

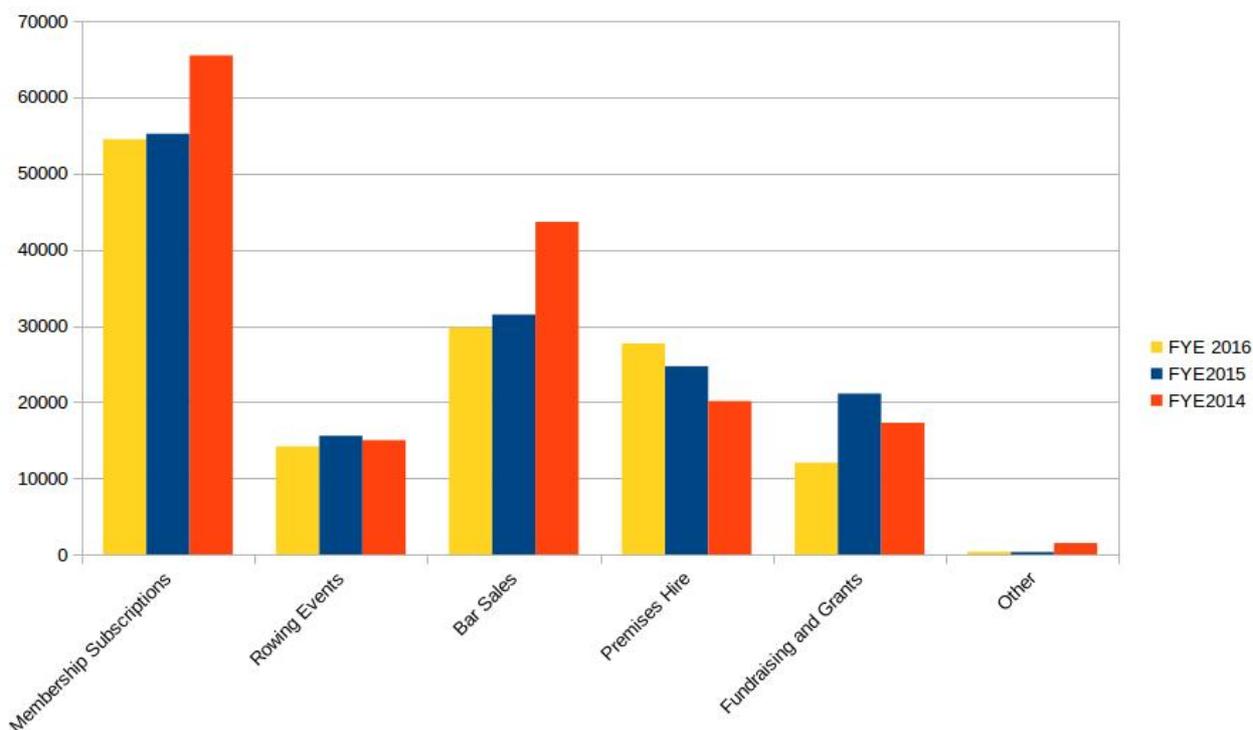
Treasurers Report  
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This report contains the following:

- Commentary on income and expenditure
- (Brief) commentary on balance sheet
- Progress made since last year's report
- Developments since June 30 and outlook

### Income and expenditure

The income and expenditure report shows a total income of £187,546, which comprises a number of income streams that may be categorised as 'rowing' (such as membership fees, boat purchases and repairs), 'commercial' (such as bar sales, function room hire and bar staff wages) or 'general' (expenses that are difficult to apportion, such as utility bills). The commercial income streams have associated with them a cost of sales (bar purchases and function supplies). By subtracting these costs, the gross profit from each stream can be calculated and the results are shown in the graph below. The corresponding figures from the previous two financial years are included for comparison.



