

Bath City FC Ltd

Accounts, Breakdown and Commentary 2021-22

8 February 2023

Bath City FC Ltd - Unaudited Accounts

	Season 21/22		Season 20/21		Variance between 21/22 & 20/21
	£	£	£	£	£
Revenue					
Football Income	408,437.17		233,362.09		175,075.08
Commercial	101,003.16		72,418.33		28,584.83
Social Club	95,342.92		317.46		95,025.46
Market and Stadium Hire	66,152.25		77,173.71		(11,021.46)
Discounts	(74.98)		-		(74.98)
Merchandise & Programmes	33,828.03		14,657.16		19,170.87
Lotto	14,085.52		12,880.87		1,204.65
Other income	56,929.86		255,426.99		(198,497.13)
Interest	84.26		79.11		5.15
Supporters Club Donations	13,000.00		3,613.25		9,386.75
Supporters Society Donations	-		120.00		(120.00)
Total Revenue	788,788.19		670,048.97		118,739.22
Expenses					
<i>Cost of Sales</i>					
Commerical Cost of Sales	8,551.27		5,674.28		2,876.99
Social Club COS	44,259.85		1,826.86		42,432.99
Merchandise & Prog COS	21,161.41		9,862.73		11,298.68
	73,972.53		17,363.87		56,608.66
<i>Direct Expenses</i>					
Football	510,101.17		429,429.28		80,671.89
Commercial	25.97		1,813.84		(1,787.87)

Social Club	<u>47,451.69</u>	<u>44,384.52</u>	3,067.17
	557,578.83	475,627.64	81,951.19
Total Expenses	<u>631,551.36</u>	<u>492,991.51</u>	138,559.85
Gross Profit/(Loss)	<u>157,236.83</u>	<u>177,057.46</u>	(19,820.63)
Overheads			
Overheads	176,000.17	99,287.79	76,712.38
Bank & Interest Charges	11,595.29	6,019.65	5,575.64
Employers NI	34,646.83	24,951.82	9,695.01
Depreciation	12,394.46	12,823.00	(428.54)
Bank Loan Interest	2,836.72	1,925.58	911.14
Bad debts	1,501.40	881.95	619.45
Employers Pension	<u> </u>	<u>1,583.80</u>	(1,583.80)
	<u>238,974.87</u>	<u>147,473.59</u>	91,501.28
Net Profit/(Loss)	<u>(81,738.04)</u>	<u>29,583.87</u>	(111,321.91)

Financial year: 1 June to 31 May

BREAKDOWN AND COMMENTARY

Overall commentary

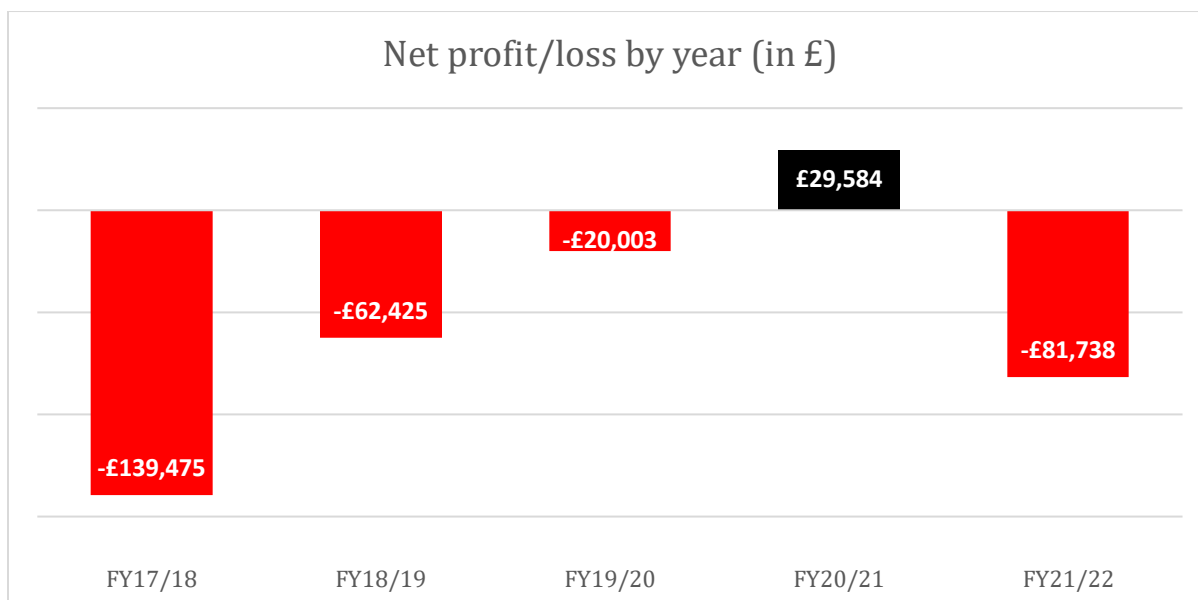
	FY21/22	FY20/21
Overall		
Total revenue	788,788	670,049
Total cost of sales	73,973	17,364
Total direct expenses	557,579	475,628
Total expenses	631,551	492,992
Gross profit / loss	157,237	177,057
Overheads	238,975	147,474
Net profit/ loss	(81,738)	29,584

