

Treasurers Report

**Background**

In March of 2020, the COVID epidemic took hold and lockdown commenced. The intervening 15 months have seen unprecedented upheaval across all sport and the world in general.

This report will cover three years of financial information at NLD, from 2019/20 to the new year starting on 1<sup>st</sup> July 2021.

**FY 2019/20**

The published accounts of the CB are appended to this report for approval. However, to look behind and understand the changes in the numbers, I have summarised the figures below and commented accordingly.

**Income & Expenditure for the year ended 30<sup>th</sup> June 2020**

	£'000	£'000
RFU Income *	122	
Membership & sponsorship	17	
Other income	4	<b>143</b>
Core operational & office costs	29	
Facility & EFS grants	46	
Training/match costs	16	
Other overhead	3	<b>94</b>
<b>Surplus for year</b>		<b>49</b>
* Includes contribution towards EFS		

**Balance Sheet as at 30<sup>th</sup> June 2020**

		£'000	£'000
<b>Fixed Assets</b>			<b>0</b>
<b>Current Assets</b>	Debtors	12	
	Bank	180	
	Stock	0	<b>192</b>
<b>Current Liabilities</b>	Creditors	6	
	HMRC	3	
	Accruals	10	<b>19</b>
<b>Net Assets</b>			<b>173</b>
<b>Reserves</b>			<b>173</b>

It is obvious that the reserves of the CB increased during the year, mainly due to the cessation of playing activities in March 2020 as well as the RFU continuing to make the Q4 payment and providing matched funds towards the Emergency Funding Scheme.

The CB made initial payments to clubs of £500 each followed by the enablement of applications under 3 subsequent schemes in May, August and December. To date, total commitment made under the EFS stands at £30,450 and would have undoubtedly been higher had it not been for the government backed Rugby Union Winter Survival Fund coming on stream earlier this year.

The Referees Society and Domestic Unions also made commitments to support the EFS and this is dealt with in the current year below.

### **FY 2020/21**

With the almost complete cessation of playing activity for the year, the CB took the necessary steps to reduce its own expenditure commensurate with the inevitable reduction in funding from the RFU.

With the FY almost at an end, the estimated Income and Expenditure for the period is shown below.

	£'000	£'000
RFU Income	24	
EFS support received *	21	
Membership & sponsorship	2	
Other income	2	<b>49</b>
Core operational & office costs	21	
Facility & EFS grants	11	
Training/match costs	1	
Other overhead	2	<b>35</b>
<b>Surplus for year</b>		<b>14</b>
* from Referees Society & DU's		

On the face of it, the year currently shows a small surplus however, it is planned (and only fair) to return the unused proportion of the EFS support received from the Referees Society and Domestic Unions. The exact amount is yet to be calculated but is likely to be in the region of £11-£12k which will leave the CB in an almost break-even position for the year.

### **FY 2021/22**

For the upcoming year, the RFU has done its own calculations and, to date is only providing CB funding for the whole year of £6.5k whereas as playing starts once more, the CB is obligated to support the re-boot and the ongoing game in this area.

The Local Rugby Plan has been completed for the year and for comparison is shown here in the same format as the accounts.

	£'000	£'000
RFU Income	6	
EFS support received *	-11	
Membership & sponsorship	10	
Other income	4	<b>9</b>
Core operational & office costs	38	
Facility & EFS grants	18	
Training/match costs	28	
Other overhead	4	<b>88</b>
<b>Defecit for year</b>		<b>-79</b>

Currently, with the drastic reduction in RFU support, the proposed repayment of the support from the other NLD bodies, and the CB endeavouring to support the game as in previous years, NLD will see almost half its current reserves depleted by June 2022.

Clearly, this is not something that can continue beyond 2022 and it is hoped that RFU support will return to previous levels for the 2022/23 season for the CB to maintain the same level of support.

The three-year effect is shown below.

	2019/2020		2020/21		2021/22		3-year total	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
RFU Income	122		24		6		152	
Local EFS support received *			21		-11		10	
Membership & sponsorship	17		2		10		29	
Other income	4	<b>143</b>	2	<b>49</b>	4	<b>9</b>	10	<b>201</b>
Core operational & office costs	29		21		38		88	
Facility & EFS grants	46		11		18		75	
Training/match costs	16		1		28		45	
Other overhead	3	<b>94</b>	2	<b>35</b>	4	<b>88</b>	9	<b>217</b>
<b>Surplus/Defecit for period</b>		<b>49</b>		<b>14</b>		<b>-79</b>		<b>-16</b>
* from Referees Society & DU's								

### Club & Individual Subscriptions

Over the years, the NLD club subscription rates have caused confusion and now resulted in nonsensical payments from clubs.

At the present time, we are, in the main receiving payments of £35.25, £47 and £48.00, the latter being the only one that divides correctly when VAT is applied.

Most payments come in at £35.25 or £47.00, giving a goods value of £29.38 and £39.17. If, the old VAT rate of 17.5% is used then it works perfectly at £30/£40 goods value which would suggest many clubs set up a standing order many years ago and just forgot about it regardless of how many teams were playing.

The last VAT rate change to 20% was in 2011 having previously been at 17.5% since 1991 (apart from a 2-year 15% band in 2008/9 because of the 2008 crash).

Therefore, it is possible to assume that these current membership rates could easily have been in place for at least 15 years and quite possibly much longer. Therefore, the Board believes it is time to simplify them and at the same time make an increase to the personal rate which is currently £15.

From 1<sup>st</sup> September 2021 the new subscription rates will be as follows:

All clubs, regardless of size:     £40 + VAT     (£48)

Individuals:                         £20 + VAT     (£24)

An invoice with a covering email will be issued to all clubs and individuals in July and August to give all parties time to amend or cancel standing orders as necessary.