

SACC

AGM Treasurer's Report,
CY 2019

Rich Parkin
8th February 2020



STANDARD ATHLETIC CLUB
SETTING THE STANDARD SINCE 1890

Executive Summary: Information

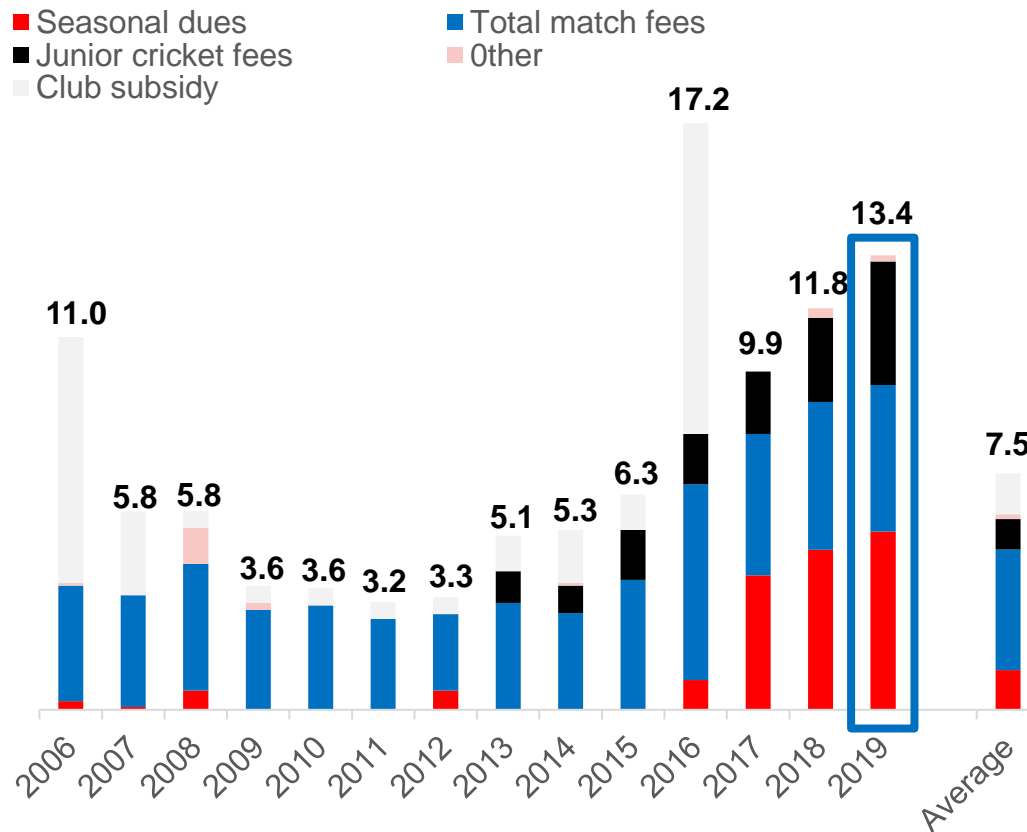
- The Treasurer's function is **to ensure the financial sustainability of high quality cricket at SAC**, thereby enriching the identity of the overall Club
- **Most notably, the Cricket Section maintains and renews an €85K asset base (pavilion, pitch, sight screens, scoreboard, other equipment and kit)**
- **This leads to 3 objectives**
 - **Short term: Be able to fund ongoing operations; at least €1000 cash on hand at beginning of season**
 - **Medium term: Generate sufficient free cash flow (EBITDA) to fund anticipated replacement of assets.** Over the next 10 years this will require around €30K (pavilion (other than roof), pitch surface, netting around practice area, Club kit), so €3K a year
 - **Long term: In the ideal case capital reserves should equal the accumulated depreciation of our asset base.** In practice this is going to take some time to achieve, and we will need to continue to run with strong profitability while we continue the renovation of facilities
- **This year's financials were very strong**
 - Positive cash flow at record levels of ~€9K before capital investment
 - Positive profitability for third year in a row. The Section is generating over €6K a year for the Club after providing for asset depreciation. This is currently being re-invested in an asset base which was in appalling condition in 2015
- Over the past year our focus has turned to renovating the pavilion, which represents a major part of the Club's history, having housed the whole Club after the 1944 destruction of the old facilities. This structure was in danger of collapse last year. We have been able to fund replacement of the pavilion roof, and are budgeting €7K towards the further renovation this winter. Priorities are structural beams, gutters, door and windows. We have also funded complete renovation of the Sinbad Vail scoreboard, and the forest sight screen. **By season start, the Section will have funded over €35K in capital improvement in 4 years, representing a renewal of 40% of our assets base**
- This will leave us with ~€4K cash on hand at the beginning of the new season
- The proposed 2020 Budget will generate €6K profitability, with €1.5K cash flow. We therefore plan to end the 2020 year with ~€11K cash-on-hand to fund the next wave of pavilion work