The 2021/22 season saw the return of spectators to Twerton Park after a COVID-curtailed season played behind closed doors and cancelled in February. While our capacity was restricted for the preseason friendlies, the Club was otherwise back to normal operations. At the same time, the shadow of COVID continued to hang over the 2021/22 season: while our costs returned to something like business as usual (plus additional expenditure on required ground improvements), some revenue streams recovered more slowly. There was a lot of uncertainty as to whether the season would even kick off, and the spread of the Omicron variant also at times threatened to derail the recovery.

The headline change from a £30K profit in 2020/21 to a £82K loss in 2021/22 is less calamitous than it seems at first glance, as the money raised by crowdfunding for ground improvements was recorded as income in 2020/21 and mostly spent in 2021/22. This included around £19K spent on necessary ground improvements, including reinforcing the pillars on the Popular Side, work and testing on the crush barriers and Fire Brigade testing, as well as upgrading the PA. Employers National Insurance increased as furlough ended and salary costs returned to normal levels, and there were some increases in overheads owing to cost-of-living pay increases. Starting from a stronger cash position in 2021/22 allowed us to make these investments.

At the same time, we don't want to downplay the financial challenges the club faced during the COVID period. Over the past two years of COVID-disrupted seasons, the club effectively suffered a combined loss of £52,154. It's not great news, but it could have been a lot worse. This was a severely challenging time for everyone involved in running the Club, and we remain eternally grateful for the support of the fans who have shored up the foundations through crowdfunding, donating season tickets and spending their hard-earned money at Twerton Park.

[NB The Club received a one-off non-refundable deposit of £50,000 on signing a Development Agreement with former development partners Greenacre Capital, which is recorded under "Other Income" and reflected in total revenue. This was used to pay related legal costs of £45,225, which is recorded under overheads. This should be taken into consideration when comparing total revenue and overheads across seasons.]



FOOTBALL

	FY21/22	FY20/21
Football		
Income	408,437	233,362
Cost of Sales	-	-
Direct Expenses	510,101	429,429
Profit / Loss	(101,664)	(196,067)

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

Football income returned to healthy levels as crowds came back in great numbers. Gate revenue increased significantly, with the "welcome back" day attracting the biggest opening day crowds since the 1970s, and attendances averaging above 1000 all season, outperforming the last non-COVID season in 2018/19, despite the men's team finishing in 18th place in the league. Also, unlike 2020/21 when Donovan Wilson was sold, there were no significant player sales in 2021/22.

Football expenses increased from £429K to £510K as the Club returned to "business as normal". The increase reflects the fact that we were able to play out a full season, whereas the previous season had been curtailed. This obviously increased player wages, as well as travel costs, win bonuses and other operating expenses. Also, all Club staff including players had taken an 20% pay cut during the 2020/21 season and were restored to full pay during the 2021/22 season.

COMMERCIAL

	FY21/22	FY20/21
Commercial		
Income	101,003	72,418
Cost of Sales	8,551	5,674
Direct Expenses	26	1,814
Profit / Loss	92,426	64,930

Commercial income recovered impressively to over £100K in 2021/22, given the massive turmoil and uncertainty that local businesses were facing at the time. The shirt sponsor draw was a success, and businesses continued to buy matchday sponsorships despite lingering nervousness about face-to-face gatherings. The main focus during the season was getting past sponsors back on board and trying to overcome the disruption of the previous season, which was challenging. The 2021/22 season also saw the expansion and restructuring of the commercial team, which laid the groundwork for significant partnerships, including sponsorship to create the women's team, that have come to fruition in the current season.

STADIUM HIRE

	FY21/22	FY20/21
Stadium Hire		
Income / Profit	66,152	77,174

Stadium Hire fell in 2021/22 as Curo suspended its car park hire arrangement (although happily returned this season) and Crossfit Gym outgrew the space and moved on. This was offset by the arrival of Roman Boxing Gym in July 2021, who have gradually increased their use of the facilities and now use the space six days a week, paying more rent as they have grown. Roman Boxing Gym's focus on affordability, inclusion and engaging young people also fits our social mission as a community-owned club. We also host the Forget Me Not dementia charity, Arcs & Sparks and WeBuyAnyCar.

