

Bath City FC Ltd

Accounts, Breakdown and Commentary 2020-21

13 January 2022

Bath City FC Ltd - Unaudited Accounts

	FY20/21	FY19/20	<i>Variance 20/21 vs 19/20</i>
Revenue			
Football Income	233,362	283,734	(50,372)
Commercial	72,418	104,124	(31,706)
Social Club	317	74,200	(73,882)
Market and Stadium Hire	77,174	100,107	(22,933)
Discounts	-	9	(9)
Merchandise & Programmes	14,657	31,926	(17,269)
Lotto	12,881	9,335	3,545
Other	255,427	77,897	177,530
Interest	79	354	(275)
Supporters Club Donations	3,613	13,920	(10,307)
Supporters Society Donations	120	9,595	(9,475)
Sale of assets	-	-	-
Commercial Donations	-	663	(663)
Total Revenue	670,049	705,864	(35,815)
Expenses			
<i>Cost of Sales</i>			
Commerical Cost of Sales	5,674	1,437	4,237
Social Club COS	1,827	42,895	(41,068)
Merchandise & Prog COS	9,863	19,630	(9,767)

	<u>17,364</u>	<u>63,962</u>	(46,598)
<i>Direct Expenses</i>			
Football	429,429	446,522	(17,093)
Commercial	1,814	2,290	(477)
Social Club	44,385	38,165	6,219
	<u>475,628</u>	<u>486,978</u>	(11,350)
Total Expenses	<u>492,992</u>	<u>550,939</u>	(57,948)
Gross Profit/(Loss)	177,057	154,924	22,133
Overheads			
Overheads	99,288	122,316	(23,028)
Bank & Interest Charges	6,020	7,600	(1,581)
Employers NI	24,952	27,699	(2,747)
Depreciation	12,823	12,910	(87)
Bank Loan Interest	1,926	2,091	(165)
Bad debts	882	-	882
Employers Pension	1,584	2,311	(727)
	<u>147,474</u>	<u>174,927</u>	(27,453)
Net Profit/(Loss)	29,584	(20,003)	49,586

Financial year: 1 June to 31 May

BREAKDOWN AND COMMENTARY

Overall commentary

	FY20/21	FY19/20
Overall		
Total revenue	670,049	705,864
Total cost of sales	17,364	63,962
Total direct expenses	475,628	486,978
Total expenses	492,992	550,939
Gross profit / loss	177,057	154,924
Overheads	147,474	174,927
Net profit/ loss	29,584	(20,003)

This report covers the period from 1 June 2020 to 31 May 2021. However, because of the exceptional nature of the 2020/21 season, each section starts with a brief reminder of the Club's performance in previous seasons to give more context.

In the previous three seasons before the season under review, the Club cut its annual net losses from £139K in FY17/18 to £62K in FY18/19, and to £20K in FY19/20. This was primarily driven by a significant increase in football income and steady growth in commercial income, which outpaced increases in direct expenses and overheads.

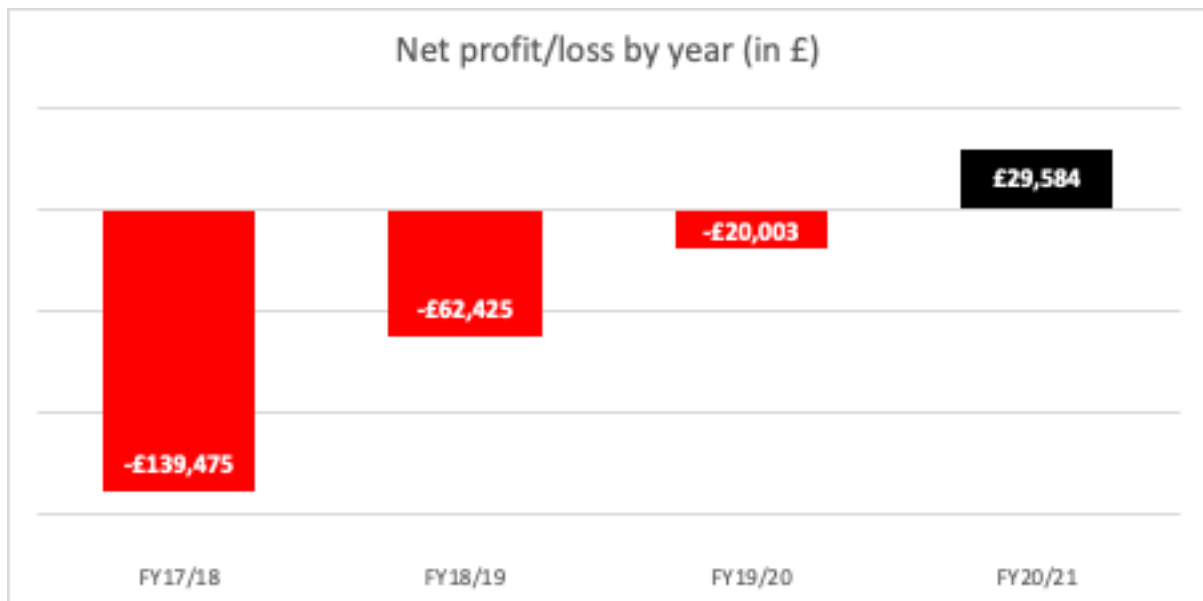
The Club demonstrated remarkable resilience during the season under review, recording a profit of almost £30K. We owe a great deal of this to the incredible support shown by our fans, who responded brilliantly at a very challenging time by donating season tickets, taking part in crowdfunding campaigns and buying all of the merchandise in the club shop. This gave the Club additional headroom and confidence beyond what was provided by various grants.

