

Avoca Hockey Club Ltd – Financial Report, May 2016

Summary:

- In the 2015/16 financial year (June 2015 to May 2016) the Club is expected to make a loss of €13,300, reflecting a combination of lower than expected revenue and higher than forecast expenditure;
- Given the Club carried outstanding arrears of €4,070 into this financial year, it is expected to end the year with a closing reserves deficit of €17,400. This will be financed by delaying the payment of some outstanding bills (see Balance Sheet below);
- Revenue is expected to have increased by around €30,700 to €170,800, with large gains in Subscriptions and Pitch Rental;
- Although significant, this increase was still almost €5,000 below expectations. Were it not for the decision to extend the colts season (bringing in around €9,500 in gross terms) the gap would have been substantially bigger. Notably fundraising fell around €15,000 below the target that was set for the year;
- Expenditure is expected to grow by €67,600 to €184,100. While a large increase was anticipated - reflecting the costs of Sion Hill (€27,670 directly), legal fees and higher coaching costs to take account of the larger colts section - the actual outturn was nevertheless €8,400 higher than budgeted;
- While there were a lot of moving parts, the overspend primarily reflected developments which could not have been foreseen or delayed; outstanding maintenance costs linked to the old pitch management arrangement, higher insurance premiums, large increase in electricity costs, coaching costs linked to the season extension and the requirement to buy a new goal.

Challenges Ahead:

- It is vital that (i) spending is brought into line with revenues and (ii) a sinking fund is established to cover the type of unexpected pitch related expenditures we saw this year;
- With this in mind a balanced budget has been set for 2016/17 which excludes fundraising from revenue. Any fundraising that does take place will then be used to run down the negative balance and, when this is complete, start building a sinking fund;
- As the figures in the Income and Expenditure account highlight, delivering a balanced budget will require a significant drop in expenditure next season. It should be achievable, however, through a very large reduction in development spending, coupled with smaller declines in electricity, coaching, legal fees and equipment.

Income & Expenditure Account

	2015 €	2016 €	Change
Opening reserves balance	-27671	-4074	
Income			
Subscriptions	95339	123070	27731
Sponsorship	12000	9900	-2100
Other	5252	5674	422
Pitch Rental	13860	22070	8210
Newpark Income	4048	4600	552
Fundraising	9593	5480	-4113
Total Income	140092	170794	30702
Expenditure			
Newpark Pitch Loan	9078	12104	3026
Pitch Maintenance	6162	5169	-992
Electricity	11681	15886	4205
Pitch Insurance	5618	7067	1449
Loreto Foxrock Pitch Rental	6400	6400	0
Sion Hill Costs		25861	25861
Legal Fees	6197	6201	4
Coaching Colts	23328	36009	12681
Coaching Senior	20000	24250	4250
Club Development	2250	16126	13876
Affiliation Fees	9258	9690	433
Miscellaneous	3367	1844	-1523
MyClubFinances Fees	3283	4705	1422
Insurance - Players	3938	4150	213
Equipment	4025	6467	2442
Umpire Fees	1080	1038	-43
Bank Fees	183	422	239
Fines	40	130	90
Website Fees	609	609	0
Total Expenditure	116495	184127	67633
Total Profit / Loss	23597	-13333	-36930
Closing reserves balance	-4074	-17407	

Balance Sheet

	2015€	2016 €
Current Assets		
Bank Account	16326	
Debtors	0	0
Creditors: Due in One Year		
Accruals	20400	18200
Loan		
Net Current Assets	-4074	-18200
Net Assets	-4074	-18200
Capital and Reserves		
Reserves	-4074	-18200
Debtors		
Sponsorship		
Subs		
Creditors		
Equipment		250
Deferred Revenue	3970	
Colts Tours	821	
Pitch Rental	6400	6400
Pitch Maintenance	4940	2500
Legal Fees	3721	
Misc	549	
Coaching		2800
Development		250
Sion Hill Loan		6000
Loan		
Short Term Loan		

Income & Expenditure Account

	2016 ACTUAL (1)	2016 BUDGET (2)	(1) – (2)
Opening reserves balance	-4074		
Income			
Subscriptions	123070	122000	1070
Sponsorship	9900	12400	-2500
Other	5674	3000	2674
Pitch Rental	22070	13308	8762
Newpark Income	4600	4600	0
Fundraising	5480	20500	-15020
Total Income	170794	175808	-5014
Expenditure			
Newpark Pitch Loan	12104	12104	0
Pitch Maintenance	5169	2000	3169
Electricity	15886	11681	4205
Pitch Insurance	7067	5618	1449
Loreto Foxrock Pitch Rental	6400	6400	0
Sion Hill Costs	25861	27666	-1805
Legal Fees	6201	3000	3201
Coaching Colts	36009	33500	2509
Coaching Senior	24250	28000	-3750
Club Development	16126	15000	1126
Affiliation Fees	9690	9258	433
Miscellaneous	1844	6000	-4156
MyClubFinances Fees	4705	4500	205
Insurance - Players	4150	4150	0
Equipment	6467	4025	2442
Umpire Fees	1038	2000	-963
Bank Fees	422	183	239
Fines	130	40	90
Website Fees	609	609	0
Total Expenditure	184127	175733	8394
Total Profit / Loss	-13333	75	-13408
Closing reserves balance	-17407		