Executive Summary: Proposed Decisions

- **Approve budget**, including key implied items below
- **Maintain match dues**
 - €10 per person (€7 without tea)
 - Minimum of €15 for touring game (more if catering)
- **Maintain junior cricket dues at their current level**
- **Increase Seasonal Dues by 5% from €390 to €410**, with all members receiving SAC embossed kit (already purchased this year). This amount will be discounted to €375 (raised from €355 this year) if paid before the end of April (strictly enforced).
- Raise price of ball sold to opposition to €25 (from €20) to cover cost
- Reiterate guidelines on certain key items on tea costs not to exceed €65 for an afternoon game, or €130 for a full day game
- Further maintenance of existing assets to be undertaken before season by team volunteers, with the following priority of transforming the exterior appearance of the pavilion area once structural work is completed
 - Repaint pavilion exterior
 - Improve planted area
- Guidelines on pavilion renovation (see final page for discussion items)

Ongoing revenues (without Club subsidies) have risen rapidly to reach a record €13 400

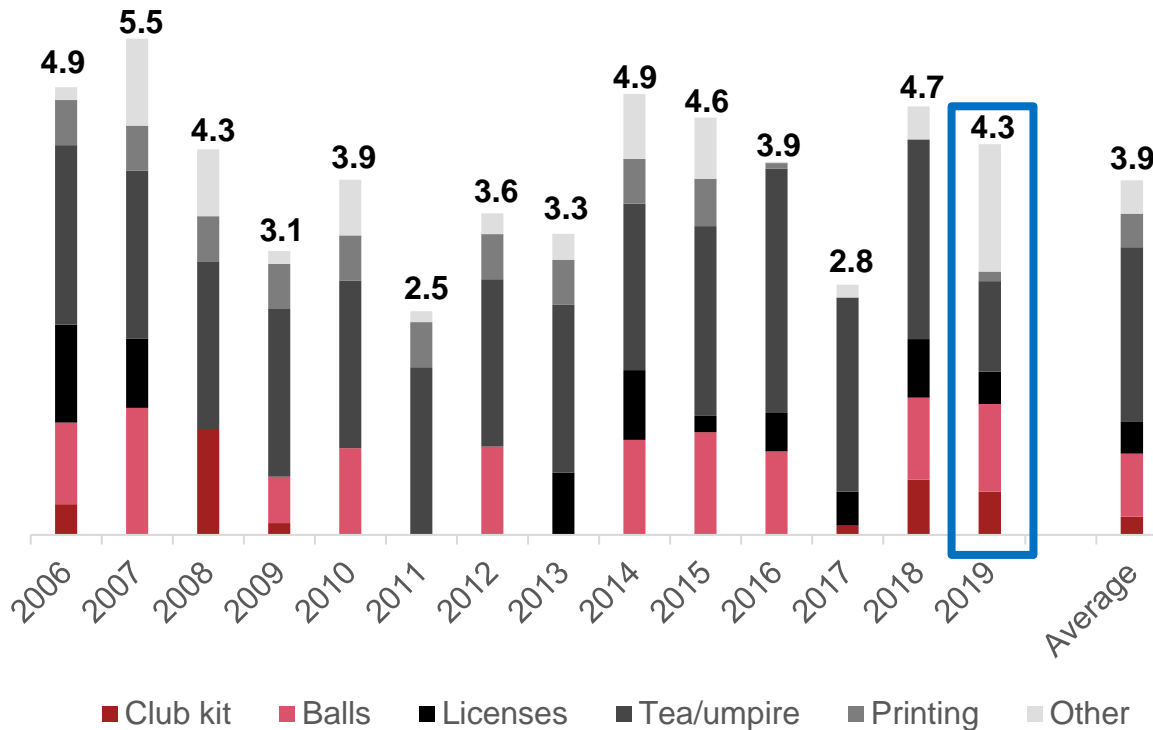
SACC revenue, 2006-19, at 2019 prices (€K)