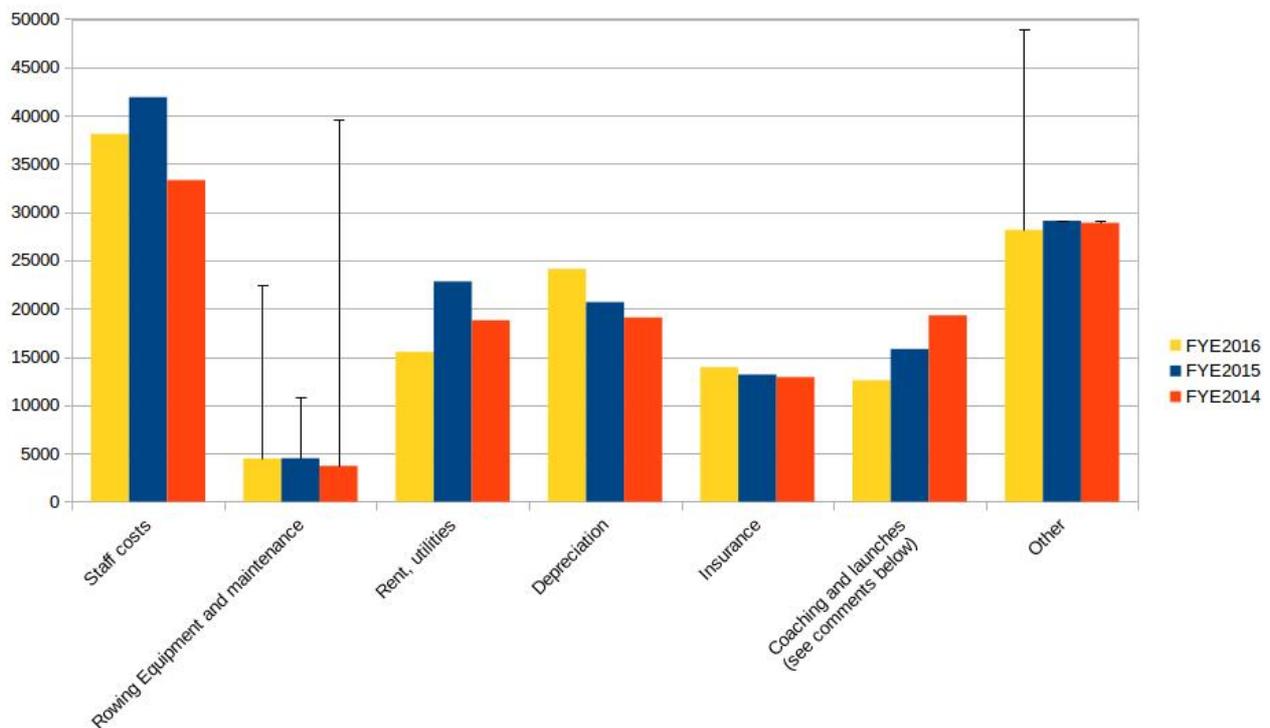
Membership income is down on last year, though not to the extent I had feared back in December. Although many members did not choose to renew, the reduction in income has been mitigated by the Taster Day organised by the seniors in January, and the Learn To Row courses organised by Chris and Sarah over the Easter. (Some more Learn To Row courses took place this summer – monies received for this have been carried forward into the 2016/17 financial year)

Our income from rowing events is down slightly. This can be attributed to our having less participants in Pub and Club compared to previous years. This year, there seem to be many crews taking part, and it is good to see a good number of our members helping out with the coaching.

Profit made through bar sales is slightly down, I think due to there being less footfall in the bar, but the hire of our premises for functions is now more profitable. The profit margins for each are improved over previous years.

Fundraising income includes £4,179 of historical grants released from deferred income, which is an accounting procedure used to offset the depreciation of grant-funded assets bought in the past. Last year's fundraising figure of £13,089 includes a one-off donation of £10,000 from Cardiff Met for our gym refurbishment. This year's fundraising income of £5,974 therefore reflects the efforts of a reinvigorated Fundraising Committee, whose events through the year included the Bonfire Night, the Call my Bluff event, and several quiz nights and breakfast clubs. Your continued support of these events, both through taking part and through helping run them, is appreciated.

The total expenses invoiced during the year, together with the corresponding figures for the previous financial year, are shown below. (All categories less than £10,000 have been grouped under 'Other'; a detailed breakdown of this year's figures is given at the end of this report. Additions to assets are recorded on the balance sheet rather than on the income and expenditure report; the amounts are represented on the chart below using error bars and discussed further later on.)



Staff costs and utilities are both significantly down on last year. This is in part due to the efficient way in which the bar is staffed, and our renegotiation of electricity and gas costs, but these figures have also been deflated slightly due to our having reclaimed Employment Allowance which was previously missed by our payroll accountant, and to our having reclaimed a credit balance from Welsh Water which arose through their overestimating our water usage.

Coaching costs are down on last year. This is because our full-time coach was only in post from the end of October onwards. We used minimal paid coaching between July and October. The year-on-year costs would therefore have been much higher.

Insurance and depreciation expenses have risen slightly, which both correspond to the increasing value of our fleet. (We have now reduced our insurance premiums as I discuss below.)

In the “Other” category, each expense category is broadly in line with last year. The only exception is that more has been spent on the truck and trailer, as the clutch needed to be repaired. Our truck is getting older, and I would suggest considering whether its ongoing maintenance is worthwhile.

The table below attributes our income and expenditure to “rowing”, “commercial” and “general” categories. Our overhead costs (mortgage interest, utility bills etc) are slightly exceeded by profits from our rowing and commercial activities.

