GLOUCESTERSHIRE
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Treasurer's Interim Financial Report to AGM on 6 July 2022

Overview

Whilst rugby has thankfully restarted this season, the effects of the Covid 19 pandemic still linger. In particular the ability of RFU to financially support Community Rugby. In the summary of income & expenditure that follows I have shown a comparison with the last full season pre Covid (2018/19), rather than the past 2 seasons which I hope will never be repeated. 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.

Income

RFU – In total we received £52,816 in grant funding for this year, £28,181 of which was in respect of specific projects agreed with RFU. The Age-Grade Representative program benefited from increased funding of £24,017. As we were not in a position to compete in either of the Senior Representative competitions or the men's under 20s, no funds were received for these. Funding for running competitions was reduced.

Other – Sponsorship income was down by over £12,000 – primarily because of Wadworth having to withdraw their sponsorship after the effects of lockdown. Other rugby related income returned to normality. We also benefited from £1,000 of surplus funds distributed by South West DOC, and 2 months of Job Retention Scheme funding whilst Andrea was part-time furloughed prior to the start of the season.

As you will see, our income was reduced by over £64,000 from the last comparable season – a 36% drop.

Expenditure

Representative Rugby – In view of the aforementioned loss of income, we took the difficult decision not to enter either the Senior Men's or Under 20s championships. In previous years the cost of these had been in the region of £20,000 and the support offered by RFU of approx. £2,000 per team meant that we would have to use our reserves to participate. We had hoped to participate in the Women's championship, but unfortunately, at a late stage, it became clear that we could not field an appropriate side.

The age-grade program was completed largely within the funding received from RFU to support these developmental sides.

Community Rugby – RFU provided funding for 3 schemes, targeting areas they considered important- details of which you will hear shortly. The £4,326 shown as GRFU spend relates to the staging of festivals, administering competitions and rewarding volunteers.

Overheads – Our main expenditure during the year was in maintain the central communications and administration hub that is County Office. Overheads were reduced as far as possible, with a reduction (excluding tax) of 40% compared to 2018/19. In particular the costs of meetings and travel has been drastically reduced due to greater use of Teams,etc. I have estimated a substantial Corporation Tax bill, largely the result of the increase in value of our investments. This is a prudent estimate and I expect to be able to reduce this substantially.

<u>Financial Position</u>

We did manage to live within our means this year, showing a small surplus of just over £9,000 on our ordinary activities. This figure will reduce as further invoices and expenses claims are received, but we will still have a surplus. The value of our investments have risen sharply since the invasion of Ukraine as we have holdings in both oil and defence companies. This means the overall estimated surplus for the year is £22k. We currently have strong reserves in cash of almost £100k and investments worth £43k, which orm the bulk of our reserves which are still well in excess of £150k.

Our basic funding for next season from RFU is not going to increase, and there is no certainty that similar project funding will be forthcoming, however, I am confident that we will be able to maintain our current level of support to clubs until RFU recovers fully from Covid.

Simon Thornton
Treasurer
6th July 2022

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Notes to Estimated Income and Expenditure Account

- Last year's investment income included a windfall profit on the sale of shares, and a one-off Dividend due to a restructuring. Ordinary dividend income for last year was estimated at £2,524, this year is estimated at £2,606. The shareholdings have grown in value by £1,310 to £50,816.
- A sum of £5,000 has been set aside for pitch improvement projects to be undertaken during the close season.
- No Corporation Tax is expected to be due in respect of this financial year. The figure is a rough estimate only.
- There will inevitably be further invoices or expenses claims received prior to the preparation of formal accounts, and a stock-take will be completed shortly. I do not expect these to materially change the picture presented by this account.