Comments	
<ul style="list-style-type: none"> Transformation in revenue sources since 2016 <ul style="list-style-type: none"> Previously 52% match fees, 35% Club grants, 13% other) Now self- financing: 40% seasonal dues, 30% match fees, 30% junior cricket) 	
<ul style="list-style-type: none"> This reflects completion of transition to Section administering the collecting Seasonal Memberships, which has doubled dues collection 	

Operating costs are quite stable over many years and remain under control at €4 300

SACC operating costs, 2006-19, at 2019 prices (€K)



Comments
<ul style="list-style-type: none"> Operating costs are overwhelmingly teas, balls and umpires “Other” costs rose this year primarily due to new Notre Dame junior cricket activity, which yielded far more incremental revenue Cost remain close to long term average of around €4K

This enabled **€11.0K** investment in our €85K asset base; the pavilion structure is our next focus

Asset base (current €K)

	Assets	Replacement cost	Value (31/12/19)	Depreciation period	Annual in life depreciation	
Fixed Assets	Practice pitch and net	7.5	0	Pitch: 30; net: 10 yrs	280	
	Match pitch and base	14.4	10.6	Base: 25; pitch: 15 yrs	830	
	Portable batting cage	2.2	1.4	10 yrs	220	
	Pavilion	Roof	<u>9.5</u>	9.0	20 yrs	475
		Structure	30.0	0.0	100 yrs	300
	Protection around pool	10.0	3.9	20 yrs	500	
	Bowling machines	5.4	0.0	10 yrs	540	
	Scoreboard	2.0 (of which <u>0.5</u>)	1.0	25 yrs	80	
	Sight screen, forest end	2.4 (of which <u>0.5</u>)	1.1	25 yrs	95	
	Sight screen, clubhouse end	0.4	0.0	10 yrs	40	
	Slip catch cradle	0.5	0.1	25 yrs	20	
Kit	Senior kit	3.0 (of which <u>0.3</u>)	0.3	10 yrs	300	
	Junior kit	1.0 (of which <u>0.2</u>)	0.2	10 yrs	100	
					3695	

■ Approaching end of life
 ■ Needs maintenance/repair
 ■ Good condition; no expenditure needed

