



# Kent County Rugby Football Union Ltd

## Report of the proceedings of the Financial Annual General Meeting held online on Tuesday 14<sup>th</sup> December 2021

### Those present:

Roger Clarke, Chair KCRFU  
Doug Hursey, President, KCRFU  
Ben Ashby, Hon. Treasurer, KCRFU  
Nigel Fray, Hon. Secretary, KCRFU  
Adam Cottingham, RFU CB Relationship Manager  
Mark Finnis, RFU Club Developer  
Peter Dessent, Life Vice-President, KCRFU  
Jarrod Lawrence, Dartfordians RFC  
Tony de Guingand, Tonbridge Juddians RFC  
Alan Thompson, Blackheath FC

**Apologies:** Stephen Barry; Graham Bough; Gordon Elliot; Tony Power; Andrew Mayer; Roland Morely; Graham Smith; Giles Hilton; Christopher Piper; Lin Neal; Steve Uglow; Eric Watts; and Sylvia Taylor.

**Roger Clarke (Chair)** welcomed those present. He remarked that holding the Financial AGM in December, rather than as part of the AGM in June, provided the CB with the opportunity to present its members with a fully audited set of annual accounts. This would enable those present, should they wish to do so, to interrogate the Executive Committee in greater detail.

### 1. To receive the Company's Financial Statement for the year ended on 30th June 2021 and the Auditors' report thereon and to make any suitable order in respect thereof.

**Ben Ashby (Hon. Treasurer)** highlighted the key points arising from the accounts. The balance sheet stands at £586,014, compared with £530,020 for 2019-20. Net current assets stand at £249,712 for 2020-21, against £279,157 for 2019-20.

He explained that due to significantly reduced income received from the RFU in 2020-21 arising from the Covid pandemic, the KCRFU's core income had produced a corresponding collapse, falling from £207,105 in 2019-20 to £42,505 in 2020-21. However, this reduction had been offset by substantial capital gain of £132,011, arising from the CB's investment portfolio; this had accrued a Corporation Tax liability of £23,000, which the CB had tried to reduce, but there had been little room for manoeuvre to do so. The CB had also reduced its expenses, particularly those relating to administration costs (the departure from Worrall House and consequent saving in rent, and a move to a cheaper, Cloud-based accounting system). He noted that the balance sheet will substantially reduce to a more typical level over the coming months as Covid Relief Fund grants, etc. unwind.

### 2. To hear any other relevant financial matter for the consideration of the County Committee during the ensuing year, but on which no voting shall be allowed.

The Executive Committee had, during the financial year, agreed to change its investment strategy, moving away from its previous conservative approach, with a legacy portfolio bifurcated between a high component of cash and US tech shares. The change in strategy had been predicated on concerns about the valuations around the US tech shares, as well as the collapse of interest rates, combined with

rising inflation, which the Committee viewed, would damage the CB's cash portfolio's 'real value' over time and generating low levels of income.

The new investment strategy therefore is simpler, based upon clear objectives: income; growth, and lower risk. Due to tax considerations, the CB will continue to hold some legacy shares for a while. However, due to the Executive Committee's more prudent approach, its revised portfolio will rely less on relatively riskier Chinese investments and use lower risk investment trusts, as opposed to holding bonds. Overall, the Committee anticipated that investment income uplift will be c.£12k per annum (or c.£15k over the next 12 months).

As regards priorities for 2021-22, the Committee will be looking to implement the new financial monitoring & insolvency obligations changes to RFU Regulation 5 (Finances) and its accompanying Guidance for CBs. It will also look to improve update its key policies and governance procedures, not least to take account of value for money considerations and to mitigate against conflicts of interest. Finally, the Committee will be going out to tender to retain a new accountant, ensuring that the principles of value for money, etc. are applied to the tendering process.

### **3. To comment on the financial position of Kent County RFU.**

The following questions were raised by those present:

Tony de Guingand asked why accruals and deferred income is so high. He also noted that his club, Tonbridge Juddians RFC, has received local authority and Sport England grant funding; he queried what the tax implications for the club might be as a consequence.

**Ben Ashby** explained that not all the money allocated from programme spend into the Covid Relief Fund has been used, so would revert to programme budgets in the new financial year. As regards Tonbridge Juddians RFC's possible tax liability, this would likely depend upon its legal entity status. He advised that it would be helpful for the club to contact the RFU's tax advisor, to seek clarification. **Adam Cottingham** agreed to follow up this query within the RFU and report back to TJRFC.

Peter Dessent asked why the composition of the balance sheet had altered compared with previous years.

**Ben Ashby** explained that the methodology underpinning the structure of the balance sheet reflected a rationalisation of budget lines and the transition from a desk- to Cloud-based accounting system.

Jarrold Lawrence asked by when the level of RFU funding for the Community Game will return to pre-pandemic levels.

**Roger Clarke** said that 85 per cent of the RFU's income is derived from international matches ticket sales and hospitality. Covid had reduced funding to the Community Game from c.£30 million to £14 million. The RFU's Chief Financial Officer, Sue Day, has anticipated that RFU revenue will recover within 4 years, although this will be dependent upon the pandemic and its associated restrictions easing. During lockdown it was encouraging that many clubs in Kent benefitted from taxpayer funding (grants and loans), to remain viable. He doubted, however, that RFU funding, e.g. for large facilities projects will be available for some time. The KCRFU, as evidenced by the annual accounts, remains in a sound financial position, relative to other CBs, which will enable it to offer as much support as possible to clubs over the short- to medium-term.

**Approval of the 2020-21 accounts:** The annual accounts of the KCRFU were approved by consensus.

#### **Any other business**

**Peter Dessent** commended Ben Ashby on his first year as the CB's Hon. Treasurer and thanked him for a comprehensive and informative presentation.

**Roger Clarke** observed that the virtual meeting had been relatively better attended compared with previous years' physical meetings. The Executive Committee will reflect as to whether virtual meetings should remain the default in the future.

The meeting closed at 19.25hrs.

**Nigel Fray**  
**Hon. Secretary**