



## Finance Report

Date December 2023

Report compiled by Brian Fergie

### Key events, issues, and achievements since the last report.

**Management Accounts** for the 5 months to November attached. Still early days with regard to representative team and other activity with nothing untoward to highlight.

#### Accounts separation / Trust

1<sup>st</sup> July was official date for separation and payment of monies due / agreed.

£100k cash transfer completed at the end of August.

Final £10,300 of year end carry over (Schools and RFU) received on 1<sup>st</sup> December.

Financial transactions re separation now complete.

#### Trust ongoing

5 months have passed and no dividend income has been received,

The grant application submitted to allow the payment of dividends has been rejected. The Trust says they can only fund programmes that benefit Clubs / Club rugby.

The Trust are imposing conditions (must submit a grant application) and restrictions (can only be spent on Clubs) which I don't believe were present in the past. In addition I do not believe the Trust deed contains such restrictions. I have emailed the Trust seeking clarification and included some expenditure data from 18/19 to support my case.

#### Youth Trust

The Youth Trust (or Northumberland Rugby Charitable Trust to give it its correct name) has supported the County with an annual grant of £7,500 for a number of years (at least from 2016/17 and probably much earlier). The grant was to support part of the County office (salary and overhead) running costs on the assumption that the County office supported a range of youth activities in Clubs and county. For 2023/24 I asked the Trust for an increased contribution (£12,500) on the basis that youth rugby and in particular girls' rugby, continues to grow and we are looking to support Clubs development in this area by introducing additional cup and festival opportunities, including additional age grades, for Club sides as well as development days for young players.

The Trust have declined our request for increased funding stating: "that now the office only seems to support representative youth rugby, with other work, often organised by volunteers in the past, having disappeared."

It has paid £7,500 for this year but said that the whole claim should be put under review after that.

I believe we can show the Youth Trust that we do a lot more than representative rugby.

#### **Winding Up costs**

NCR does not have the safety net of £2.4m of investments on its balance sheet and as such has to retain a bank balance at least equal to the cost of winding up the company. Attached is a schedule of the expected costs of closing down the business which comes to £27,000, it is therefore recommended that we maintain a bank balance of at least **£30,000**.

#### **Funding and Budget**

Our applications for additional funding have been unsuccessful which means we have to cut substantial costs from our budget – circa £30k out of £130k of expenditure. This assumes our dividend issue is resolved.

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