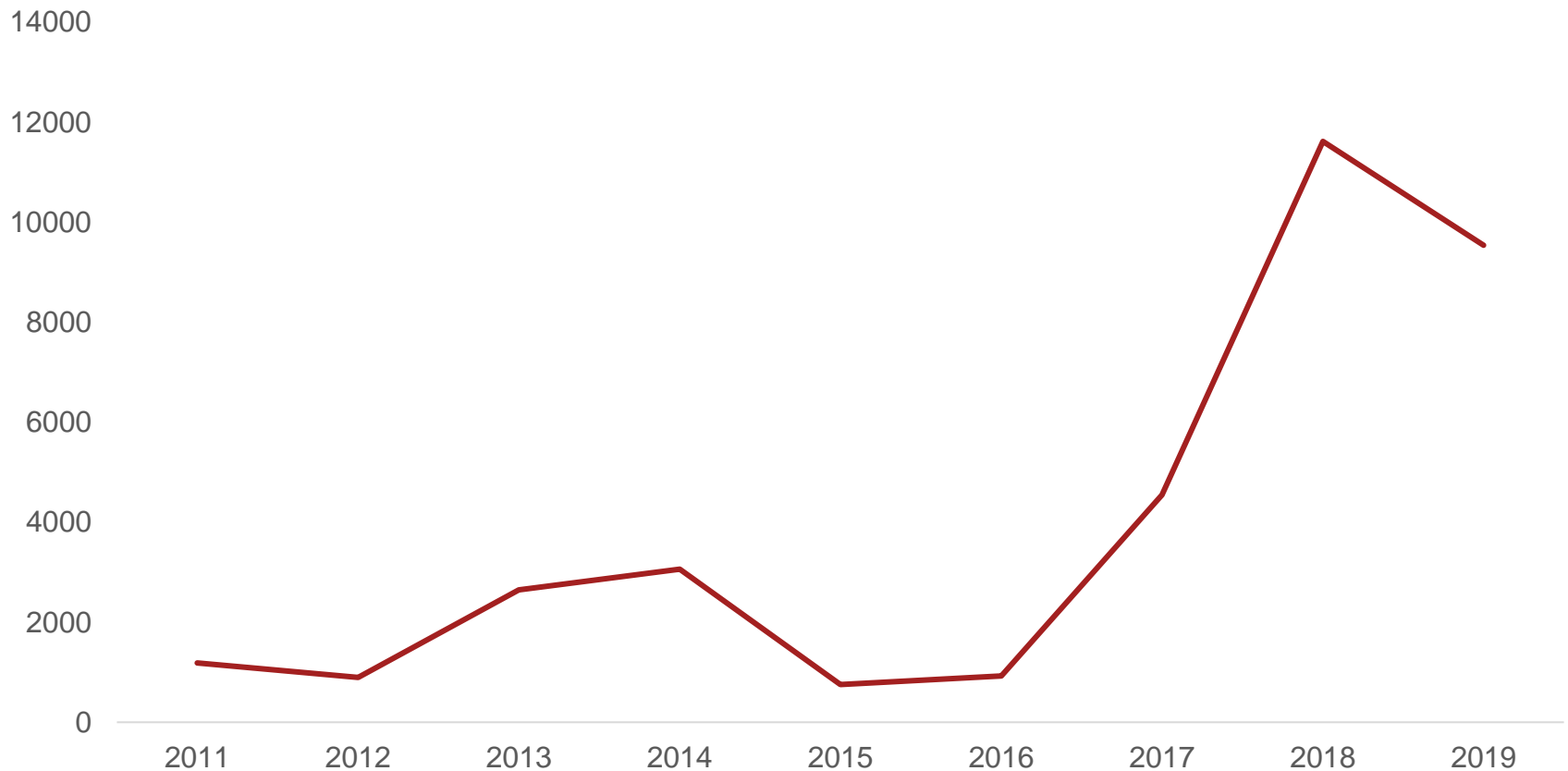
This led to €9K EBITDA, €6.5K profit, and a €2K reduction in cash

Financial Summary, 2017, 2018, and 2019 actual €s

	2017	2018	2019
Revenues	9.7	11.7	13.4
Operating costs	2.7	4.7	4.3
EBITDA	7.0	7.0	9.1
Capex	3.6	0.4	11.0
Change in cash	3.4	6.6	-1.9
Depreciation	2.5	2.5	2.7
Profit/Loss	4.5	4.5	6.4

We therefore have ~€9.5K on hand to fund pavilion work and the season start

End of Year "Cash", in 2019 €s



We plan €6K 2020 profitability to leave us with €11K on hand for Wave 3 pavilion work in 2021

	2019	Budget 2020
Total revenue	13350	14250
Seasonal dues	5230	5300
Match fees	4310	4300
Junior cricket	3630	3700
Player kit sales	20	0
Other	160	950 (including 750 in sponsorship)
Total costs	-4300	-5600
Teas	-950	-1500
Balls	-980	-2000
Umpires	-50	-250
Fixture cards	-110	-150
Licenses	-650	-700
Other junior cricket	-850	-500
Other	-710	-500
EBITDA	9050	8650
Capex	-11000	-7000 (pavilion)
Change in cash	-1950	1650
Depreciation	-2680	-2650
Profit/Loss	6370	6000

We would like to brainstorm and agree guiding principles around the pavilion

- **End-state functionality**

- Fully renovated exterior (guttering, doors, exterior painting, windows as needed)
- Interior
 - Separate kitchen with expanded cabinetry (on walls) and restored hot water
 - Custom-built storage area for scoreboard, slip catch cradle, bowling machine, tea table, etc.
 - 2 changing rooms
 - SAC, on forest side of current building, including all current storage benches
 - Visitors, with no storage, in rear left hand corner of building
 - Updated electricity and wifi

Any additional requirements from Caroline Lambert for storage area to be included

- **Phasing**

- Priority around structural integrity (support beams in current walls), and exterior (gutters, door, ...), likely as first wave
- Windows
- Structuring internal work: electrics and plumbing, floor, ceiling.
- Internal finishing (dividing walls, kitchen fittings, painting, fixtures)

- **Process**

- Working group to take inputs, including from full Club and Caroline, and revert with plan
- At least 2 estimates for any work, and 3 estimates if above €3K
- This phase of work to be completed before May 2020