

## **Treasurer's Interim Financial Report to AGM on 8 July 2020**

### **Overview**

This is an abbreviated report prepared in the knowledge that the AGM will be adjourned as a consequence of Covid-19 restrictions. This will allow full accounts to be prepared for approval at the adjourned meeting.

With our financial year end being 30th June, inevitably there is an element of estimation in the figures on the attached income & expenditure account as claims and invoices are still being received. There is additional uncertainty over funds received from the RFU specifically for use as an Immediate Support Fund ("ISF") for our member clubs. Should that fund not be called upon, it is probable that the funds will be returned to RFU. As we get closer to the restart of community rugby, the likely calls on ISF should be clearer.

### **Income**

**RFU** – Support funding had been cut by 18% compared with the previous season. The funding for the coming season has not yet been confirmed, but it is expected to be cut more drastically as the result of Covid-19. Funding for Representative Rugby was similar to last season for those competitions that took place prior to the premature end of the season, funding for the Senior competitions was withdrawn as no matches were played.

**Other** - Income from Rugby activities within the County was also badly affected by the pandemic. All festivals were cancelled and entry fees refunded. All deposits for the GRFU organised leagues were returned as the season could not be completed. We were again grateful for the support of our main sponsor, Wadworth. The drinks industry has been particularly affected by the lockdown, consequently Wadworth will not be in a position to offer financial support to GRFU in 2020/21, although we will look to preserve the relationship we have built up with them in anticipation of better times ahead. We will actively pursue other sponsorship opportunities.

### **Expenditure**

Our expenditure falls into 3 significant sections, I have highlighted the split between these over the 12 month period.

**Representative Rugby** - £19,541 (2018/19: £40,800)

As mentioned earlier the senior competitions did not take place this season, hence the reduced expenditure. The figure for expenditure will rise as no account has yet been taken of spending on medical supplies or the outcome of a stock take.

**Projects to Develop Community Rugby** - £ 29,354 (2018/19: £55,846)

The Local Rugby Plan ("LRP") had to be suspended due to the pandemic, and earmarked funds redirected the ISF. The priorities going forward are simply to get rugby restarted as soon as it is safe to do so, and to support clubs that need assistance to get up and running again. There will be no formal LRP for 2020/21, but the detailed information gathered earlier this year will be used to formulate plans for the subsequent season.

### **Administrative Overheads - £60,637 (2018/19: £78,189)**

We have managed to reduce overhead expenditure whilst continuing to improve the service we provide to our clubs. In particular the online forms that have been developed (e.g. Playing out of age group, or tour applications) are making life easier for both GRFU and club volunteers. One good thing to come from the lockdown has been the use of virtual meetings, something that we may continue to employ even when things get back to normal.

### **Financial Position**

The overall estimated deficit for the year of £7k, is primarily due to the fall in the value of our investments. We continue to have strong cash reserves and even with the anticipated cuts to RFU funding we do not expect to need to sell those investments in the near future. The investments are all in "blue chip" companies that are not at risk.

We have allocated just over £50k to our ISF to hopefully ensure that all our clubs survive the current crisis and are able to restart rugby, whenever the go ahead is given. £33k of this is from our own resources and £17k is additional funding from RFU that can only be used for this purpose.

We have looked at a worse case scenario for the coming season and have no concerns about the ability of GRFU to remain able to support ours clubs and provide the structure for the return of rugby throughout Gloucestershire.



Simon Thornton

Treasurer

8th July 2020

## Estimated Income and Expenditure

	<u>Current Year</u> 1 July 2019 - 30 June 2020	<u>Prior Year</u> 1 July 2018 - 30 June 2019
<b>Income</b>		
Note		
RFU PFR Funding	85,139	103,828
RFU re Representative Rugby	18,500	24,783
RFU Competitions Funding	1,816	2,800
Own Income from Competitions	7,225	13,657
Sponsorship etc	18,288	16,276
Patrons & International Tickets	4,692	6,508
Discipline Income	3,540	4,075
Investment Income	1,631	2,479
Other Income	5,757	4,146
	146,588	178,552
<b>Representative Rugby Costs</b>		
Senior Men	640	9,814
Senior Women	656	5,755
Under 20's	5,108	10,952
Under 18's Girls	1,781	1,610
Under 17/18's	3,176	4,350
Under 16's - Bristol	3,826	3,626
Under 16's - N Glos	1,740	1,936
Under 15's Girls	2,250	1,606
Cost not specific to particular squad	364	1,151
	(19,541)	(40,800)
<b>Expenditure on Projects</b>		
Local Rugby Plan	29,354	55,846
	(29,354)	(55,846)
<b>Overheads</b>		
Costs of Disciplinary Function	227	29
Communications	13,557	15,322
Meetings, Travel & Other Committee Costs	9,465	16,929
County Administrator	22,852	24,555
Office Rent	6,000	6,025
Other Office Costs	2,240	3,427
Storage Costs	2,239	2,390
Sundry Expenditure inc.Subscriptions & Donations	40	501
Depreciation	350	320
Accountancy & Regulatory Costs	1,875	2,168
Bank Charges	254	341
Insurance	200	211
Tax (inc VAT Partial Exemption Adjustment)	1,337	5,970
	(60,637)	(78,189)
<b>Net Surplus/(Deficit) for the year (excluding revaluation &amp; extraordinary item)</b>	<b>37,056</b>	<b>3,718</b>
Revaluation of investments to market value	<b>(10,863)</b>	<b>(2,384)</b>
Accrual for Immediate Support Fund	<b>(33,000)</b>	
<b>Estimated Surplus/(Deficit) to be Reported in Year End Accounts</b>	<b>(6,807)</b>	<b>1,334</b>

**This Income and Expenditure Account should be read along with the accompanying notes**