We also thank our supporters for getting behind us when we sought to convince the National League to cancel the 20/21 season. This has caused short-term pain in the form of League fines and a suspended points deduction, but had the season limped on, we would have likely had to go back to supporters to ask for further funds to carry on. It was a difficult and fast-moving period, with other clubs frequently changing their position, so the solidarity of supporters in our stance was critical in helping us hold the line.

Looking at the 2020/21 accounts, the major change from the previous year is the large increase in Other Income, where we have accounted for the various grants received during the season, as well as the near-total evaporation of Social Club income. In particular, the government's Job Retention Scheme allowed the Club to reduce costs by furloughing the General Manager, caterers and bar staff, as well as the players during the off-season. Grants were received from B&NES in respect of Charlie's and Randall's, as they are classed as entertainment venues. The Club also benefited from National Lottery grants disbursed to all National League clubs.

Overhead costs dropped modestly during the year. On the one hand, no business rates were payable, and the Club's use of electricity, gas, water and sewerage fell significantly. Also,

the General Manager's salary is counted under overheads, which meant that furlough reduced the related cost by 20%. On the other hand, it was necessary to carry out critical repairs and maintenance to meet B&NES requirements, including an electrical installation report, a fire risk assessment and lighting improvements, which offset the decrease in other overhead costs.



FOOTBALL

	FY20/21	FY19/20
Football		
Income	233,362	283,734
Cost of Sales	-	-
Direct Expenses	429,429	446,522
Profit / Loss	(196,067)	(162,788)

NB Football "direct expenses" includes the playing budget plus costs related to management and coaching, physios, training facilities and travel, etc.

In the previous three seasons before the season under review, football income had risen significantly thanks to dramatic increases in matchday attendances. During this time, the Club set annual football budgets (including playing budget, coaching staff budget and performance technology) with the aim of producing teams that can consistently challenge for the National League South playoffs.

During the season under review, football income fell by approximately £50K from the previous season but remained impressively resilient given that the season was played behind closed doors and eventually cancelled in February 2021, with the Club playing only 13 league fixtures. Of the £233K of total football income, around £100K came from supporter donations and crowdfunding, £60K from National League prize money, £22K from cup competition prize money, £17K from a standard Football Foundation grant, £3.7K from our share of cup gates, and £3.5K from livestreaming. This includes the £52K raised by supporters to allow the Club to compete in the playoffs of the 2019/20 season, plus early sales of season tickets for the 2020/21 season following the curtailment of the 2019/20 season (for which we remain very grateful).

Income from player sales represented a relatively small share of the Club's football income, which was in line with past seasons. Note that the 2020/21 figures do not include transfer fees from the sale of Donovan Wilson to Sutton United, which is recorded in the 2021/22 accounts.

The Club's football budget remained at similar levels to past seasons. However, a dip in form saw Bath City sitting in 18th place when the season was cancelled and declared null and void.

Football expenses dropped as the result of the season ending early, which reduced the costs of staging and traveling to matches, and meant that most players and football staff were furloughed for a large part of the year. League fines of £4K are counted as direct football expenses, with a further £1.3K payable to the FA in respect of the legal and professional costs related to our appeal of the fines. Livestreaming costs were about £2.5K plus some equipment expenses, which are recorded under the Commercial category. While offering supporters the opportunity to stream matches did not result in significant direct revenue or profit, it nevertheless enabled season ticket holders to watch matches and kept other supporters connected and in the habit of following the Club, making it a worthwhile investment in future sustainability.