While Stadium Hire revenues have been slow to recover, we continue to believe that seeking to attract stable long-term rentals of our clubhouse facilities remains the best strategy for maximising income from Twerton Park on non-matchdays.

SOCIAL CLUB

	FY21/22	FY20/21
Social Club		
Income	95,343	317
Cost of Sales	44,260	1,827
Direct Expenses	47,452	44,385
Profit / Loss	3,631	(45,894)

Social Club revenues were down to previous levels, turning just a small profit of £3.6K. As explained in the commentary of past accounts, the Club shifted its strategy early on from trying to use its facilities to make money from events, to hiring it out to long-term tenants. This means that the bulk of Social Club income comes from matchdays. While losses on the

pitch did not have a notable impact on gate revenues, more people tend to stay in Charlie's after a match when we win, so bar takings may have been affected. That aside, however, we feel we have more or less reached the limit of what can be done with Charlie's/Randall's on a matchday in terms of income (e.g. pre-ordering, the bottle bar, post-match interviews etc), and as such began to make plans for an outside bar in order to increase matchday revenues (see below).

It's also worth noting that Social Club costs include two part-time salaries of roughly 1.5FTE, plus casual bar staff. The two part-time employees also support the general management of the facilities during the week, which supports market and stadium hire income, but are recorded under Social Club.

MERCHANDISE & PROGRAMMES

	FY21/22	FY20/21
Merchandise & Prog		
Income	33,828	14,657
Cost of Sales	21,161	9,863
Profit / Loss	12,667	4,794

Unsurprisingly, income from Merchandise and Programmes doubled compared to the previous season as fans returned to Twerton Park and were able to access the club shop. The Club also continued to offer online sales. More importantly, both profit and income from Merchandise and Programmes slightly exceeded pre-COVID levels, despite the Club being more cautious about loading up on stock, which is an encouraging sign.

OTHER

	FY21/22	FY20/21
Other		
Income / Profit	56,930	255,427

The Club received a one-off non-refundable deposit of £50,000 on signing a Development Agreement with former development partners Greenacre Capital. This was used to pay related legal costs of £45,225, which is recorded under overheads. Other income also includes a final payment of £6,775 from the government's Job Retention Scheme (furlough).

In terms of year-on-year comparison, it's worth noting that Other Income in the previous season was atypically high, with bulk of it coming from Job Retention Scheme payments, National Lottery grants and other local government support related to COVID-19.

OUTLOOK FOR THE CURRENT SEASON

The Club continues to face several challenges in the 2022/23 season. Trading conditions are difficult and cashflow pressures are mounting. Costs are rising faster than even our best estimates, with energy in particular going through the roof. Pitch maintenance is now undertaken by Bath Recreation Ground Trust, which also represents a new cost, albeit at low rates. We have also lost significant income from an unusual number of postponed matches, with rearranged evening matches attracting 30-40% lower crowds and reduced bar and hospitality income.

On the plus side, attendances have remained broadly level so far, and we still have Community Day to come. The creation of a women's team is a remarkable achievement for the Club. Backed by significant sponsorship from Novia Financial, the women's team is now more than covering its costs, while also enhancing the Club's overall appeal to sponsors.

We have also increased our Social Club income potential by opening the Stripes bar inside the ground, which is already significantly increasing overall matchday bar revenue and enhancing the matchday experience for many fans. We are exploring options for extending the outside bars to other parts of the ground, while always being mindful of safety and the need to create a welcoming atmosphere for families. Shirt sales are especially strong this season, which is expected to significantly boost Merchandise and Programme income.

After five years of community ownership, the Club undertook a review and restructure of the roles and responsibilities of its paid staff and volunteers late last year. The General Manager role has been restructured, with Carole Banwell taking the chance to reduce her hours and moving to the revenue-generating position of Partnerships Manager working with the commercial team, and Community Director Jane Jones taking the role of Interim Head of Stadium. This restructure has resulted in cost savings and better meets the evolving needs of the business. Enormous thanks are due to Carole for all her hard work over the past five years in transforming the matchday experience and putting Bath City FC on the map locally, and we are very happy that she continues to play an important role for the Club.

While it's important to recognise and celebrate these positives, there is no question that times are tough. Plans for a redevelopment have been stalled, with any future scheme likely to be more modest in scope than originally hoped for. We will have to do things differently in the coming years, and the Club Board is now developing a fresh set of plans for the future.