

Treasurers Report – For the Year Ending 30 April 2015

Having been in post for a year now, the overriding impression is one of amazement, not so much for the work involved in looking after the finances (it's my day time profession so I know what's involved) but the perceived lack of understanding from some quarters of what it actually takes to run and maintain a club with the assets and facilities we have. What we had at Stonegravels bears absolutely no resemblance to what we have now, both in terms of facilities and finances. This is a whole new ball game and the idea that we are merely a rugby club should be forgotten. This needs to be viewed as a viable business concern if it is to survive. However, unlike a conventional business we don't have any real means of generating an income so we have to rely on two major assets – our members and our facilities.

So what would an average membership cost if we just relied on our members? Based on last year's figures, around £400 per member per year! Great if you are prepared to pay it but I doubt it. That leaves us with the facilities.

With three full size rugby pitches, two community football pitches, multiuse games area and brand new clubhouse with bar and kitchen we'd be mad not to tap into the potential they offer. So the mind-set has to be one of commercial venture. We are no longer merely just a rugby club. We simply can't afford to think that way if we actually want to survive as a rugby club in the first place. What's the point of having all this at your disposal only to use it for a few hours a week? It might as well work for you.

So has it? Unfortunately not quite (as you will see!), but it's heading in the right direction. Most new start-up businesses take a while to get going and we are no different. We are still in the phase of speculating to accumulate and this means looking at additional revenue streams. We offer out the clubhouse for corporate events and have a number of regular clients now. Word is getting around and we have seen an uptake in corporate bookings recently but there's still room for growth. The request to use the clubhouse for private functions has also increased and is competitive against a lot of other locally based businesses. We are establishing links with other businesses to use the facilities beyond the clubhouse walls and are looking to host the RSPCA for the second year running on 18 July and the NLD RFU, as well as local schools, use us regularly for tournaments, workshops and festivals.

So where are we exactly financially?

During the last financial year the turnover for the club, in cash terms, was £119,201.91. Costs associated with the sales turnover was £40,675.10 therefore a gross profit of £78,526.81. Offset against this are further costs of running and maintaining the clubhouse and associated facilities. These amounted to a total of £100,282.54 for the year which meant the club had a cash shortfall of **£21,755.73**.

The following is a breakdown of income against expenditure in fairly simple terms with some of the more relevant areas shown. For a full breakdown of income and expenditure, please see the attached Income and Expenditure sheet.

Income - £119,201.91

- Rugby - £84,942.19 - 71% of total income
 - Bar Sales – 36% of total income
 - Membership subs – 26% of total income
- Commercial - £30,529.76 - 26% of total income
 - Letting Fees (Synergy) – 13% of total income
- Other - £3,729.96 - 3% of total income

Expenditure – £140,957.64

- Cost of Sales - £40,675.10 – 29% of total expenditure
 - Bar Purchases – 19% of total expenditure
- Operating Costs (Facilities) - £55,670.74 – 40% of total expenditure
 - Heat, Lighting, Water Refuse and Rates – 12% of total expenditure
 - Facilities Maintenance – 18% of total expenditure
- Operating Costs (Other) - £10,401.33 – 7% of total expenditure
- Staff Costs - £34,210.47 – 24% of total expenditure

Whilst a cash deficit of nearly £22k isn't good for the club it's not impossible to turn it around, however it can't be done by membership subs alone. These help certainly and more members using the facilities for more than just rugby training and matches would further boost revenue but I doubt it will ever be enough to sustain the club entirely. For that we need to think outside the box.