OTHER

	FY20/21	FY19/20
Other		
Income / Profit	255,427	77,897

Grant income was a significant component of the Club's overall revenues for the 2020/21 season. In addition to Job Retention Scheme (aka furlough) income of £133,954, the Club received grants from BANES of £31,271 to compensate for the closure of Charlie's and Randall's as entertainment venues, and grants from National Lottery via the Football Association of £90,197 to compensate for playing behind closed doors. These grants are recorded under Other Income.

COMMERCIAL

	FY20/21	FY19/20
Commercial		
Income	72,418	104,124
Cost of Sales	5,674	1,437
Direct Expenses	1,814	2,290
Profit / Loss	64,930	100,397

In the previous three seasons before the season under review, commercial income steadily grew owing to stronger performance of the shirt sponsor draw and the Club's success in attracting "big ticket" sponsorship deals such as sponsorship of the main stand and of special matchdays such as Community Day.

While commercial income fell by roughly a quarter during the season under review, it was heartening to see that our commercial partners proved to be every bit as loyal as our fans, repaying our investment in building strong long-term relationships. Shirt sponsor draw income held up remarkably well given the situation. Playing behind closed doors, however, made it impossible to sell match and ball sponsorships and other hospitality packages, and had a negative impact on income from hoardings and programme advertising. Commercial cost of sales increased owing to the costs of livestreaming matches.

STADIUM HIRE

	FY20/21	FY19/20
Stadium Hire		
Income / Profit	77,174	100,107

In the previous three seasons before the season under review, the Club made the strategic decision to focus its efforts in securing stable sources of rental income for its physical assets, successfully renting out Charlie's/Randall's to Crossfit gym, office space to WeBuyAnyCar.com and Arcs & Sparks, and car parking spaces to local housing association Curo. This led to a doubling in Stadium Hire revenue, offset by a related decrease in Social Club income.

During the season under review, Stadium Hire income fell by about a quarter as existing tenants used the space less. Crossfit and Arcs & Sparks continued to operate at Twerton Park for much of the period, and the Club also benefited from rental income from a new tenant, Bristol City Women, who played their 2020/21 season at the ground. However, remote working led to decreased revenues from Curo, who left after its contract expired during the reporting period.

(NB At the end of the 2020/21 financial year, Crossfit left Twerton Park for a larger premises, and Bristol City Women moved to another ground having been relegated. Curo no longer rents car parking space. However, Roman Boxing Gym moved into Charlie's and Randall's in August 2021 and is steadily growing.)

SOCIAL CLUB

	FY20/21	FY19/20
Social Club		
Income	317	74,200
Cost of Sales	1,827	42,895
Direct Expenses	44,385	38,165
Profit / Loss	(45,894)	(6,860)

In the previous three seasons before the season under review, Social Club income steadily dropped as the Club increasingly rented its spaces to long-term tenants (with income recorded under Stadium Hire rather than Social Club). Charlie's/Randall's morphed into more of a dedicated matchday bar, with matchday takings increasing thanks to reduced queuing times via the bottle bar and ordering app.

With games being played behind closed doors and large gatherings outlawed, the Club decided to mothball its Social Club spaces during the season under review, meaning that virtually no Social Club income was recorded.

Social Club expenses increased because (a) the salaries of furloughed staff are still listed as Social Club expenses, while the corresponding Job Retention Scheme payments received from the government are listed under Other Income, and (b) cleaning and maintenance staff hours were increased to meet the requirements of Crossfit gym, which continued to operate from Charlie's and Randall's, as well as Bristol City Women, who played their 2020/21 season at Twerton Park.

MERCHANDISE & PROGRAMMES

	FY20/21	FY19/20
Merchandise & Prog		
Income	14,657	31,926
Cost of Sales	9,863	19,630
Profit / Loss	4,794	12,296

In the previous three seasons before the season under review, the Club increased its merchandise income by broadening its range of products, introducing an online shop and pre-selling new items. Sales of merchandise also increased in response to a direct appeal from the Club when the 2019/20 season was curtailed in March 2020, with most merchandise selling out.

During the season under review, merchandise income fell by over half. With no matchday shopping and all sales online, including for programmes, we were cautious about ordering stock. Branded face masks sold well.

ENDS