

**Salisbury Rugby Football Club Ltd**

**A G M Tuesday 10<sup>th</sup> July 2018**

**Notes relating to the Accounts for the year ending 30.4.18**

1. The accounts show a net profit of £51671 but this includes Income (net of costs) for the All Change Project of £74918 thereby leaving a trading loss of £23247 for the year. The key exceptional costs which caused this loss can be summarised as follows:
  - Financial settlement following the departure of the Commercial Manager
  - Arrears of Gas and Electricity charges from previous years
  - Refurbishment costs of the bungalow prior to re-letting
  - Income which would usually have come into the club's operating income currently re-allocated to the All Change project
2. The Bar sales have remained essentially static when compared to last year with the Gross profit showing a small reduction of £2k. Following the departure of the Commercial Manager in October/November additional work and responsibility fell on the shoulders of the House Manager which distracted him from focussing on Room Rentals and Bar income during the months of November, December and January. Thanks to Vince for this exceptional work. We have recruited a part-time Sponsor Relationship Manager and this issue should not be repeated in the current year.
3. Responsibility for Shop sales comes within the House Manager's area of responsibility and as you can see sales have remained static at £15k. The main aim is to make only a small profit which is sufficient to cover costs. The net profit shown in last year's accounts relates to a VAT refund going back 4 years – as reported last year.
4. Room hire income has shown a good improvement since last year and we now have a couple of good regular renters. We expect this improvement to continue into the current financial year.
5. Sponsorship has remained static when compared to the previous year and this is excellent when we bear in mind the change in responsibility during the year.
6. There has been a 25% increase in the subscriptions from Minis, juniors and Colts which demonstrates the popularity of the service provided and the efficiency and enthusiasm of the volunteers who run this section of the Club. Many thanks to all concerned.
7. The Players Sponsorship income of £283 is shown after taking into account the purchase of a kit package for those sponsored players. The gross figure was in excess of £5k. A big thank you to all those who sponsored our players.

8. Clubhouse and & Admin costs show an overall increase of £24k, if you exclude the All Change Costs, and the key reasons can be summarised as follows:
  - Financial settlement following the departure of the Commercial Manager
  - Arears of Gas and Electricity charges from previous years
  - Refurbishment costs of the bungalow prior to the new tenant moving in
9. Pitch preparation costs appear to have increased by some £8k but the figure for last year included a VAT refund re-claimed for the previous 4 years. In reality the costs for this year are about £1k up on last year.
10. There has been an increase in the Depreciation charged to the P & L of some £2.6k and this relates to additional fixed assets purchased throughout the year e.g. Scrum Machine, Software relating to the new membership card scheme, ice maker etc.
11. Our cash position as at 30.4.18, (excluding ALL Change) was low at £1k but on the 1<sup>st</sup> May we received some £6k from VP subscriptions and other income is coming into the account steadily. There is no doubt that cash flow remains very tight (due to the exceptional costs mentioned above) during May June and July but the issue is being managed in an effective manner.
12. During last year a significant Sponsorship deal was agreed with Bartercard for “trade” £100,000 plus VAT with an option for further funds in subsequent years. We have paid the VAT in year 1 which is shown in Prepayments & accrued income (£19.7k). We have not recognised the £100,000 in the accounts until we are able to spend it. We continue to seek suppliers who are part of the Bartercard programme and who will provide services and products which the club needs e.g. building materials for the new changing rooms. We have spent some of the Barter £’s to pay for coach/transport for the various teams.
13. As at 30.4.18 we have raised approx. £208k in the All Change fund.
14. The various improvements, cost reductions and additional income now in place are forecast to recover the “trading loss” of last year and provide a surplus in the current financial year.

Richard Bathurst  
Finance Director  
July 2018