

Salisbury Rugby Football Club Ltd

AGM 2020

Notes relating to the Accounts for the Year ending 30.4.20

As previously advised we have set up a new company – Salisbury RFC (Trading) Ltd - which is a fully owned subsidiary of the Salisbury Rugby Football Club Ltd (Club) and both companies have the same directors.

This is the first full year of activity for the “Trading” company through which the following activities are passed: Bar, Shop, Hall Rental, Sponsorship. The object is to reduce the level of commercial activity within the Club company such that we do not exceed the limit set by HMRC to maintain our CASC (Community Amateur Sports Club) status.

We now have 2 sets of accounts produced as at 30.4.20 and the profit from the Trading company has been transferred to the “Club” company via a tax allowable dividend of £44,962. This was after a management fee of £28k was charged to Trading to cover its share of management costs.

The Club accounts show a combined net profit of £63,313 after the above-mentioned dividend but before £30,904 of Project all Change income (net of costs) and a one off legacy of £10k thereby leaving a true trading profit of £22,409.

This represents a very solid year which has allowed us to invest in the club’s facilities.

Our 5 years trading record - profit/loss, can be shown as follows:

Year ending	<u>30.4.16</u>	<u>30.4.17</u>	<u>30.4.18</u>	<u>30.4.19</u>	<u>30.4.20</u>
Net “trading” profit (Excl. Project All change)	-314	-1,712	-23,247	16,981	£22,409

Bar Performance can be summarised as follows:

Year ending	<u>30.4.16</u>	<u>30.4.17</u>	<u>30.4.18</u>	<u>30.4.19</u>	<u>30.4.20</u>
Sales	158,199	173,723	172,161	189,292	156,074
Contribution	55,699	56,903	54,705	56,240	46,170
GP%	35%	33%	32%	30%	29.6%

This year’s sales are down on the previous year as we lost 6/7 weeks of trading due to Covid 19. There is a slight reduction in the GP% in the last 2 years which relates to an increase in staff costs.

Shop performance is summarised as follows:

Year ending	<u>30.4.16</u>	<u>30.4.17</u>	<u>30.4.18</u>	<u>30.4.19</u>	<u>30.4.20</u>
Sales	9,302	15,852	15,016	16,243	12,926
Contribution	197	2,879	391	2,458	-771

Vince & Steph are gradually getting to grips with shop sales and the current shop location is not conducive to an efficient operation but this should improve when it is moved into the new building during the next few months. A change in sponsor has affected sales and hopefully this will improve in the coming year.

Other Income (excl. Project All Change) can be summarised as follows:

Year ending	<u>30.4.16</u>	<u>30.4.17</u>	<u>30.4.18</u>	<u>30.4.19</u>	<u>30.4.20</u>
Other income (Excludes All Change and inter Co. income)	122,775	115,443	134,475	142,374	£160,142

A good increase in Room Hire - thanks to Vince's effort - and this year's total the £10k legacy/donation.

Playing costs can be summarised as follows:

Year ending	<u>30.4.16</u>	<u>30.4.17</u>	<u>30.4.18</u>	<u>30.4.19</u>	<u>30.4.20</u>
Playing costs	80,251	64,620	76,373	77,388	60,577

We lost the last 6/7 weeks of some costs due to Covid 19.

The principle costs relate to Pitch Maintenance £15k, Travel £6k, Catering £9k and Playing Kit & equipment of £10k – all reduced when compared to last year.

Club House & Admin Expenses

Year ending	<u>30.4.16</u>	<u>30.4.17</u>	<u>30.4.18</u>	<u>30.4.19</u>	<u>30.4.20</u>
Club & Admin costs	98,761	112,349	136,475	106,895	112,672

These totals exclude All Change costs and the inter-company charge of £28k.

Cash Position

Our group cash position as at 30.4.20 was £65k which is after receipt of an RFU Covid 19 loan of £10k, the legacy of £10k and £15k sponsorship from Hopback with the latter 2 items being used to fund the new stand pitch side. We have subsequently received a grant from Wiltshire Council of £10k.

Covid 19

The club house closed in mid-March and we lost 6/7 weeks of good earnings including a VP Lunch. We have furloughed the majority of our staff and taken advantage of HMRC JR Scheme which has enabled us to retain our team.

The big question is how long will the current restrictions continue, when can we open the club and when will we get back to playing rugby?

Whilst we will continue to utilise the JRS scheme for as long as we can (due to end in October?) it still costs about £5/6k per month to run the club. Hopefully we will be back up and running before the cash runs out!!?

A number of local clubs have already gone out to their members for donations and loans to keep their clubs solvent. Our cautious approach in recent years has enabled us to weather the storm at present but we may have to take up this option if we are closed down for much longer!

Project All Change

The new changing rooms are nearing completion and we have spent in excess of £500k so far and this has been funded by Club members, Fund raising events & sponsorship etc. of some £285k plus:

Rugby Football Union Grant	£55,000
Rugby Football Foundation Loan - 15 yrs. interest free	£100,000
Sport England Grant	£45,000
Landfill community grant – Hills Group net	£9,000
Landfill community grant – CSG Group net	<u>£18,000</u>
	£227,000

The total cost of the Build is anticipated at £560k including unrecoverable Vat and in order to ensure that we do not have a shortfall it is crucial that our Buy a Brick campaign is a success.

Please feel free to contact me if you have any questions regarding accounts

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July 2020