	Commercial	General	Rowing	Total
Income	£57,491	£339	£80,705	£138,535
Expenditure	£38,096	£55,136	£43,661	£136,893
Total	£19,395	-£54,797	£37,044	£1,642

### Balance sheet

This is a statement of our current financial position. The main difference from last year is that we have now paid off the outstanding British Gas debt. This is broadly reflected in the reduction of our balance owed to trade creditors and corresponding reduction in cash held in our bank accounts. “Financial position” seems to me a bit of a nebulous concept, but for the club's purposes I believe the important figure on the balance sheet is current assets less current liabilities, which is £49,179 as at June 2016. The majority of this is held as a contingency, against the following:

Strategic reserve and landing stage - £30,000

The strategic reserve is nominally held at the amount of £15,000, and the funds set aside for the landing stage are also £15,000. Estimated costs for replacing the landing stage are above £30,000 and so we ought to plan accordingly.

VAT bill - £10,000

I discuss this further below.

The main addition to our fleet has been a quad, which was made possible by a donation from Howell's School. Thanks to them, and to Sarah and Emma for facilitating this. Early in the season we also bought spin bikes and sculling blades, the latter being half-funded by the Rowing Foundation. Spending on the rowing side this year has otherwise been minimal as membership renewals in November were much lower than expected. It was decided that retaining our coaching arrangement was a higher priority.

The main addition to our buildings is the gym. The valuation on the balance sheet includes £4,500 labour donated free of charge by Dan. Of this, £1,900 was spent this year on rowing repairs and was released as grant income. The remaining £2,600 was spent after July on various boat refurbishments.

## Last year

Various difficulties were highlighted in last year's report. Here I revisit each in turn, stating the progress made:

- **British Gas debt repayment:**

This has now been repaid in full. We have also changed electricity supplier to reduce our bills in future.

- **Cardiff Council cancellation of rates relief**

The constitutional changes made last year were sufficient to persuade Cardiff Council to reinstate our rates relief, saving us £8k each year. I managed to convince the Council to backdate this to April 2015.

- **VAT bill:**

I will conclude this matter before I hand over at the end of the month. Resolving this matter involves going back through previous year's transactions, declaring our position to HMRC once known and then negotiating with them. I have held £10,000 aside for this purpose.

- **Paid coaching:**

The provision of a paid coach is considered important for the development of all of our athletes. We cannot justify paying for full-time hours as school and work commitments make it impossible to fit 40 hours of training into one week. However, a part-time position is not sufficient to attract the high calibre of coaching wanted by our members. This impasse has been resolved thanks to the hard work of Mary, who together with Welsh Rowing has negotiated for a full time coaching post to be offered. Welsh Rowing take care of the administration of the post, and we pay only them for the hours we use.

## Recent progress

The accounts end 30<sup>th</sup> June and so do not reflect more recent developments. These are:

- **Provision of a shared full-time coach (i.e. paying only for part time hours)**

See above. I hope that this new coaching arrangement is successful and satisfactory to all. If so, it will save the club around £9k each year compared to our paying for a full time coach ourselves.

- **Insurance policy:**

Gary and Craig have changed our insurance supplier to reduce our annual premium by around £5k. This is a huge saving and I would like to thank them both for sorting this out.

- **Summer rowing days:**

There have been efforts made to raise further income through offering a "summer school" to junior members through the day during two weeks in August. This is a new initiative that seems to have been very popular amongst our junior members.

## Next year:

The above developments place us in a much more favourable position financially. Mary is hoping to retain the ongoing services of Harry, our strength and conditioning coach. I think all squads have benefited from his hard work and I am glad to see that it might continue. Mary is also hoping to

press on with a refurbishment and fleet upgrade schedule – as mentioned above, these both had to be put on hold this year. Thank you for bearing with us. At the time of writing I understand we are soon to purchase a new Wintech double.

This year I have not stood for reelection as Treasurer. I originally stepped up, in the absence of any other volunteers, when the role suddenly became vacant in 2013. Since then I have fulfilled the role to the best of my ability, investing time along the way to acquaint myself with many of the intricacies of accounting practices and tax regulations. Despite my work meeting the approval of our professional accountants as they rely on my records to prepare the accounts, several comments have been made throughout the past year about my lack of accounting experience and/or business acumen. These comments have reached me indirectly, and so it is difficult to respond directly. All I can say is that it is extremely frustrating to hear so much in the way of criticism and so little in the way of offers of assistance, or even offers of advice. I am therefore stepping away from the role in the hope that someone with the aforementioned experience might feel it necessary to step up. I can vouch for the role being interesting. It has also been time consuming, but I hope that this will be alleviated somewhat by the installation of a new till system which should make bookkeeping much easier.