.

Army Rugby Union Trust

Notes to the financial statements (continued)

For the year ended 31 August 2023

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.

Army Rugby Union Trust

Notes to the financial statements (continued)

For the year ended 31 August 2023

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.

Army Rugby Union Trust

Notes to the financial statements (continued)

For the year ended 31 August 2023

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

Army Rugby Union Trust

Notes to the financial statements (continued)

For the year ended 31 August 2023

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
	<u>820,639</u>	<u>878,838</u>

5 Other trading activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Shop income	<u>3,651</u>	<u>28,558</u>

6 Investments

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

Army Rugby Union Trust

Notes to the financial statements (continued)

For the year ended 31 August 2023

7 Other income

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

8 Raising funds

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

Army Rugby Union Trust

Notes to the financial statements (continued)

For the year ended 31 August 2023

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
Accommodation	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
	<u>456,870</u>	<u>341,548</u>
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
	<u>894,353</u>	<u>677,466</u>
Analysis by fund		
Unrestricted funds	887,691	674,690
Restricted funds	6,662	2,776
	<u>894,353</u>	<u>677,466</u>

Army Rugby Union Trust

Notes to the financial statements (continued)

For the year ended 31 August 2023

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 grant	37,890	31,028
Team gift in kind	-	15,000
	<u>310,492</u>	<u>214,833</u>

-

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
	<u>107,854</u>	<u>19,137</u>	<u>126,991</u>	<u>109,587</u>	<u>11,498</u>	<u>121,085</u>
Analysed between Charitable activities	<u>107,854</u>	<u>19,137</u>	<u>126,991</u>	<u>109,587</u>	<u>11,498</u>	<u>121,085</u>

Army Rugby Union Trust

Notes to the financial statements (continued)

For the year ended 31 August 2023

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

Army Rugby Union Trust

Notes to the financial statements (continued)

For the year ended 31 August 2023

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

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

Army Rugby Union Trust

Notes to the financial statements (continued)

For the year ended 31 August 2023

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
	<u>363,989</u>	<u>358,772</u>

Listed investments included above:	2023 £	2022 £
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Listed investments carrying amount	185,035	178,955
	<u>185,035</u>	<u>178,955</u>

18 Financial instruments

2023
£

2022
£

Carrying amount of financial assets

Instruments measured at fair value through profit or loss	177,495	178,955
	<u>177,495</u>	<u>178,955</u>

19 Stocks

2023
£

2022
£

Finished goods and goods for resale	110	1,077
	<u>110</u>	<u>1,077</u>

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
	<u>3,488</u>	<u>24,106</u>

Army Rugby Union Trust

Notes to the financial statements (continued)

For the year ended 31 August 2023

21 Creditors: amounts falling due within one year

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

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

Army Rugby Union Trust

Notes to the financial statements (continued)

For the year ended 31 August 2023

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
	<u>800,000</u>	<u>150,000</u>	<u>950,000</u>	<u>200,000</u>	<u>1,150,000</u>

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)	<u>1,336,412</u>	<u>-</u>	<u>1,336,412</u>	<u>1,186,541</u>	<u>-</u>	<u>1,186,541</u>
	<u>1,860,433</u>	<u>135,504</u>	<u>1,995,937</u>	<u>1,713,881</u>	<u>142,166</u>	<u>1,856,047</u>

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	<u>-</u>	<u>448</u>
	<u>448</u>	<u>3,135</u>

Army Rugby Union Trust

Notes to the financial statements (continued)

For the year ended 31 August 2023

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.

